EUROPEAN PARLIAMENT

EU-AZERBAIJAN PARLIAMENTARY COOPERATION COMMITTEE

DRAFT MINUTES OF THE NINETH MEETING

6-7 October 2008 BRUSSELS

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13 November 2009 APB/ES The 9th meeting of the EU-Azerbaijan Parliamentary Cooperation Committee (PCC) opened on 6 October 2008 at 15.33hrs under the co-chairmanship of Mrs Marie Anne ISLER BÉGUIN (European Parliament) and Mr Valeh ALESKEROV, Deputy Speaker of the Milli Mejlis (Parliament of Azerbaijan).

Mrs ISLER BÉGUIN warmly welcomed the participants and underlined that the South Caucasus was a region that attracted lots of attention in the previous months. She questioned what prospects were in the region for everyone and wondered if energy was the most important sphere of cooperation. The Co-Chair welcomed the participants and briefly introduced representatives of the Azerbaijani government and the European Parliament, the Council of the European Union and the European Commission representatives.

- **1.** The draft agenda was adopted.
- 2. The minutes of the 8th EU-Azerbaijan PCC meeting were also adopted.

Mr ALESKEROV took the floor and commented that the latest developments in the South Caucasus and the current crises in the world were definitely going to shape up the discussion. He called to draw conclusions and highlighted that it is very important to be explicit about the Caucasus region and to learn lessons. The Co-Chair also firmly emphasised that the international law should be respected.

Mr ALESKEROV noted that both European and Azerbaijani Parliaments should cooperate in the energy sector, especially the Nabucco project. Cooperation should be based on legislative work. It is also important to understand who benefits most from it. He stated that the relationships must be based on equality. He acknowledged that the reform of the Azerbaijani economy and legislation was not possible without the cooperation with the EU, but highlighted that Azerbaijan will not accept only criticism. Mr ALESKEROV stated that there was no doubt in the growing cooperation of Azerbaijan with the EU and the Euro-Atlantic area. Then the Co-Chair warmly welcomed the participants.

3./4.

Mrs Sevindj HASANOVA, Deputy Minister of Economic Development of Azerbaijan, made a presentation of the global economic development and the challenges that Azerbaijan was facing. She mentioned that stabilisation programme run by the Government of Azerbaijan with the IMF and the World Bank support since mid-1990s had been successfully implemented and macroeconomic stabilisation had been achieved. Azerbaijan had a true market economy and its Oil Fund had been managed in full transparency and accountability. Mrs HASANOVA remarked that since 2006 Azerbaijan had the fasted growing economy in the world. The speaker underlined that diversification, sustainability and poverty reduction would be achieved by preserving macroeconomic stability, infrastructure, human resource development according to the world bank 2008 business report and continuous reforms in the business environment. Mrs HASANOVA pointed out that Azerbaijan was the top reformer economy in the world and the reforms in the economy were to be continued. The speaker expressed her beliefs that the EU-Azerbaijani economic cooperation would be supported to the benefit of both sides.

Mr Mahmud MAMEDKULIYEV, Deputy Minister of Foreign Affairs, assured that the Government of Azerbaijan gave the priority to the relationships with the EU. Both sides were very keen to work together.

Mr MAMEDKULIYEV mentioned that he would speak on three issues: the current state of play of implementation of the EU-Azerbaijani ENP Action Plan, the Nagorno-Karabakh conflict and further activities of the PCC.

The first annual report on the fulfilment of the ENP Action Plan was issued both by the Government of Azerbaijan and the European Commission. Mr MAMEDKULIYEV mentioned that Azerbaijani achievements and success were not fully described in the report provided by the Commission. The speaker firmly expressed his belief that the Action Plan was a two way street and there could be no unilateral success.

Mr MAMEDKULIYEV stated that the Azerbaijani working groups were working on how to increase the implementation of the Action Plan. The Azerbaijani Government also invited the representatives of the European Commission Delegation in Azerbaijan to a dialog in order to increase the efficiency of the Action Plan. The speaker pointed out that the Azerbaijani side did face some difficulties because the full European Delegation was not opened in Azerbaijan yet.

The existing cooperation mechanism between the European Commission and Azerbaijan was represented by two subcommittees on economic, trade and energy issues, and on transport and environment issues. The speaker noted that some other issues such as justice, freedom and security need to be discussed via the third committee.

