

AZERBAIJAN

Socio-economic indicators

	2002	2005
Income and poverty		
• GDP (million, constant 2000 USD)	6 409	9 911
• Annual GDP growth rate 2002-2005 (%)		14.8
• GDP per capita (PPP, constant 2000 international dollars)	3 097	5 016
• Poverty rate (% of pop. below USD 2/day)	33.4 ^a	
Demography		
• Population (million inhabitants)	8.17	8.39
• Urban population (%)	51.1	51.5
Economic structure (as % of GDP)		
• Agriculture	15.2	12.3
• Industry	50.2	55.4
• Services	34.6	32.3
Exports (% of total exports)		
• Agricultural products		5.6
• Fuels and mining products		85.8
• Manufactures		8.6
Financial flows		
• FDI (inward flows as % of GDP)	22.3	13.4
• ODA (% of GNI)	5.8	1.9

a) or closest available year.

Data based on PPP, constant 1993 international dollars.

Note: An international dollar has the same purchasing power over GDP as the USD has in the United States.

The poverty rate is the percentage of the population living on less than USD 2.15 a day at 1993 international prices.

Source: UNCTAD, World Bank, WTO.

Environmental priorities

The **1998 NEAP** identifies four priority categories (divided into 32 objectives):

1. Pollution from industrial production (oil exploration and production, energy, transport, other sources).
2. Caspian Sea.
3. Forestry, land and biodiversity.
4. Institutional development.

The **2003 PPRED** (State Programme on Poverty Reduction and Economic Development) includes environment as one of the national priorities. It mentions environmental conditions as a cause of poverty and as a tool to reduce it. The PPRED identifies the following main environmental problem areas:

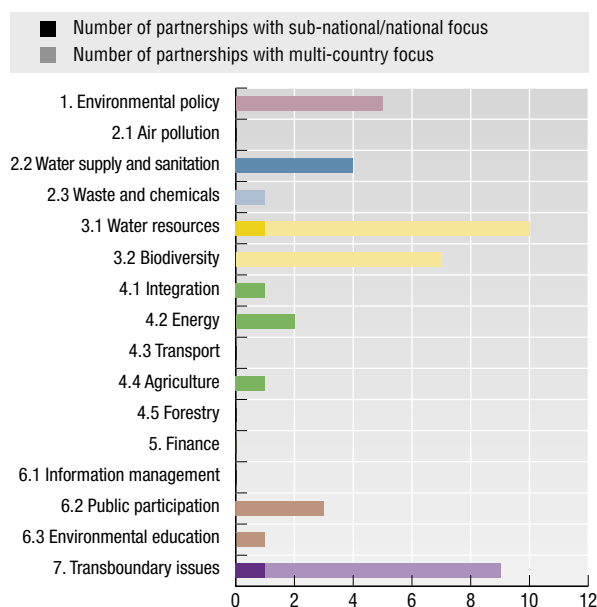
1. Water resources.
2. Land.
3. Air.
4. Forest.
5. Caspian Sea.

International co-operation

Azerbaijan's main environmental co-operation partners are GEF, World Bank, UNDP, EU, Germany, Japan, the US, the UK, Switzerland and Turkey.

Number of registered partnerships

Azerbaijan

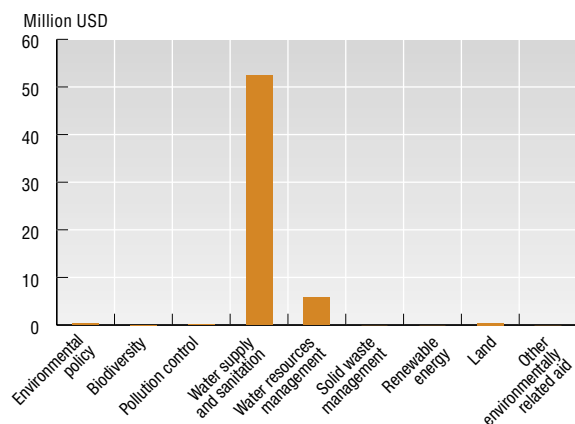


Note: The chart includes only the partnerships registered in the EECCA Partnerships Database as of 31 March 2007.

Source: EECCA Partnerships Database.

International assistance for environment

Environment-related ODA/OA to Azerbaijan, 2003-05



Source: OECD DAC Aid Activity database, donors and IFIs reporting

Implementation highlight

BIODIVERSITY CONSERVATION

Biodiversity conservation is one of the environmental policy priorities of Azerbaijan. To reverse negative trends, the Ministry of Ecology and Natural Resources has decisively increased the number and size of protected areas. Between 2003 and 2005, protected land doubled, increasing from 4% to 8% of the country's total land area, reaching a total of over 604 000 hectares. In addition, new legislation including stricter penalties has been issued to combat poaching. As a result, the population of red-listed species has noticeably increased – between 2002 and 2005 the number of gazelles increased by 60%, the number of bezoar goats by 53% and the number of wild cats by 24%.

Source: Ministry of Ecology and Natural Resources of Azerbaijan.

Policy matrix

The following two pages summarise actions taken by the Government of Azerbaijan that contribute to achieving the objectives of the EECCA Environment Strategy. Unless otherwise stated, information is taken from the EAP Task Force Questionnaire. Accordingly, the period covered is June 2003-June 2006 for qualitative information and 2002-2005 for quantitative information.

