

Single Support Framework

Azerbaijan 2014-2017

SUMMARY

Since 1999, the Partnership and Cooperation Agreement (PCA) provides the legal framework for EU-Azerbaijan bilateral relations. An ENP Action Plan was adopted in 2006. Negotiations on the conclusion of an Association Agreement with Azerbaijan are ongoing since July 2010 but have not advanced since May 2012.

Azerbaijan and the EU have signed a Visa Facilitation Agreement at the Vilnius Summit on 27 November 2013. A Mobility Partnership has also been signed on 5 December 2013. The Readmission Agreement was signed on 28 February. The Azerbaijani Parliament has ratified both the Visa Facilitation and Readmission Agreements in March 2014, while the European Parliament has given its consent to these two agreements in April 2014.

The EU is also looking to Azerbaijan to step up efforts to accede to the World Trade Organisation, agree on a Strategic Modernisation Partnership, continue implementation of the Azerbaijani Human Rights Action Plan adopted in December 2011; continue to bring legislation on freedom of assembly, freedom of association and freedom of the media into line with OSCE, Council of Europe standards, and ensure its effective implementation; bring electoral legislation in line with the OSCE/ Office for Democratic Institutions and Human Rights (ODIHR) recommendations and ensure effective implementation before the forthcoming election cycles; ensure full independence of the judiciary; adopt a Law on Defamation with the aim of decriminalizing libel; and 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.

In relation to the conflict of Nagorno Karabakh, the European Union has recognised the independence, sovereignty and territorial integrity of Azerbaijan in the Partnership and Association Agreement in 1999. The EU has reinvigorated its support to the efforts of the OSCE Minsk Group, as the internationally established format for the settlement of the Nagorno-Karabakh conflict and has offered more active engagement in support of and in complementarity with the Minsk Group, including through regular high-level meetings of the EU Special Representative in Baku and Yerevan, as well as through the funding of confidence building activities implemented by Non-governmental organisations. The EU funds a range of peace building measures in the region aimed at building confidence across the dividing lines.

Following comprehensive consultation with the Government, Civil society organisations, multilateral and bilateral donors, International Financial Institutions and International

Organisations, a consensus has been reached regarding three priority sectors of intervention¹ to be financed through the national envelope:

- **Regional and Rural Development (indicative 40%)**

Assistance aims at supporting the diversification of the economy and promotion of more balanced and inclusive growth, while reducing disparities between regions, all clearly stated priorities for the Government. The EU can offer policy advice and assistance on integrated approaches towards economic and social cohesion based on the EU Regional Cohesion Fund and accession process, complementing and building on past programmes, e. g. the Pilot Regional Development Projects and the Rural Development Budget Support.

- **Justice Sector Reform (indicative 20%)**

With a focus on the consolidation of the rule of law and promotion of independence of the judiciary, support to justice sector reform has been, and remains a top priority for both developmental reasons and as a key area for promoting EU values: further engagements fall in line with past interventions, notably the Justice Reform sector budget support programme, which succeeded in establishing the basis for further cooperation and policy dialogue.

- **Education and Skills Development (indicative 20%)**

Support in education and skills development responds to another urgent need of the country. According to the European Training Foundation², 40% of Azerbaijan's workforce currently enters the labour market without any qualification. The coverage, quality and efficiency of education and Vocational and Educational Training (VET) need to be enhanced and brought closer to EU standards. The Government has clearly expressed its will to approximating its education and training system to better correspond with EU policies and practices.

- **Complementary support for capacity development**

This support will address the implementation of priority commitments deriving from EU agreements and the dialogue on mobility, where not already covered by sector assistance. It will be focused on approximation to EU legislation and technical standards.

- **Complementary support to civil society**

In addition to sector specific assistance, additional measures in favour of civil society will be made available. Funding from this component will be geared towards supporting the role of civil society in building stronger democratic processes and accountability systems outside the three sectors of concentration. The development of civil society's professionalism and capacities, including their ability to form national associations and networks, and improving the delivery of services will also be targeted.

¹ Shall the political circumstances allow, and in addition to funding from other EU instruments (such as the Instrument for Stability), the support foreseen in the priority sectors of intervention provided for by this document may be extended to support confidence building linked to the EU engagement policy in the breakaway territories.

² Torino Process Country Report, 2011 ETF.

<i>Indicative allocation for the period 2014-2020</i>	€139,000,000 – €169,000,000
<i>Indicative allocation for the 1st period (2014-2017)</i>	€77,000,000 – €94,000,000

<i>Sector of Intervention</i>	<i>% of Total</i>
1) Regional and Rural Development	40%
2) Justice Sector Reform	20%
3) Education and skills development	20%
Complementary support for capacity development and institution building	15%
Complementary support for civil society	5 %