Mr MAMEDKULIYEV said that the Partnership and Cooperation Agreement (PCA) between Azerbaijan and the European Union would expire in 2009, so that the Azerbaijani Government suggested prolonging it for one year and to start the preparation for a more enhanced agreement.

The speaker also mentioned the Memorandum on the Strategic Partnership in the Sphere of Energy and said that the Government of Azerbaijan wanted to start the discussions in the sphere of education and research, agriculture and transport sectors. Mr MAMEDKULIYEV stressed that this was a question of diversification of the economy.

The speaker brought to light the idea that restoration of the security system required collective efforts. He noted that the Nagorno-Karabakh conflict required peaceful solution, but it should be based only on the territorial integrity of Azerbaijan. Security guarantee and withdrawal of all Armenian forces from the occupied territories were necessary.

Mr MAMEDKULIYEV also finally noted that there was visible improvement in PCC activities and that Government of Azerbaijan would like to see further improvement.

Ms Natasha BUTLER, on behalf of the Council of the European Union, stated that the EU-Azerbaijan relations were very important both bilaterally and regionally. She noted that it was vital to promote stability in the region, especially after the recent crises. The speaker underlined the importance of the EU Troika meetings on the region and indicated that the ENP Action Plan would allow creating a circle of friends in the region.

She also remarked that the EC report on the fulfilment of the Action Plan stated that such areas as rule of law, democracy, corruption, human rights, freedom of the media, judiciary reform were still of big concern.

Then the speaker tackled the issue of the coming elections in Azerbaijan and said that it would be much appreciated if the freedom of expression would be observed in the country. Ms BUTLER also noted that there should be no military solution to the Nagorno-Karabakh conflict. Finally she underlined that Azerbaijan was a very important partner to the EU and that common goals of the region were achievable only with the help of Armenia and Georgia.

Mrs ISLER BÉGUIN briefly stressed that the Nagorno-Karabakh conflict should be resolved in a peaceful way and that the European Parliament believed that after the Russian-Georgian conflict very serious attention should be given to the region.

Mr ALESKEROV took the floor and remarked that he did not agree with Ms BUTLER's position on the Nagorno-Karabakh conflict where Armenia and Azerbaijan were equal parties, whereas in reality Armenians were the aggressors that occupied the Azerbaijani territories. Mr ALESKEROV believed that the EU should take the side of Azerbaijan in that conflict. As far as the coming elections in Azerbaijan were concerned, the speaker also noted that the legitimacy of the opposition parties was very important.

Mr Giuseppe BUSINI, Desk Officer responsible for Azerbaijan, DG RELEX, on behalf of the European Commission, said that that the ENP Action Plan was extremely important for the whole region. The speaker agreed with Mr MAMEDKULIYEV that the Action Plan was a two way street and all ideas should be discussed. He also mentioned that there were a few mistakes in the EU progress report on the Action Plan and that there were no perfect documents. He underlined that the European Commission recognised the progress made by Azerbaijan in many areas, including a major step forward on poverty reduction and said that the EU was ready to provide technical expertise and financial support. The speaker said that the agricultural sector would be supported very actively in 2009.

Then Mr BUSINI referred to the energy issue and expressed the idea that Azerbaijan was a very good and reliable partner for the EU and that the EU was a very safe partner. He also said that in the Nagorno-Karabakh conflict it would be extremely important for both sides to move forward peacefully.

5. Mr Árpád DUKA-ZÓLYOMI, EP Vice-Chairman of the EU-Azerbaijan PCC, remarked that the presidential elections in Azerbaijan were a big show and there was no much interest in the elections among the public. Mr DUKAZÓLYOMI also spoke on freedom of the press and expressed his worries about it. He also expressed his hopes for the change and the rule of law and montioned the intimidation of independent journalists and politically motivated errors.

and mentioned the intimidation of independent journalists and politically motivated arrests. The speaker stated that economic stability, business climate change and GDP growth should not lead to the decline in the field of human rights.

Mr Fuad MURADOV, Azerbaijani member of the EU-Azerbaijan PCC, spoke about the situation in Azerbaijan before the elections and stated that democratic reforms were underway. He noted that opposition candidates were broadly represented and that the changes in the electoral law were debated in parliament. Mr MURADOV said that good conditions have been created for democratic elections and that all the media representatives were free to cover the elections; that three journalists were in prison because they were accused of other crimes and that questions of deformation were also debated in parliament. The speaker concluded with the note that as far as the composition of elections committee was concerned the opposition was not able to agree on the candidate who could join the committee.

