



<b>Project title</b>	<b>Financial Programming Project</b>
Project duration	2007-2019
Swiss contribution	CHF 210'000
Project partners	Central Bank of Azerbaijan, Ministry of Finance, Ministry of Economy; Braumann GmbH
SCO strategic goal	Effective democratic institutions, human safety and security

## Background

Financial Programming is an applied general macroeconomic equilibrium modeling tool, which works well in environments with limited data availability. The core objective is to equip practitioners with a tool that allows them to better analyze macroeconomic issues and make more informed policy decisions. If government entities are fully capable to apply financial programming, they can verify themselves the data consistency, they can further build their own macroeconomic framework and derive realistic policy scenarios with recommendations.



Staff from different agencies responsible for forecasting is provided with necessary skills. Photo: © SCO Baku

## Project objective

The objective of the project is to strengthen the capacity of three key government institutions - the Ministry of Economy, the Ministry of Finance and the Central Bank of Azerbaijan - for macroeconomic policy analysis and policy formulation in Azerbaijan by applying professional financial programming.

## Project activities and results to date

- Development and application of fully operational financial programming models within three key government authorities of Azerbaijan
- Financial programming models were built, revised and improved at the Ministry of Economy, the Ministry of Finance and the Central Bank of Azerbaijan
- Assisting governmental staff in determining realistic macroeconomic frameworks for policy advice, e.g. to be used during the state budget preparation process and to inform the expenditure framework, which will transition into a medium-term budgetary framework over coming years
- Strengthening inter-agency coordination through the active use of existing formal and informal policy groups
- Training conducted with selected staff from the Center of Analysis of Economic Reforms in order to strengthen their own forecasting capacity.

## Expected project results

Capacity of government staff at the three authorities will be strengthened in financial programming and macroeconomics to an extent that they are fully able to independently adapt the model to emerging needs.

## Perspectives

The current project has been extended until March 2019.



Financial programming enhances informed policy decisions and macroeconomic stability. Photo: © SCO Baku

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