



DATA UPDATE – Women, Business and the Law 2023

Azerbaijan

KOBIA

1. Entrepreneurship

Comment received from Government:

In order to increase the knowledge and capacity of SMEs different trainings and counselling services are provided SME Development centers of Small and Medium Business Development Agency of the Republic of Azerbaijan (KOBIA). Training covers different subjects including elaboration of business plans, marketing, sales, corporate law, legislation, insurance, effective communication skills, etc. It should be mentioned that in the first half of 2022 SME Development Centers delivered 400 trainings and 8000 hours of counseling. 6000 SMEs were benefited of those services, 2400 of which were women. Moreover, 7 women were sent to Germany for participating in the program on improving qualification of managers in the framework of Azerbaijan-Germany bilateral program.

Question impacted: The information regarding women participants taking advantage of SME support mechanisms (Access to knowledge and capacity)

Suggested data modification: Access to knowledge and capacity

Date of entry into force: 26/06/2018

Legal basis: The Decree of the President of the Republic of Azerbaijan dated 26 June, 2022 No 148 on providing the activity of Small and Medium Business Development Agency of the Republic of Azerbaijan.

Response from *Women, Business and the Law* team:

The *Women, Business and the Law* team notes the efforts to improve entrepreneurial opportunities for women by enacting the Decree of the President of the Republic of Azerbaijan N. 148 of 2022, which establishes the Small and Medium Business Development Agency of the Republic of Azerbaijan. However, this Decree is outside of the scope of the Entrepreneurship indicator, which measures whether the law prohibits discrimination in access to credit based on gender and whether a woman can sign a contract, register a business and open a bank account in the same way as a man. Therefore, Decree N. 148 of 2022 is not taken into consideration for the purposes of the *Women, Business and the Law* report. The *Women, Business and the Law* team has taken note of this initiative and will review it in the future, where relevant. The answer to all the questions under the Entrepreneurship indicator for Azerbaijan is already “Yes” and will remain “Yes”.

Comment received from Government:

Micro and small businesses can apply for a Start-up Certificate to the Small and Medium Business Development Agency of the Republic of Azerbaijan. According to the Tax Code of the Republic of Azerbaijan, entrepreneurs which are subject to micro and small businesses are exempted from tax on income from innovation activity for 3 years from the date of receiving the Start-up Certificate. In the in the first half of 2022 16 SMEs received the Start-up Certificates and 7 of them were women. Start-up identification CRITERIA approved by the decision of Cabinet of Ministers dated 29-th January 2021 No 20.

Question impacted: The information regarding women participants taking advantage of SME support mechanisms (Start-up Certificate)

Suggested data modification: Start-up Certificate

Date of entry into force: 29/01/2021

Legal basis: The decision of Cabinet of Ministers dated 29-th January 2021 No 20

Response from *Women, Business and the Law* team:

The *Women, Business and the Law* team notes the efforts to foster innovation by issuing a start-up certificate to SMEs and by exempting them from tax on income through the Decision of Cabinet of Ministers N. 20 of January 29, 2021. However, this Decision is outside of the scope of the Entrepreneurship indicator, which measures whether the law prohibits discrimination in access to credit based on gender and whether a woman can sign a contract, register a business and open a bank account in the same way as a man. Therefore, Cabinet of Ministers Decision N. 20 of 2021 is not taken into consideration for the purposes of the *Women, Business and the Law* report. The *Women, Business and the Law* team has taken note of this initiative and will review it in the future, where relevant. The answer to all the questions under the Entrepreneurship indicator for Azerbaijan is already “Yes” and will remain “Yes”.

Comment received from Government:

In accordance with the rule of financing of the education, science research and support projects concerning with the development of micro, small and medium entrepreneurship (approved by the decision of the Cabinet of Ministers of the Republic of Azerbaijan dated 30 September 2020 No 364) different innovative projects are financed by KOBIA. During the first half of 2022 12 projects of different SMEs have been financed and 2 of them were women.

