

PROTOCOL
**of the Fifth Session of the Joint Commission on Economic,
Scientific-Technical and Cultural Cooperation between the Government of
the Czech Republic
and the Government of the Republic of Azerbaijan
(2-3 March 2023, Prague)**

The Fifth Session of the Joint Commission (hereinafter “the Commission”) on economic, scientific-technical and cultural cooperation between the Government of the Republic of Azerbaijan and the Government of the Czech Republic was held in Prague on 2-3 March, 2023.

The delegation of Czech Republic was headed by Mr. Petr Třešňák, Deputy of the Member of the Government of the Czech Republic, Co-chair of the Commission by the Czech Side.

The delegation of Azerbaijan was headed by Mr. Sahib Mammadov, Deputy Minister of Economy of the Republic of Azerbaijan, Co-chair of the Commission by the Azerbaijani Side.

The lists of the delegations of the Czech Republic and the Republic of Azerbaijan are listed in Annexes 1 and 2, respectively.

The Sides exchanged views on current situation of the cooperation in different fields and further aspects for development of cooperation and mentioned that there is a great potential to enhance bilateral trade and economic relations.

The Sides pointed out the necessity to further enhance mutual economic ties and promote investment and trade through intensified bilateral dialogue on economic issues of regional and global importance, including within the context of the EU and the Eastern Partnership.

The Czech side noted the success of the Eastern Partnership Business Forum: Geoeconomic Challenges and Opportunities, a conference organised by the Ministry of Industry and Trade of the Czech Republic within the framework of the Czech Presidency of the European Council on October 17 and 18, 2022 and welcomed the participation of the Azerbaijani delegation headed by the First Deputy Minister of Economy of the Republic of Azerbaijan, Mr. Elnur Aliyev. It was reminded that the conference was accompanied by an exhibition of Czech companies interested in offering solutions



in the area of Smart Cities to the Eastern Partnership countries. List of those companies is included into the Annex of this Protocol.

The 5th Session of the Commission was held in the atmosphere of mutual understanding, reflecting the desire and determination of both countries to find feasible and efficient solutions for further development and diversification of bilateral relations in different sectors of their economies.

The Sides confirmed that their bilateral relations are based on fundamental norms and principles of international law, including respect for the sovereignty, territorial integrity and inviolability of internationally recognized borders of each other. In this regard, the Sides endeavour to ensure that their physical and legal persons act in accordance with these principles and the legislation of the respective Side. The Sides intend to pursue exchange of information on this matter.

The Sides notified that development of the economic ties between the Republic of Azerbaijan and the Czech Republic is in common interest of both governments and agreed on following areas of cooperation:

1. Cooperation in the fields of trade, investment and industry

The Sides noted that there is significant potential for deepening trade, investment and industrial cooperation between the countries.

The Azerbaijani side invited Czech business community to explore the business and investment possibilities in the process of restoration, reconstruction and sustainable development of the Azerbaijani territories liberated from occupation.

At the same time, the Sides intend to:

- establish cooperation between the Small and Medium Business Development Agency of Azerbaijan (SMBDA) and the relevant agencies of the Czech Republic in the field of small and medium business development;
- support discussions on cooperation opportunities with Czech companies in automobile industry;
- encourage Czech companies specialized in the fields of mutual interest to implement investment projects in the economic zones of Azerbaijan;
- exchange experience between economic zones (industrial parks) established in two countries.

- organize bilateral meetings and events to promote the Alat Free Economic Zone (AFEZ) and inform about the opportunities offered by the AFEZ with the participation of ministries and state agencies, major Czech business circles, chambers of commerce and industry, potential investors, large industrial companies, investment funds and other stakeholders.

The Czech side noted the successful visit of the Chairman of the Board of AFEZ, Mr. Valeh Alasgarov to the Czech Republic on June 7 -9 2022, which included a seminar about AFEZ for the representatives of the Czech business community, on the premises of the Ministry of Industry and Trade of the Czech Republic organised with the support of the Czech Chamber of Commerce.

The Czech side mentioned the interest of a number of Czech companies in cooperation with Azerbaijani side in various fields and submitted a detailed information on business proposals as included into the Annex to this Protocol, requesting the Azerbaijani side to ensure the consideration of those proposals by relevant public and private entities. The Sides agreed to arrange meetings between interested parties.

The Sides endeavor to take measures in order not to allow imports/exports and re-exports, sale and realization of any goods and services in their market produced within the internationally recognized territories of either Side without the certificates of origin issued by the relevant bodies of the Latter.

The Sides also endeavor to prevent involvement of its natural and legal persons, directly or indirectly, in any economic activity in the territory of the other Side without authorization of the Latter.

The Sides welcomed the planned official Czech participation in the 15th Aquatherm International Exhibition in Baku on October 19-21, 2023, aimed at deepening inter-business cooperation in the field of Heating, Ventilation, Air-Conditioning, Water Supply, Sanitary and Swimming Pool.

2. Cooperation in the field of finance

The Ministry of Finance of the Czech Republic has proposed cooperation within the Technical Cooperation Project. The Ministry of Finance of the Czech Republic is ready to offer consultations or study visits focused on a wide range of public finance topics. The specific focus of the program and form (study visit / virtual) can be arranged



on expert level with the Ministry of Finance of the Czech Republic.

3. Cooperation in the field of transport

Both Sides welcomed the re-establishment of direct flights between Baku and Prague operated by Azerbaijani Airlines in the last summer season and believe that this and other connections will be further developed. The Czech side expressed its support for conclusion of the negotiations on the Common Aviation Area Agreement between the European Union and the Republic Azerbaijan.