Mr ALESKEROV acknowledged that democracy had no limits and that not everything was fine in Azerbaijan. The speaker stated that the EU election observation mission's report however did not contain any serious accusation of the violations of laws in Azerbaijan. He remarked that both the political leaders of Azerbaijan and the opposition parties were very well known in Azerbaijan. He also agreed with Mr MURADOV that journalists were in prison because they were accused of other crimes. The speaker remarked that Azerbaijan was ready for a dialogue with the EU on human rights.

Mr DUKA-ZÓLYOMI emphasised that electoral law should be observed.

Mr MAMEDKULIYEV noted that plenty of international observers would be send to observe the elections in Azerbaijan and that the professionalism of Azerbaijani journalists could be enhanced with the help of the EU.

Mr Chingiz ASADULLAYEV, Azerbaijani member of the EU-Azerbaijan PCC, said that politics and economy were very closely interlinked and reminded about the Russian presence in the Armenian economy.

Ms Urszula GACEK, EP substitute member of the EU-Azerbaijan PCC, talked about regional cooperation. She mentioned that the EU needed energy sources that were not Russian and asked the Azerbaijani colleagues when they think about being an independent supplier of fossil fuels.

Mr ALESKEROV answered by saying that not much support had been given from the EU in the past to the oil projects in Azerbaijan. The speaker stated that there were market rules and Azerbaijan was playing by those rules. He mentioned that there should be clear negotiation on the subject and clear conditions from the EU side before Azerbaijan was ready to commit itself to such projects.

Mrs ISLER BÉGUIN expressed her belief that the EU did not have a common energy policy yet and that could be a major problem and the reason that there were no clear negotiations with Azerbaijan.

Mrs ISLER BÉGUIN adjourned the meeting at 18.45hrs.

Mr Evgeni KIRILOV, EP member of the EU-Azerbaijan PCC resumed the meeting on the 7 October 2008 at 9.42hrs.

6.

Mr ASADULLAYEV started the discussion by saying that economic development and poverty reduction were made possible by development of international laws in Azerbaijan. He noted that a number of economic laws were changed in Azerbaijan and the Azerbaijani state Oil Fund was created. The speaker said that a special state programme on poverty reduction and sustainable development was set up by the government in 2006 for 2008-2015 and was being very successfully implemented. Mr ASADULLAYEV underlined that many other programmes are underway, such as those on social and economic development and improvement of business environment.

Mr ALESKEROV noted that Azerbaijani activities regarding WTO were of primary importance, but the policy of Azerbaijan was to gain as much as possible for the economy. Bilateral negotiations with 6 countries were already concluded. The speaker said that harmonisation of Azerbaijani legislation was well underway. Mr ALESKEROV also noted that Azerbaijan provided lots of humanitarian aid to several countries and that necessary legal basis for such activities was already created. He firmly stated that Azerbaijan was an emerging donor country.

Mrs Gular AHMADOVA, Azerbaijani member of the EU-Azerbaijan PCC, made a presentation on healthcare and education. She said that one of the priorities of the development of the educational sphere was to establish a knowledge system based on information technologies. Mrs Gular AHMADOVA spoke about the necessity to provide talented young people with an opportunity to study at leading universities of the world. The system of marking was already harmonised with the European one. The allocations to the educational sphere gradually increased in Azerbaijan.

Mrs AHMADOVA remarked that after the collapse of the Soviet Union, the health sector was destroyed. Azerbaijan had to build a new healthcare system which required a lot of government allocations. Many state programmes were started on treatment of different diseases as well as programmes on protection of children and mothers. The speaker also said that compulsory insurance was to be introduced in 2009. The World Bank had allocated a credit line for Azerbaijan to help with the reforms in the healthcare sector. Azerbaijani pharmaceutical industry was also given a start and training of medical personnel was underway. The speaker also noted that new settlements were provided for refugees in order to answer the question set up by Mrs ISLER BÉGUIN, who joined the meeting.

7.

Mr BUSINI stated that the European Commission had supported the regional development projects and the opening of national centres in all three countries of the region. But the latter had created the problem of ownership - which of the countries was going to own the project. Mr BUSINI hoped that all the countries would support the centres and that the sustainability of the centres would be given appropriate attention.