Question impacted: The information regarding women participants taking advantage of SME support mechanisms (Grants)

Suggested data modification: Grants

Date of entry into force: 30/09/2020

Legal basis: The decision of the Cabinet of Ministers of the Republic of Azerbaijan dated 30 September 2020 No 364

Response from *Women, Business and the Law* team:

The *Women, Business and the Law* team notes the efforts to promote micro, small and medium entrepreneurship through the decision of the Cabinet of Ministers of the Republic of Azerbaijan N. 364 of September 30, 2020.

However, this Decision is outside of the scope of the Entrepreneurship indicator, which measures whether the law prohibits discrimination in access to credit based on gender and whether a woman can sign a contract, register a business and open a bank account in the same way as a man. Therefore, Cabinet of Decision N. 364 of 2020 is not taken into consideration for the purposes of the *Women, Business and the Law* report. The *Women, Business and the Law* team has taken note of this initiative and will review it in the future, where relevant. The answer to all the questions under the Entrepreneurship indicator for Azerbaijan is already “Yes” and will remain “Yes”.

Comment received from Government:

In order to enhance the access of SMEs to markets, the exhibitions are organized by KOBIA to support entrepreneurs showcase their products and reach out to more potential clients. In the first half of 2022, 16

exhibitions and fairs were organized with the participation of 680 SMEs. Nearly, 40% of those SMEs were women.

Question impacted: The information regarding women participants taking advantage of SME support mechanisms (Access to markets)

Suggested data modification: Access to markets

Date of entry into force: 26/06/2018

Legal basis: The Decree of the President of the Republic of Azerbaijan dated 26 June, 2022 No 148 on providing the activity of Small and Medium Business Development Agency of the Republic of Azerbaijan.

Response from *Women, Business and the Law* team:

The Women, Business and the Law notes the efforts to promote micro, small and medium entrepreneurship through the Decree of the President of the Republic of Azerbaijan N. 148 of 2022, which establishes the Small and Medium Business Development Agency of the Republic of Azerbaijan. However, this Decree is outside of the scope of the Entrepreneurship indicator, which measures whether the law prohibits discrimination in access to credit based on gender and whether a woman can sign a contract, register a business and open a bank account in the same way as a man. Therefore, Decree N. 148 of 2022 is not taken into consideration for the purposes of the *Women, Business and the Law* report. The *Women, Business and the Law* team has taken note of this initiative and will review it in the future, where relevant. The answer to all the questions under the Entrepreneurship indicator for Azerbaijan is already “Yes” and will remain “Yes”.

Comment received from Government:

The Entrepreneur Development Fund (EDF) under the Ministry of Economy provides the access of entrepreneurs to finance. In the first half of 2022, 104 women entrepreneurs received loans in the amount of 2.4 million manats (about 1.4 million USD equivalent) with concessionary interest rate and terms by EDF.

Question impacted: The information regarding women participants taking advantage of SME support mechanisms (Access to finance)

Suggested data modification: Access to finance

Date of entry into force: 31.07.2018

Legal basis: The Decree of the President of the Republic of Azerbaijan dated 31 July 2018, No 224.

Response from *Women, Business and the Law* team:

The Women, Business and the Law notes the efforts to promote micro, small and medium entrepreneurship through the Decree of the President of the Republic of Azerbaijan N. 224 of 2018, which establishes the Entrepreneur Development Fund (EDF). However, this Decree is outside of the scope of the Entrepreneurship indicator, which measures whether the law prohibits discrimination in access to credit based on gender and whether a woman can sign a contract, register a business and open a bank account in the same way as a man. Therefore, Decree N. 224 of 2018 is not taken into consideration for the purposes of the *Women, Business and the Law* report. The *Women, Business and the Law* team has taken note of this initiative and will review it in the future, where relevant. The answer to all the questions under the Entrepreneurship indicator for Azerbaijan is already “Yes” and will remain “Yes”.

Communications

For questions on this note, please contact:

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