The European Union’s relations with Azerbaijan are based on the EU-Azerbaijan Partnership and Cooperation Agreement in force since 1999. In February 2017, the EU and Azerbaijan began negotiations on a new framework agreement designed to enhance the political dialogue, trade and mutually beneficial cooperation. Azerbaijan is a strategic energy partner for the EU and plays a pivotal role in bringing Caspian energy resources to the EU market. In 2018, the EU and Azerbaijan endorsed joint Partnership Priorities, along the four Eastern Partnership priorities that guide our political dialogue and cooperation.

**ECONOMY**

- The EU is Azerbaijan’s first trading partner and biggest export and import market.
- The EU supports Azerbaijan’s economic diversification through the negotiation of the new agreement with Azerbaijan and the accession process to the WTO.
- EU assistance complements policy dialogue and Azerbaijan’s economic modernisation, supporting notably youth education, entrepreneurship and regional development. The EU also supports the government in improving the country’s business and investment climate.
- The EU has assisted 9,198 companies with funding, training, and export support to new markets through the EU4Business initiative, contributing to the creation of over 36,267 new jobs.

**ENVIRONMENT AND CONNECTIVITY**

- Azerbaijan is a strategic energy partner for the EU, currently supplying around 4.3% of the EU's oil imports. The Southern Gas Corridor is a strategic initiative to bring gas from the Caspian Sea to the European markets, and is a key tool for enhancing the security of energy supplies in Europe. Following the completion of the Trans Adriatic Pipeline, the final part of the Southern Gas Corridor, the first commercial gas deliveries were made to Europe (Italy, Greece and Bulgaria) on 31 December 2020.
- In 2019, Azerbaijan joined the Eastern Europe Energy Efficiency and Environment Partnership (E5P), and further EU support in the energy sector including energy efficiency has been provided through the EU4Energy initiative.
- Cooperation on environment and climate goals has been strengthened through a series of regional programmes such as Water Initiative +, Shared Environmental Information System II (SEISII), EU4 Climate and EU4 Environment as well as bilateral projects, notably relating to air quality and industrial emissions. These initiatives assist Azerbaijan to meet its nationally determined contributions to the Paris Agreement, as well as achieving the Sustainable Development Goals (SDGs). Cooperation in this sector also helps Azerbaijan to appreciate the economic restructuring and modernisation measures as well as the investments required to achieve its climate change and environmental management targets. In 2019, the EU helped Azerbaijan to detect industrial chemicals and pesticides in water through modernised laboratories. Thirty companies, mostly from food and construction materials sectors, received training on circular economy.
- Transport dialogue and cooperation are very high on the EU and Azerbaijan agenda. Azerbaijan benefits from a favourable location at the crossroads of transport connections linking North and South, and East and West. It has invested in important infrastructure projects such as the Port of Baku and the Baku-Tbilisi-Kars railway. The most important road, railway connections, ports and airports are part of the extended indicative Trans-European Transport Network (TEN-T). The EU provides technical expertise to the Port of Baku.

**GOVERNANCE**

- Better access to justice for citizens and businesses, via legal aid, alternative dispute resolution and the fight against corruption are priority areas of EU support.
- The EU was at the forefront of the establishment of the mediation system in Azerbaijan. The EU contributed in drafting the law on the establishment of the Mediation Council and training of mediators.
- Azerbaijan actively cooperates with the EU via Twinning projects, which bring together public sector expertise from EU Member States and the beneficiary country. In the past 10 years, over 25 ministries and public institutions in Azerbaijan have participated in almost 50 Twinning projects. Upgraded air quality monitoring and introduction of a mandatory health insurance are examples of successful EU and Azerbaijan cooperation.
- The EU also continues to stress the importance of respecting human rights and civil liberties, including freedom of media, expression and assembly, and ensuring an enabling environment for civil society. The EU sees this as an essential part of EU-Azerbaijan relations.

**SOCIETY**

- The EU-Azerbaijan Visa Facilitation and Readmission Agreements entered into force in 2014, making it easier and cheaper for citizens of Azerbaijan, in particular frequent travellers, to acquire short-term Schengen visas that allow them to travel throughout most EU countries. In addition, for example, visas for Erasmus+ students are cost-free.
- Supporting skills development is a priority for EU assistance to Azerbaijan, with a particular focus on vocational education and training, helping the country to have a better match between the skills of the labour force and the needs of employers.
- Since 2015, the Erasmus+ programme has allowed short-term mobility to Europe under the International Credit Mobility for students, researchers and staff to study in universities for 3-12 months and obtain credits. 2,142 students and staff from Azerbaijan benefited from this programme, and 1,227 Europeans came to Azerbaijan. Furthermore, 62 students from Azerbaijan received scholarship under the Erasmus Mundus Joint Master Degree programme.
EU STANDS BY AZERBAIJAN DURING COVID-19 PANDEMIC

The EU reacted fast and responded to the urgent needs of countries in the Eastern Partnership during the COVID-19 pandemic. As part of Team Europe, the EU has mobilised an ambitious support package totalling over €980 million to help tackle immediate needs, such as support to the health sector and vulnerable communities, as well as short-term needs to support the social and economic recovery of the six countries.

