



# THE EUROPEAN UNION AND AZERBAIJAN

## #StrongerTogether

The EU is the leading supporter of civil society in Azerbaijan, promoting democracy and making a difference for youth, gender equality, and the most vulnerable people.



The EU is a key reform partner in Azerbaijan and brings best practices and experience to a wide range of sectors. Azerbaijan is one of the main beneficiaries of the Twinning instrument, benefiting from peer-to-peer training and exchanges with public administrations from EU Member States.

Relations between the EU and Azerbaijan are based on the EU-Azerbaijan Partnership and Cooperation Agreement, in force since 1999. Negotiations on a new agreement, designed to reflect our enhanced, mutually-beneficial cooperation, strengthen policy dialogue in key sectors, and boost trade are at an advanced stage. Cooperation between the EU and Azerbaijan is also guided by the joint Partnership Priorities, in place since 2018. A new Memorandum of Understanding, signed in July 2022, deepens EU-Azerbaijan energy cooperation, contributing to the EU's energy diversification and promoting climate change resilience in Azerbaijan by supporting renewable energy generation and addressing methane emissions.

The EU is the largest donor to mine clearance operations in Azerbaijan, providing vital support to reduce risks and save lives.

The EU is the main investor Azerbaijan's non-oil sector, playing a key role in the country's economic diversification.

### ECONOMIC & INVESTMENT PLAN

The EU supports Azerbaijan with concrete investments to support the country's economic diversification and accelerate the green and digital transition. In the coming years, the EU will invest in the following **five flagship projects**:



Port of Baku as a sustainable hub for the movement of goods and services

Digitalisation of transport corridors in Azerbaijan



Supporting the competitiveness of 25,000 start-ups and SMEs

Enable rural development and economic growth in the region



Invest in sustainable infrastructure and solutions for smarter and greener cities

Last updated: 12/2022



### INSTITUTIONS

The EU helps to promote better access to justice for citizens and businesses. Since 2020, more than 4,500 vulnerable persons received free legal aid in Baku and the regions with EU support.

### ECONOMY

In 2021, over 13,000 SMEs were supported through the EU4Business initiative in Azerbaijan. This generated an extra €63 million in income, more than 2,000 new jobs, and increased their exports by 8%.



### SOCIETY

Since 2014, 488 Erasmus+ international mobility projects have taken place involving Azerbaijan higher education institutions. More than 2,000 students and academic staff from Azerbaijan were supported to study or teach in the EU.



### RECOVERY RESILIENCE REFORM

### DIGITAL

The EU and Azerbaijan are working to prepare for the digital transformation of the country's public administration. The EU supported the development of an e-agriculture system providing online services to farmers and investors.

### GREEN

The EU and Azerbaijan are working closely to help achieve its environmental and climate change related goals. With EU support, the Port of Baku is set to receive a green certification - the first port in the Caspian region to do so. The EU promotes energy efficiency by helping to improve legal frameworks on energy efficiency in buildings, eco-design and energy labelling, and by supporting municipal investment projects.



### CONCRETE BENEFITS OF THE ECONOMIC AND INVESTMENT PLAN

In September 2022, the first ever investment project co-financed by the Eastern Europe Energy Efficiency and Environment Partnership (E5P) fund in Azerbaijan was signed. The EU is the largest contributor to the E5P. To improve municipal street lighting infrastructure in the city of Ganja, the European Bank for Reconstruction and Development (EBRD) will invest up to €12.5 million as part of its Green Cities programme. This will be complemented by a €2.5 million E5P grant. It is expected to upgrade more than 80% of the existing street lighting infrastructure in the city and will create significant energy savings. This investment project contributes to the implementation of the EU's Economic and Investment Plan in Azerbaijan and, in particular, its flagship priority of promoting smarter and greener cities and enhancing energy-efficient solutions in the country.

