



United Nations
Global Compact



COMMUNICATION ON ENGAGEMENT (COE)

ABAD public legal entity run by the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan

Period covered by this Communication on Engagement: *from 2021 to 2023*

To our stakeholders:

I am pleased to confirm that ABAD public legal entity run by the State Agency for Public Service and Social Innovations under the president of the Republic of Azerbaijan reaffirms its support for the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

The establishment of the ABAD public legal entity was one of the crucial steps taken to improve MSMEs in the country. ABAD public legal entity run by the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan was established following Presidential Decree № 1047, dated September 23, 2016. The main purpose of establishing the organization was to carry out socially oriented projects aimed at ensuring the active participation of the citizens in the socio-economic life of the county, developing micro, small, and medium entrepreneurship, raising the employment rate of the population, and supporting the formation of competitive family businesses in the country. ABAD implements assistance projects for family businesses engaged in handcrafting and artisanal food production.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles.

Sincerely yours,

Mr. Rufat Elchiyev
Director





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About ABAD public legal entity

Handcrafting and artisanal food production are cornerstones of ABAD. Through its multi-faceted activities, ABAD addresses the challenges that prevent or impede the development of community-based family businesses and rural entrepreneurship, economic regeneration, and job creation. The word ABAD is an acronym which in literal translation stands for "Simplified Support to Family Businesses" and this is the country's prominent national network for advancing family businesses. ABAD is aimed at accelerating entrepreneurial development and greatly adds to the capacity of the MSMEs by helping to ensure the sustainability of the new start-ups.

ABAD centers provide business planning, equipment, marketing, training courses, branding and design, financial accounting, legal assistance, sales organization, and logistic services to family households. Along with a producer family's brand name, a special label is also placed on every product that attests to its production under the control of ABAD.

The products of ABAD producers are offered for sale at ABAD sales points and various market chains in the country.

How ABAD's activities are aligned with UN Global Compact Principles

ABAD's activities are aligned with strategies and operations with ten universal principles related to *human rights, labor, environment, and anti-corruption*.

Human Rights:

- As a public legal entity, ensuring a transparent workplace that creates trust between employers and employees, as well as between our service-providing staff and ABAD members (MSME owners who are either handcrafters or food producers) stands at the core of our activities.
- Our team delivers trainings in different regions of Azerbaijan regularly.

Environmental sustainability:

- The use of paper or disposable plastic cups, plates, splayds are strongly discouraged at the office. Glass and ceramic utensils are used to prevent plastic pollution.

Women Empowerment:



- We have provided support to 553 SMEs so far and considering the fact that 302 of them are women-led businesses, we also assure the elimination of discrimination in respect of gender and encourage women to progress in business, especially by coaching and mentoring to help them to realize their full potential. Besides, there are 3 women holding executive positions, and 84 out of 195 staff members are women.

Anti-corruption:

- In terms of sales, we create equal opportunities for business owners by providing access to the marketplace, and we support public accountability and transparency. The information about MSME owners and all the statistics, including their income, are shared through our website www.abad.gov.az, its "Public information" section and our social media channels which can also be found below:

