



## ANNEX 86

*Twinning Project AZ/13/ENP/SO/24*

**Support to the State Social Protection Fund on the introduction of funded element within the insurance-pension system, establishment of non-state pension funds and development of legal framework for regulating their activity**

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RESIDENT TWINNING ADVISER

**Launching conference of EU funded project**

Thursday, the 5th of June, 2014



Gesellschaft für  
Versicherungswissenschaft  
und -gestaltung e.V.



# Objective and Project Purpose

- Overall objective

Development of the insurance-pension system in Azerbaijan.

- Twinning Project Purpose

To enhance capacity of the State Social Protection Fund (SSPF) to establish the regulatory, legal and administrative framework for the introduction of a funded element in the insurance-pension system and the establishment of non-state pension funds.

# Mandatory Results

1. Relevant pieces of legislation elaborated for establishment of the funded component in the state pension system;
2. Technical description of the mechanism for accumulations and management of the funds on the individual funded accounts elaborated;
3. Relevant pieces of legislation elaborated to facilitate the development of non-state pension institutions;
4. Capacity of the relevant SSPF staff enhanced through training and coaching to ensure effective launch and implementation of the funded component in the state pension system;
5. A communication strategy elaborated to raise public awareness concerning the new funded component of the state pension system.

# Project two main components and activities relating to both components

## Component 1

Capacity building aimed at  
implementation of the funded component  
in the state insurance pension system  
("second pillar")  
(to achieve the first and the second  
results)

## Component 2

Capacity building aimed  
at the development  
of non-state pension funds  
("third pillar")  
(to achieve the third result)

## **Capacity building activities**

(to achieve the fourth result)

## **Public awareness raising activities**

(to achieve the fifth result)

## Component 0

# Planned activities to achieve the first Mandatory Result

Activity 1.1. Carrying out the study on demographical, economic situation of Azerbaijan.

Activity 1.2. Development of a blueprint of the funded component in the multi-level state pension system.

*Sub-activity 1.2.1. Conducting a two-day workshop with relevant staff of SSPF.*

*Sub-activity 1.2.2. Development of a detailed blueprint of the funded system.*

Activity 1.3. Development of the legislation in relation to the funded component in the multi-level state pension system.

*Sub-activity 1.3.1. Drafting the legislation in relation to the funded component in the multi-level state pension system.*

*Sub-activity 1.3.2. Workshop on the legislative proposals with the relevant stakeholders.*

*Sub-activity 1.3.3. Finalisation the legislation in relation to the funded component in the multi-level state pension system.*

# Planned activities to achieve **the second Mandatory Result**

Activity 2.1. Thorough assessment of management processes and IT systems of the SSPF.

*Sub-activity 2.1.1. Analysis of management processes of the SSPF.*

*Sub-activity 2.1.2. Analysis of the IT systems.*

*Sub-activity 2.1.3. Development of the recommendations.*

Activity 2.2. Development of the mechanism for accumulations and management of funds on the real funded accounts.

*Sub-activity 2.2.1. Drafting a technical description of the mechanism for accumulations and management of funds on the real funded accounts.*

*Sub-activity 2.2.2. Workshop on the proposed technical solutions to the management systems, including IT systems, in the SSPF.*

# Planned activities to achieve **the third** Mandatory Result

Activity 3.1. Development of a blueprint to facilitate and regulate the development of private, voluntary, pension arrangements.

*Sub-activity 3.1.1. Two-day workshop on key issues to be addressed for the development of private, voluntary, pension arrangements.*

*Sub-activity 3.1.2 Development of a blueprint.*

Activity 3.2. Drafting of legislation to facilitate and regulate private voluntary pension arrangements.

# Planned activities to achieve **the fourth** Mandatory Result

Activity 4.1. In-depth presentation of the state pension system of the EU MS to relevant SSPF staff and other stakeholders.

Activity 4.2. Conducting training needs analysis of the relevant SSPF staff.

Activity 4.3. Training relevant SSPF staff.

Activity 4.4. Study visits for a maximum of three SSPF staff to the EU MS.

# Planned activities to achieve **the fifth** Mandatory Result

Activity 5.1. Drafting a communication strategy to raise public awareness concerning the new funded component of the state pension system and non-state pension funds.

Activity 5.2. Launch of pilot communication activities to raise public awareness of the pension system.

# Component 0: General Activities

Activity 0.1. Kick-off conference (Launching Conference).

Activity 0.2. Thematic mid-term project visibility event.

Activity 0.3. Closing Conference.

# Time table for implementation of planned activities

Years	Year 2014								Year 2015										
Months	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
Project's months	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Mandatory results																			
The first result			x	x	x	x	x	x	x	x	x								
The second result												x	x	x	x	x	x	x	x
The third result										x	x	x	x	x	x				
The fourth result		x		x				x						x	x	x			
The fifth result																	x	x	x
Component 0		x										x							x

# Experts involved in the project implementation

In the project implementation involved:

11 experts from Latvia

3 experts from Germany

*Latvian experts* - employees of the Ministry of Welfare (MoW), three of them are temporary employees.

*German experts* are from the following institutions:

- ✓ the Association for Social Security Policy and Research (GVG e.V.) which is a mandated body for Twinning;
- ✓ the German Pension Insurance Fund (*Deutsche Rentenversicherung Bund - DRV Bund*) which is a mandated body for Twinning;
- ✓ the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*) which is a public administration.

# Outputs of the Twinning Project (I)

## Documents and materials:

- ✓ Prepared Study Report on demographical, economic situation of Azerbaijan;
- ✓ Developed drafts of legislative documents of the funded system and of non-state pension funds;
- ✓ Prepared Assessment reports on the management processes and IT systems;
- ✓ Prepared Technical description of the mechanism for accumulations and management of funds on the real funded accounts;
- ✓ Developed Report with “lessons learned” and follow-up questions;
- ✓ Prepared Report on the training needs analysis;
- ✓ Developed Training methodology and training materials (handouts);
- ✓ Prepared Study visits programme;
- ✓ Prepared Communication Strategy;
- ✓ Designed information materials;
- ✓ Prepared Workshops materials;
- ✓ Presentations;
- ✓ Recommendations;
- ✓ Mission reports by Short Term Experts;
- ✓ Twinning project interim quarterly and final reports.

# Outputs of the Twinning Project (II)

## Activities:

- ✓ Organized seminars and workshops and gained knowledge about the further development of pension system;
- ✓ Organized training sessions and trained staff of SSPF;
- ✓ Organized study visits to the EU Member States and gained experience from other countries;
- ✓ Organized conferences and informed stakeholders, media and public about Project and Project achievements.



# THANK FOR YOUR ATTENTION!

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