



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA GRANT ASSISTS AZERBAIJAN IN ESTABLISHING AN INDIVIDUAL PENSION ACCOUNT SYSTEM

BAKU, AZERBAIJAN – To assist the Government of Azerbaijan in developing pension programs for the country’s citizens, USTDA today awarded a \$600,000 grant to the Azerbaijan State Social Protection Fund (SSPF). The grant will be used to partially fund technical assistance to review individual pension account systems in various countries and design a national system for Azerbaijan.

The grant was conferred during a signing ceremony held at SSPF headquarters in Baku. U.S. Ambassador to the Republic of Azerbaijan Anne E. Derse and Mr. Salim Muslimov, Chairman of SSPF, signed the grant agreement on behalf of the U.S. Government and SSPF, respectively. USTDA Regional Director for Europe and Eurasia Daniel D. Stein signed as a witness to the grant agreement.

Currently, SSPF is transitioning from a pay-as-you-go pension structure to individually-insured, state-funded pension accounts. Under the new system, also known as a Second Pillar system, pension payments are based on an individual’s lifetime contributions rather than a percentage of total current contributions. SSPF also has plans to implement a Third Pillar system, which will allow individuals to contribute a portion of their wages to voluntary accounts in private pension funds, similar to individual retirement accounts in the United States. In addition to making recommendations on these new pension systems, the USTDA-funded technical consultant will help develop a strategy for allocating a portion of the Government of Azerbaijan’s strategic financial resources to SSPF to supplement the new pension system.

In addition to the USTDA grant awarded today, SSPF will contribute additional resources toward the completion of the technical assistance. The opportunity to provide the USTDA-funded assistance to SSPF will be competed on the Federal Business Opportunities website at www.fedbizopps.gov. Interested U.S. firms should submit proposals according to the instructions in the Federal Business Opportunities announcement. SSPF will select the U.S. contractor that will carry out the technical assistance.

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The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, feasibility studies, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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