

Brussels, 20 March 2013

ENP Country Progress Report 2012 – Azerbaijan

The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 20 March 2013 the annual “neighbourhood package”, consisting of a joint communication (“Towards a Stronger Partnership”) making an assessment of the ENP implementation in 2012, a report on the “Partnership for Democracy and Shared prosperity” with Southern Mediterranean, an Eastern Partnership progress report, 12 country reports (on developments in 2012 and with a set of recommendations for the future), including one on Azerbaijan, and a statistical annex.

Overall, despite progress compared to the past, Azerbaijan needs to continue its efforts in order to meet its commitments on democracy, including electoral processes, the protection of human rights and fundamental freedoms, and the independence of the judicial system. Negotiations on an Association Agreement gained momentum in September, following several months of little progress. The macro-economic fundamentals of the Azerbaijani economy remained largely positive but corruption continued to be an obstacle to economic diversification.

Azerbaijan addressed only a few of the key recommendations contained in the last year's ENP progress report. It started implementing the Human Rights Action Plan, continued judicial reform and took some steps to address the problem of demolitions and forced evictions. It did not cooperate with rapporteur of the Parliamentary Assembly of the Council of Europe on political prisoners. Progress is needed also on the other key recommendations. On the basis of this year's report and with a view to the sustained implementation of the ENP Action Plan in 2013, Azerbaijan is invited to:

- Ensure implementation of the January 2013 resolution of the Parliamentary Assembly of the Council of Europe on the honouring of obligations and commitments by Azerbaijan.
- Continue implementation of the Human Rights Action Plan adopted in December 2011.
- Step up efforts with Armenia to reach agreement on the Madrid Principles, in accordance with the commitments made by the Presidents of Armenia and Azerbaijan within the Minsk Group.

- Ensure unimpeded access to representatives of the EU to Nagorno Karabakh and surrounding regions in support of conflict transformation activities in full complementarity with the Minsk Group activities.
- Promote an environment conducive to progress in the conflict settlement, encourage and support related peace-building activities.
- Adopt the Law on Defamation which provides for the abolition of criminal liability for defamation and insult.
- Bring electoral legislation into line with the OSCE/ODIHR recommendations and ensure effective implementation.
- Continue to bring legislation on freedom of assembly, freedom of association and freedom of the media into line with international standards, and ensure its implementation.
- Step up efforts to investigate cases of harassment against journalists and activists.
- Step up efforts to make the judiciary independent.
- Address outstanding issues in public financial management, notably on transparency and accountability in relation to the budget cycle.

Reforms initiated, carried out successfully, or delayed during 2012 in the different areas of cooperation between the EU and Azerbaijan are described in the annual country report. Some of the issues reported deserve special attention. Azerbaijan needs to make significant further efforts to meet its commitments in building deep and sustainable democracy, including **electoral processes**, the protection of **human rights** and fundamental **freedoms** and the **independence of the judicial system**. Azerbaijan finalised its second **anti-corruption** strategy. Citizens are asked to inform the authorities about corruption, notably via hotlines. **Corruption** continues to be the main obstacle to development of entrepreneurship and economic diversification in Azerbaijan. Progress was noticed in fighting **against money laundering and trafficking of human beings**. An increasing number of Azerbaijani students and researchers benefited from different European programmes in the **education** area. Negotiations between Armenia and Azerbaijan to resolve the **Nagorno-Karabakh conflict** regrettably slowed down in 2012.

THE POLICY

The **European Neighbourhood Policy** governs the relations between the EU and Azerbaijan. Since 2009 the EU implements the **Eastern Partnership**, the Eastern dimension of the ENP framework, aiming at substantially upgrading engagement with the six Eastern neighbours via:

- a Bilateral track, whose objectives include the establishing of Association Agreements with Deep and Comprehensive Free Trade Areas, once conditions have been met, as well as progress on visa and mobility issues, and
- a Multilateral track (i.e. intergovernmental platforms and Flagship Initiatives).

This approach allows for gradual political association and deeper economic integration.

FACTS AND FIGURES

1999: Entry into force of the EU-Azerbaijan Partnership and Cooperation Agreement.

2006: Approval of the EU-Azerbaijan Action Plan.

2006: EU-Azerbaijan Memorandum of Understanding on a strategic partnership in the field of energy.

2009: Azerbaijan ratified the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions

2009: Neighbourhood Investment Facility - Azerbaijan is eligible for three regional projects for a total value of EUR 24 million in support of the energy and the private sectors

2007-2010: The ENPI¹ envelope for Azerbaijan stands at EUR 88 million

1010: Launch of the Association Agreement negotiations with the EU.

2011-13: The new National Indicative Programme (NIP) 2011-13 for Azerbaijan was adopted in May 2010 and has a budget of EUR 122.5 million. The programme is geared towards supporting the achievement of key policy objectives as outlined in the EU-Azerbaijan Action Plan and pursues three priorities: (1) democratic structures and good governance, (2) socio-economic reform and sustainable development, trade and investment, regulatory approximation and reform and (3) Partnership and Co-operation agreement and ENP Action Plan implementation, including in the in the areas of energy security, mobility and security.

2011: Joint EU – Azerbaijan Declaration on the Southern Gas Corridor.

More info at:

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

http://eeas.europa.eu/azerbaijan/index_en.htm

http://eeas.europa.eu/enp/index_en.htm

¹ the European Neighbourhood Partnership Instrument