As part of this, a tailor-made COVID-19 response package for Azerbaijan worth about €31.6 million is being mobilised using a mix of existing and new funds to deliver concrete support to people.

✔ SUPPORT TO THE HEALTH SECTOR AND EMERGENCY NEEDS:
  • Working with the WHO to supply medical devices, testing kits, masks, goggles, safety suits, gowns and other equipment. Training of medical and laboratory staff.
  • The EU will continue to support the State Mandatory Health Insurance Agency and TEBIB (its subordinated Medical Territorial Units Management) to help effectively respond to the COVID-19 pandemic in Azerbaijan.

✔ SUPPORT TO CIVIL SOCIETY:
  • Emergency grants to support vulnerable citizens in the regions.

✔ SUPPORT TO SMEs AND TO SMALL FARMS:
  • Through the EU4Business Initiative, SMEs and the self-employed can access grants, loans and business advice to withstand the crisis.

✔ SUPPORT TO SOCIO-ECONOMIC RESILIENCE:
  • The EU will increase support to Azerbaijan’s national administration in order to implement the government’s COVID-19 action plan in particular its socio-economic strands; ensure Azerbaijani citizens have access to social support to cope with the negative effects of the COVID-19 outbreak; and support the economic recovery of businesses.

IN FOCUS: examples of what has already been delivered

Health facilities across the country, including those that provide care for prison detainees were supplied with gloves, protective goggles, respirators, etc. and essential supplies for patient care, to keep COVID-19 frontline responders safe.

98 lab technicians from 12 laboratories were trained in quality assurance and biosafety measures. More than 400 health-care workers trained. Essential supplies like oxygen concentrators, patient monitors, nasal tubes, venturi masks, pulse oximeters and so on delivered for patient care.

With support from an EU programme vulnerable women of Ismayilli region in Azerbaijan will have access to resources to generate income for daily living and to start income generating activities via setting own microbusinesses.

A total of 60 women from this region participated in online webinars on safety measures in fighting COVID-19, financial education and business planning. They were also equipped with medical masks and disposable gloves.

In June 2020, the EU project was extended and free legal assistance intensified to vulnerable groups and other people affected because of COVID-19 pandemic. New lawyers were deployed in five more regions to deliver free legal services on a permanent basis.

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SECURITY & CONFLICT RESOLUTION

The European Union welcomes the cessation of hostilities in and around Nagorno-Karabakh in November 2020. It urges parties to renew efforts for negotiated, comprehensive and sustainable peace in the whole region.

The recent escalation of the Nagorno-Karabakh conflict has not changed the EU’s commitment to deepen our cooperation with Azerbaijan. The EU fully supports the work of the OSCE Minsk Group Co-Chairs to rebuild confidence and to find a way towards a lasting solution and sustainable peace in the region. In fact, the EU has been quick to provide almost 7 million EUR in humanitarian assistance to populations affected by the conflict, these funds covering the whole conflict region. “We are ready to contribute €10 million to further humanitarian assistance and to work towards more comprehensive conflict transformation and longer-term socio-economic development”, as announced by Commissioner Vărhelyi at the EU-Azerbaijan Cooperation Council on 18 December 2020.

In 2018, EU and Azerbaijan started an annual high-level security Dialogue to contribute to enhancing the exchange of information and cooperation.

IN FIGURES

The EU is Azerbaijan’s first trading partner making up 36.7% of Azerbaijan’s total trade in 2019.

In 2019, €26.82 million of EU-backed loans have been provided for 9,1985 Azerbaijani SMEs. 36,267 people got employed in EU-supported SMEs.

EU is Azerbaijan’s major trade partner with total turnover 9.33 bln USD (that is 38.1%) in 2020. The total amount of EU investment in Azerbaijan is more than 20 bln USD for the last eight years.

Since 2018, 5,948 vulnerable persons received free legal aid in Baku and the regions.

Azerbaijan plans to increase gas exports via the Trans-Anatolian Natural Gas Pipeline (TANAP) to Turkey and Europe to 12.2 billion cubic metres (bcm) in 2021 from 5 bcm in 2020.

With EU funds, online training programmes on career guidance, self-development, and techniques to improve youth employability were conducted for 150 students and pedagogical and didactical training series for around 180 teachers of the VET centres.

In 2015-2019 among the 229 applications, 105 submitted by the Azerbaijani institutions, which represent 46% highest number of the applications coordinated by institutions from Eastern Partnership countries received. 19 Capacity Building in Higher Education projects awarded during the Erasmus+ programme lifetime. In 2020 Erasmus Mundus Joint Masters Degree: a total number of 23 students were scholarship winners

The EU supported training and certification of 240 mediators, as well pool of 29 national mediation trainers.

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