

Improved Support for Entrepreneurship Development in Rural Areas in Azerbaijan

Start date: 1st May 2019

State of the project at 30th April 2020

The background to the project is the Government's aim to diversify the economy and reduce the country's dependence on the oil and gas sectors by the development of the indigenous manufacturing, tourism and agricultural sectors. Concentrating the effort in the rural areas will also have the effect of slowing the population drift to the capital city, Baku, and invigorating the non-urban areas.

The project was launched on 8 May 2019 and will end in October 2021 (a period of 30 months). The Technical Assistance Team has just completed its first six months work.

The beneficiaries of the project are the newly-established Small & Medium Business Development Agency and Enterprise Policy Department of the Ministry of Economy the Contracting Authority is the Delegation of the European Union to Azerbaijan.

The implementing consortium is led by CTC and includes AVENSA (Romania), IKADA (Turkey) and EKVITA (Azerbaijan). The Contract Manager is Mr. Angel Martinez Sanmartin from CTC.

The Technical Assistance team is comprised of two experts, John Toner and Omer Cengiz Celebi, working with Project Director Bertino Fabro and supported by international, Turkish and Azerbaijani experts who carry out short-term assignments on a range of specific topics.

Under the terms of reference, there are four result areas:

- Strengthened institutional capacity of government and business incubators to formulate & implement a sustainable business incubation model
- Modern tools and services for business incubation that will allow business incubators to effectively support entrepreneurship in rural areas
- Expanded outreach of entrepreneurial learning through a dedicated e-learning platform

 A value-added chain uniting structures from the public and private sectors in support of the rural entrepreneurial ecosystem

Implementation is being carried out under 28 activities, all of which must be completed to ensure the project's success. At 30 April 17 of the activities were either completed, in progress or awaiting approval by the beneficiary and the challenge for the team is maintaining the momentum in all the remaining 11.

The First Year

Following the submission of the Inception Report in July 2019 the TA Team has prepared and launched a wide range of assignment to undertake the extensive list of tasks required to fulfil the project

In the first twelve months of the operation the team has:

- prepared the foundation for a communication and visibility plan
- prepared an assessment of the current state of business incubation in the country
- prepared an in-depth assessment and recommendations for future business incubator development
- prepared a suite of manuals (a toolkit) for successful operation of current and future business incubators
- carried out a training needs analysis of SMEs and potential entrepreneurs in rural areas (especially women entrepreneurs)
- developed and delivered a training of training programme to organisations with an interest in women's entrepreneurship and then supported the new trainers in delivering entrepreneurial training to groups of women in rural areas
- carried out an assessment of EU e-learning experiences
- prepared the necessary information and promotional materials for the proposed elearning platform
- prepared an analysis of the issue of multiple stakeholder engagement
- drafted a stakeholder engagement strategy
- supported the development of a multi-stakeholder platform and facilitated the meetings of the platform members
- carried out programmes of capacity development of national and regional business associations

Some activities have been interrupted by the Covid-19 pandemic and will be brought to conclusion as soon as health issues permit.

The Next Six Months

In the next six months the emphasis will be on concluding the activities currently underway and launching the next tranche, which will include:

- a study visit to the EU for SME sector stakeholders
- a training programme on SME policy development for ministries and agencies
- production of topic-specific mentoring modules and training materials
- development of entrepreneurial skills among young people
- development of entrepreneurial awareness among second level students

- supporting SMBDA in
 - o the design, development and content of the e-learning platform
 - o the production of user manuals for the platform software
 - o the development of e-learning packages for disabled and elderly people

New Challenges

In addition to the disruption caused by the Covid-19 pandemic, the TA Team faces a number of challenges brought about by significant changes in the project environment, especially in the areas of business incubation facilities and the delivery of development services to SMEs. Responding to these changes will require the TA team to re-design a number of the initiatives in consultation with the project beneficiaries and the contracting authority. This will be a major focus in the coming months.





