

European Neighbourhood Policy - AZERBAIJAN

EU – Azerbaijan relations: basic facts

The EU-Azerbaijan Partnership and Cooperation Agreement (PCA) entered into force in 1999, with the goal of promoting respect for democracy, the rule of law and human rights, as well as market economy reforms, trade liberalisation and cooperation in a wide number of sectors.

The ENP Action Plan was adopted in November 2006 and its implementation is being monitored and guided principally by the PCA bodies (Cooperation Council, Cooperation Committee and two Sub-Committees).

Major developments in 2007 and overall assessment

The Azerbaijani Government did not make full use of the opportunities offered by the Action Plan to carry out political and economic reforms in the country. This is in particular the case in areas such as democracy, rule of law, the fight against corruption, human rights and sustainable economic development.

Some tangible progress was recorded towards meeting the ENP Action Plan objectives in the field of judiciary, notably further training and improved social guarantees for the judges. Nevertheless the key-issue of ensuring the independence of the judiciary should be addressed without further delay.

One of the challenges facing the Government of Azerbaijan, especially important in connection with the October 2008 Presidential Elections, concerns the further reform of the electoral code.

Good progress was achieved in the area of taxation. A positive step toward improving the business environment was the implementation of a one-stop shop mechanism to register an enterprise, and the Automated Tax Information System (ATIS).

Azerbaijan is a strategic partner for the EU on Caspian oil and gas resources both as a producer and as a transit country. A Memorandum of Understanding on a strategic partnership between the EU and Azerbaijan in the field of energy was signed in November 2006 and cooperation is progressing well.

Recently Azerbaijan began exporting significant quantities of hydrocarbons, resulting in very high Government revenues and making it one of the fastest growing economies in the world (GDP growth of 25% in 2007).

Diversification of the economy will be critical for the country's long term development.

The recent opening of a Commission Delegation in Baku (February 2008) is tangible sign of the Commission's interest in the future development of the country.

The EU supports reforms in Azerbaijan by

- Improving living conditions by supporting civil society and working with local governments to provide drinking water to remote villages, implement community based health care, strengthen consumer rights and develop the tourism sector.
- The Commission is assisting in de-mining activities in the Fizuli region to make room for new settlements for many of the 200 000 internally displaced persons living in the area, as well as aiding mine victims and providing mine-risk education.
- Supporting institutional, legal and administrative reforms e.g. helping to reform the social benefits system, and fostering trade and tourism. Simultaneously increasing security and preventing the movement of criminals and trafficking in human beings by supporting the restructuring of the customs code and modernizing the border guard service.
- Supporting economic development e.g. through the development of a national vocational education and training strategy, restructuring the Ministry of Economic Development and the Ministry of Energy, and strengthening the Azerbaijan Investment and Export Agency.

Assistance to Azerbaijan

In 2007, €19 million of Community assistance has been allocated for Azerbaijan.

An indicative amount of €92 million has been allocated for the period 2007-10 under the European Neighbourhood Policy Instrument.

The Communication from the Commission to the Parliament and the Council *Implementation of the European Neighbourhood Policy in 2007* (3 April 2008) and a country report on Azerbaijan are available at

http://ec.europa.eu/world/enp/documents_en.htm

More on Azerbaijan and ENP

http://ec.europa.eu/external_relations/azerbaijan/index_en.htm

http://ec.europa.eu/world/enp/index_en.htm