



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

Workshop

**Possible solutions for development of multi-level pension system in the Republic of Azerbaijan
(beginning of development of blueprint)**

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Wednesday and Thursday, the 10th and 11th of December, 2014



Gesellschaft für
Versicherungswissenschaft
und -gestaltung e.V.



Agenda of workshop

The first day

- ❑ What is a blueprint, its content and time table for development;
- ❑ Constitutional law on normative legal acts in Azerbaijan;
- ❑ Main conclusions from Study report on demographical, economic, financial and capital market situation and social insurance system of Azerbaijan;
- ❑ Structure and governance of non-state pension system;
- ❑ Labour law and Consumer protection principles in non-state pension system.

The second day

- ❑ Regulation and supervision of non-state pension system;
- ❑ The pay-out phase of fully funded pensions options: problems and actual international practice;
- ❑ Funded component of insurance – pension system;
- ❑ Summary. Core elements to keep in mind.

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

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.

**Concept of reforms of pension provision system in
the Republic of Azerbaijan in 2014-2020,
04.11.2014. approved by
the President of Republic of Azerbaijan**

Development of non-state pension institutions	<input type="checkbox"/> Additional provision to the mandatory state social insurance (7.3), part of (7.4)
Activation of voluntary funded component of labor pensions	<input type="checkbox"/> Introduction of voluntary social insurance (7.3)

Blueprint and its content

- ❑ The blueprint is a detailed description of non-state pension system part and funded component of insurance – pension system for design which includes all aspects of operation for each part – entitlements, organization, administration, performance, financing, reporting, monitoring, controlling, supervision and based on blueprints, this description itself will be transformed into articles of law and/or other legislative rules.
- ❑ In the end of activities 1.2. and 3.1., experts will prepare – a detailed blueprint of the funded system and blueprint providing a detailed description of market for private, voluntary, pension arrangements – according twinning project contract).

Time table for implementation of planned activities

Years	Year 2014									Year 2015										
Months	4	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	20
Mandatory results																				
The first result			x	x	x	x	x	x	x	x	x	x	x	x	x					
<i>Carried out Study</i>				x	x	x														
<i>Feasibility Study , workshop and Development of blue print</i>							x	x	x	x	x	x								
<i>Drafting legislation, workshop and finalization of legislation</i>												x	x	x	x					
The third result										x	x	x	x	x	x					
<i>Workshop and Development of blue print</i>									x	x	x	x								
<i>Drafting legislation, workshop and finalization of legislation</i>												x	x	x						

Time table for implementation of planned activities

months	January					February				March				April				
weeks	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Activity 1.2.		X					X				X		X					
Activity 3.1.		X					X						X					



THANK FOR YOUR ATTENTION!

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