The other sources referred to in the matrix are:

- (1) Report to the Convention on Biological Diversity.
- (2) Report to the Aarhus Convention.
- (3) EPR of Azerbaijan.
- (4) Report to the Basel Convention.
- (5) Main text of this report (see thematic chapters for sources consulted).
- (6) Additional information provided by the Ministry of Ecology and Natural Resources of Azerbaijan.

Considerable efforts were made to bring out relevant information, but the policy matrix is not exhaustive.

AZERBAIJAN ENVIRONMENTAL

	Institutional strengthening (re-organisation, system creation, staffing, training, equipment)	Planning (SoE monitoring, analyses, targets, action plans, performance monitoring)	Command-and-control instruments (bans, direct regulation, permitting)
Air pollution	<ul style="list-style-type: none"> Hydrometeorology programme developed for 2003-2010 (3) 	<ul style="list-style-type: none"> Nine monitoring stations repaired and modern analytical devices purchased (6) 	<ul style="list-style-type: none"> Special air pollution permits issued (6)
Water supply and sanitation	<ul style="list-style-type: none"> Integrated WSS structure created (6) 		
Waste and chemicals	<ul style="list-style-type: none"> Harmonised system to classify and label chemicals created 	<ul style="list-style-type: none"> Waste strategy formulated Hazardous waste management strategy formulated (4) Programme to support improved agrochemicals management approved 	<ul style="list-style-type: none"> Ban on hazardous waste terminated and special license introduced (6) List of regulated ozone depleting substances issued and licensing procedures developed (6)
Water resources		<ul style="list-style-type: none"> Caspian Sea Framework Convention adopted National Caspian Sea Action Plan developed (6) 2 laboratories to monitor the state of transboundary waters set up (6) 	<ul style="list-style-type: none"> Presidential Decree on coastal zone use issued (1) Special water permits issued (6)
Biodiversity	<ul style="list-style-type: none"> Staff working on protected areas increased by 30% to 614 	<ul style="list-style-type: none"> Fauna monitored yearly (6) PEEN pilot project carried out (5) Biosafety Protocol ratified (5) 	<ul style="list-style-type: none"> 4 new protected areas established Protected area doubled from 4 to 8% of territory (6) Fines for damaging fauna increased (6)
Integration into key economic sectors	<ul style="list-style-type: none"> Staff working on integration issues in MoE increased from 10 to 13 	<ul style="list-style-type: none"> Baku urban transport programme designed (6) Programme to expand renewable energy developed Environmental targets introduced in agriculture strategy (5) 9 JI/CDM project proposals developed Programmes to improve biodiversity management in the agricultural sector developed Programme to improve soil management developed 	
Cross-cutting	<ul style="list-style-type: none"> Budget of MoE doubled (6) Salary of Ministry staff increased three-fold. 	<ul style="list-style-type: none"> Comprehensive Action Plan to Improve the Environment for 2006-2010 developed (6) Latest agriculture strategy includes environmental targets EPR undertaken (3) 	

POLICY MATRIX

Market-related instruments (property rights, tariffs, charges, taxes, deposit-refund schemes, trading)	Information-related instruments (labelling, information disclosure, public participation, education, technical advice)	Direct provision of services (investment programmes, funding)	
<ul style="list-style-type: none"> • Tax on petrol increased by 11% • Tax on diesel increased by 112% (to reach a level of 85% of petrol tax) 	<ul style="list-style-type: none"> • Advice provided through new Climate Change and Ozone Centre (3) • Daily air pollution data and bulletins provided through website (6) • Air pollution awareness campaign carried out (5) 	<ul style="list-style-type: none"> • Investment programme for improving road traffic (underground passages, beltways) launched in Baku (6) 	Air pollution
<ul style="list-style-type: none"> • Water tariff for households increased by 95% to 0.072 lcu/m³ • Over 5% of population now served by utilities under performance-based contracts (5) 		<ul style="list-style-type: none"> • 2 new WSS pipelines built (6) 	Water supply and sanitation
	<ul style="list-style-type: none"> • Regulation on information on correct use of chemicals approved 	<ul style="list-style-type: none"> • % of waste collected increased by 20 percentage points • Capacity for municipal waste disposal in sanitary landfills increased by 14% to 230 000 m³ • Landfill for hazardous waste built (6) 	Waste and chemicals
<ul style="list-style-type: none"> • Average water tariff increased by 49% 			Water resources
<ul style="list-style-type: none"> • Hunting license fees increased (6) 	<ul style="list-style-type: none"> • Training and education centres for staff and visitors created in national parks (6) 	<ul style="list-style-type: none"> • Expenditures for managing protected areas increased by 130% • Centres for wildlife rehabilitation created (6) 	Biodiversity
			Integration into key economic sectors
<ul style="list-style-type: none"> • Amount collected by environmental levies increased by 54% 	<ul style="list-style-type: none"> • Environmental education programmes now available also at pre-school level • Environmental education teaching materials reflecting national conditions developed • Environmental education training programme for teachers available • Aarhus Information Centre established (2) 		Cross-cutting