

Brussels, 7 November 2006

President Barroso and the President of Azerbaijan sign a Memorandum of Understanding on energy partnership

The President of the European Commission José Manuel Barroso and the President of Azerbaijan, Mr Ilham Aliyev, met today in Brussels and signed a memorandum of Understanding (MoU) aimed at the establishment of an energy partnership between the EU and the Republic of Azerbaijan, included since 2004 into the European Neighbourhood Policy (ENP). The implementation of the memorandum will allow achieving a better integration of Azerbaijan into European energy markets, strengthening EU energy security – thanks to supplies from the Caspian basin – and developing a more efficient energy demand management in Azerbaijan.

Following the signature ceremony, President Barroso said :” We are pleased that the EU’s relations with Azerbaijan are strengthening through the European Neighbourhood Policy (ENP). Energy and economic cooperation are an important part of our bilateral relations. But the European Neighbourhood Policy is much broader than that. Our relations are also about pursuing shared European values of democracy, good governance, fundamental freedoms and the protection of human rights. We will continue to work with Azerbaijan in all of these political and economic areas”. Commissioner for Energy Andris Piebalgs, who also met President Aliyev, said: “Close relations with Azerbaijan as a key energy supplier as well as an important transit country to the EU contribute to enhancing our energy security”.

The MoU on energy is a result of the Commission’s Green Paper on “A European Strategy for Sustainable, Competitive and Secure Energy” and the conclusions of the March and June European Councils which have underlined the importance of the EU enhancing relations in the energy sector with its main suppliers and transit countries, as well as extending the principles of the internal market to the ENP countries.

The Memorandum includes four main priorities:

- Gradual harmonisation of Azerbaijani legislation with the Community legislation in the energy field leading to the convergence of the electricity and gas markets
- Enhancing the safety and security of energy supplies and transit systems from Azerbaijan and Caspian basin to the EU
- Development of a comprehensive energy demand management policy
- Technical Cooperation and the exchange of expertise

Since Azerbaijani independence, the EU has provided the country with more than 400 million EUR worth of assistance. The Union shall continue to offer financial support in the frame of the European Neighbourhood and Partnership Instrument, as from 1 January 2007.