Mr ALESKEROV referred to the issue brought up by Mr BUSINI and said that it was very hard to cooperate with an aggressor country. He also spoke about the waste on the Azerbaijani territory that was brought by river waters coming from Armenia and that nothing was done about that.

Mrs ISLER BÉGUIN called on both countries to cooperate and to start a cross-border project.

Mr Hannes SWOBODA, EP member of the EU-Azerbaijan PCC, started the discussion in detail on point 7 of the agenda. The speaker stated that new forms of cooperation with the region have to be performed and that neighbourhood policy was not enough and a multilateral structure was needed. He said that it was important to discuss the issues not only with Russia, but to talk to the countries of the region and to create a basis for solving the still existing problems. Mr SWOBODA called for the troops to be withdrawn from the territory of Azerbaijan and for the peaceful solution to the Nagorno-Karabakh conflict.

Then Mr SWOBODA referred to the energy security issues and said that the EU was very interested in the diversification of its energy routes and not only in renovation and extension of the existing pipelines in the region. The speaker expressed his hope that Azerbaijan would

become a stable partner for the EU in new projects such as Nabucco. He also noted that the cooperation in the Black Sea region on all security issues was very important for the EU.

Mr KIRILOV elaborated on the debate by saying that the EU was indeed trying to play a much more active role in the region and that the soft power of the EU should produce results by not confronting Russia, but by engaging with all the countries of the region in the spirit of cooperation. The speaker expressed his belief that territorial integrity of all the countries is paramount. He also noted that alternative energy projects both Nabucco and South Stream projects were important.

Mr Janusz ONYSZKIEWICZ, EP substitute member of the EU-Azerbaijan PCC, raised other issues such as the recent Russian-Georgian conflict and questioned the role of the CIS in solving the problem. The speaker expressed his idea that the CIS was just a façade and that Russia was just ignoring it. He noted that Russia was giving its passports in South Ossetia disregarding Russian internal regulations and questioned the situation in North Azerbaijan.

Mr Robert EVANS, EP substitute member of the EU-Azerbaijan PCC, said that frozen conflicts had been on ice for too long, that this was not a solution and that it was important for the EU to play an active role in bringing the countries of the region together.

Mr DUKA-ZÓLYOMI noted that in the background of the Nagorno-Karabakh conflict was also the imperialistic behaviour of Russia. He also talked about the return of refugees and about the set up of a buffer zone.

Mr Philip BUSHILL-MATTHEWS, EP substitute member of the EU-Azerbaijan PCC, expressed his idea that the EU should facilitate, but not interfere in the local conflict.

Mrs ISLER BÉGUIN underlined once again that a non-violent resolution of the Nagorno-Karabakh conflict was needed and she agreed with Mr BUSHILL-MATTHEWS that the EU should actively facilitate it.

Mr ALESKEROV stated that the Russian-Georgian war could be predicted because Russia was actively involved in South Ossetia before the conflict had started. He also noted that the EU could not help by facilitating if it accepted both Armenia and Azerbaijan as equal partners. The speaker called on the EU to call the aggressor by its name and to execute the resolution of the UN which says that Armenian troops should be removed from the territory of Azerbaijan. Mr ALESKEROV said that the lessons from the Russian-Georgian conflict should be learned.

Mr ALESKEROV furthermore spoke on the energy issues and mentioned that the harmonisation of legislation between the energy producers, transit countries and consumers was needed. He underlined that energy producers were in more favourable position as they could choose where to sell. He also called for a common energy policy of the EU.

Mrs ISLER BÉGUIN noted that the European common energy policy was the aim of the EU. She also suggested that the EU wanted Azerbaijan to be clear about Azerbaijani relationship with Russia and said that good Azerbaijani-Armenian-Turkish relationship were very important for energy solutions.

- **8.** The recommendations were adopted unanimously.
- **9.** There was no other business.
- 10. It was decided to hold the next meeting of the PCC in the autumn of 2009.

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	ISLER BEGUIN (P) 1,2; DUKA-ZOLYOMI (2nd VP) 1,2			
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Παρόντες	BATTILOCCHIO 2; DROUTSAS 1; KIRILOV 2; OVIIR 1,2; SPAUTZ 1; SWOBODA 2			
Present	Stedfortrædere/Stellvertreter/Αναπληρωτές/Substitutes/Suplentes/Suppléants/ Membri supplenti/Plaatsvervangers/Membros suplentes/Varajäsenet/Suppleanter:			
Presentes	BUSHILL-MATTHEWS 1,2;EVANS 1,2; GACEK 1; GRAU I SEGU 1; ONYSZKIEWICZ 2			
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^{* (}P) =Formand/Vorsitzender/Πρόεδρος/Chairman/Président/Presidente/Voorzitter/Presidente/Puhemies/Ordförande (VP) =Næstform./Stellv. Vorsitz./Αντιπρόεδρος/Vice-Chairman/Vice-Président/Vicepresidente/Varapuhemies Ondervoorz./Vice-Pres./Vicepres/Vice ordförande.

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Radet/Rat/Συμβούλιο/Council/Consejo/Conseil/Consiglio/Raad/Conselho/Neuvosto/Rådet: (*) BUTLER

Kommissionen/Kommission/Eπιτροπή/Commission/Commissione/Commissione/Commissio/Commissio/Kommissio/Kommission/Commission/ Kommissionen: (*) BUSINI

<u>Missions/Ambassades:</u> CHRYSONTUATOPULOS (GREECE); MAZEISKUTI (LITHUANIA)

Andre deltagere/Andere Teilnehmer Επίσης Παρόντες/Also present Otros participantes/Autres participants/Altri partecipanti Andere aanwezigen/Outros participantes Muut osallistujat/Övriga deltagare		TREVELYON (CBI) WILSON (HRWF) BOCHKAREV (East West Institute) RINALDO WILLY (JCI) SAUVAGE (RSF) NIPARTI (EFA)
Gruppernes sekretariat Sekretariat der Fraktionen Γραμματεία των Πολ. Ομάδων Secretariat political groups Secr. de los grupos politicos Secr. groupes politiques Segr. dei gruppi politici Secr. van de fracties Secr. dos grupos politicos Puolueryhmien sihteeristö Gruppernas sekretariat	PPE-DE PSE ALDE Verts/ALE GUE/NGL IDM/DE MUEN NI	WILKOSZ MCCONE; KULINSKA MATEV; WOORO BERGAMASCHI
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Cab. du Secrétaire Général		
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^{* (}P) = Formand/Pres./Πρόεδρος/Chairman/Président/Voorzitter/Puhemies/Ordförande

⁽VP) =Næstform./Vize-Pres./Aντιπρόεδρος/Vice-Chairman/Vice-Président/Ondervoorz./Vice-pres/Varapuhemies/Vice ordförande.

⁽M) =Medlem./Mitglied/Mέλος/Member/Miembro/Membre/Membro/Lid/Membro/Jäsen/Ledamot

⁼Tjenestemand/Beamter/Υπάλληλος/Official/Funcionario/Fonctionnaire/Funzionario/Ambtenaar/ Functionário/Virkamies/Tjänsteman

EUROPEAN PARLIAMENT

EU-AZERBAIJAN PARLIAMENTARY COOPERATION COMMITTEE

NINTH MEETING

6-7 October 2008 BRUSSELS

List of the Azerbaijani Parliament to the EU-Azerbaijan Parliamentary Cooperation Committee Delegation

Members

Mr Valeh ALESKEROV Independent

Chairman

Deputy Speaker of the Milli Mejlis

Mr Chingiz ASADULLAYEV Independent

Mr Fuad MURADOV Independent

Mrs Gular AHMADOVA

New Azerbaijan Party

Ms Jala ALIYEVA Independent

Mr Nizami ISQANDAROV New Azerbaijan Party

Government of the Republic of Azerbaijan

Mrs Sevindj **HASANOVA**, Deputy Minister of Economic Development Mr Mahmud **MAMEDKULIYEV**, Deputy Minister of Foreign Affairs

Mission of the Republic of Azerbaijan

HE Mr Emin **EYYUBOV**, Ambassador, Head of the Mission to the EU Mr Fakhraddin **ISMAYILOV**, 2nd Secretary of the Mission

Secretariat of the Azerbaijani Parliament (Milli Mejlis)

Ms Vefa EFENDIYA, Secretary of delegation

Others

Mr Sahil BABAYEV, Assistant to the Chair