The Azerbaijani Side proposed the establishment of direct cooperation between "ADY Container" LLC, a subsidiary of "Azerbaijan Railways" CJSC, and subsidiaries of intermodal freight companies of the CD Cargo, implementation of joint measures for attracting cargo to the Middle Corridor of which origin and destination point is the Czech Republic.

Azerbaijani side proposed to start cooperation on developing joint logistic products for railway-based multimodal freight transportation in Prague-Istanbul-Baku, Prague-Constanta-Baku, Czech Republic-Azerbaijan-Central Asia and reverse directions.

4. Cooperation in the field of energy

The Sides stressed the importance of cooperation in the field of energy, particularly in renewable energy sources, and low carbon technologies.

The Czech Side appreciates the supply of crude oil by SOCAR to the *Kralupy refinery* as an important contribution to ensuring the energy security of the Czech Republic.

The Sides will continue supporting on developing further the cooperation between ORLEN UNIPETROL RPA and SOCAR, including optimisation of supplies and their routes.

The Czech Side has long appreciated the strategic importance of the expansion of the Southern Gas Corridor (SCP, TANAP, TAP, ICGB pipelines) for the enhancement of the energy security diversification of natural gas supplies to the European Union;

Therefore, the Czech Side

- supports the interest of CEZ and EPH companies in the purchase of natural gas

from Azerbaijan on a short and long -term base, both via pipeline and in the form of liquefied natural gas (LNG).

- has so far appreciated the negotiations of these companies with SOCAR and AGSC and believe that they will achieve the signing of commercial agreements in a short time.

The Czech Side informed the Azerbaijani Side about the interest of Czech companies to participate in the construction of new and modernization of existing facilities of electricity, natural gas, crude oil and petrochemical industry in Azerbaijan.

The Sides decided to exchange experience and to explore opportunities for enhancing cooperation in the field of renewable energy and energy efficiency.

The Sides expressed their interest in promoting participation of Czech companies in renewable energy projects and auctions in Azerbaijan: Therefore, they support the development of cooperation between relevant organizations of the Czech Republic and the Republic of Azerbaijan, especially investigating further opportunities for cooperation between the State Agency on Renewable Energy Sources of the Republic of Azerbaijan and Czech company "MAVEL" in hydroelectric power plants. The sides are hopeful that a series of bilateral discussions during the Commission's session will lead to the successful establishment of MAVEL in the Azerbaijani market.

The Sides gladly accepted the beginning in negotiations on financing the above-mentioned areas by "EXIM Bank" and "EGAP" Insurance Company of the Czech Republic in the Republic of Azerbaijan.

The Sides decided to cooperate on hydrogen and green ammonia production and use, as well as to exchange of experience in development of Hydrogen strategy.

The Sides noted with appreciation the signing of the "Agreement on cooperation in the field of energy between the Ministry of Energy of the Republic of Azerbaijan and the Ministry of Industry and Trade of the Czech Republic" on September 30, 2021, in Baku and its subsequent entry into force that emphasize the importance of energy cooperation mentioned in the Agreement on economic, scientific-technical and cultural cooperation between the Government of the Republic of Azerbaijan and the Government of the Czech Republic, signed on October 30, 2009 in Baku.

In accordance with Article 3 of the "Agreement on cooperation in the field of energy between the Ministry of Energy of the Republic of Azerbaijan and the Ministry of Industry and Trade of the Czech Republic", the Sides agreed to expedite the process of



the establishment of the Joint Working Group on cooperation in the field of energy between the Republic of Azerbaijan and the Czech Republic and to hold the first meeting in the nearest time.

5. Cooperation in the field of agriculture and rural development

The Sides have expressed great potential for development and activation of cooperation in the field of agriculture. Particularly, the Sides decided to develop cooperation in the following directions:

- exchange of experience in the field of implementation of innovative agricultural technologies, new technical means of production, storage and processing of agricultural products;
- Participation of the representatives of both countries at the international agricultural conferences, exhibitions and fairs organized in the Czech Republic and in the Republic of Azerbaijan;
- cooperation between the two Sides in order to develop mutual trade in the agricultural field;
- holding discussions between the two countries on the development of joint projects in priority areas of agriculture;
- mutual exchange of information on agricultural products with export potential;
- cooperation in the field of agrarian research, agrarian education and innovation.
- The Sides appreciated the successful mission of Azerbaijani entrepreneurs to the Czech Republic in May 2022 and welcomed the participation of Czech companies in the international agri-food fair CASPIAN AGRO, which will take place on 17 - 19 May 2023 in Baku.

The Sides have expressed their interest in the fields of livestock production, modern solutions in livestock management, supply of premium cattle breeds, smart agriculture, land reclamation and irrigation.

6. Cooperation in the field of food safety

The Sides concluded that mutual cooperation in food safety in the areas mentioned below will be beneficial for both countries.

- carrying out necessary measures to prevent introduction of the quarantine pests during import, export, re-export and transit from the territory of one Side to the territory

of the other Side,

- exchange of experience in the field of food traceability,
- considering the possibility of establishing cooperation between Azerbaijan Food Safety Institute and relevant scientific research institutes and laboratories of the Czech Republic, working in the fields of phytosanitary, veterinary and food safety.
- considering the possibility of signing of a document about cooperation in the field of Plant Protection and Quarantine in order to strengthen cooperation, to implement the exchange of knowledge and experience between the relevant authorities.

7. Cooperation in the field of environment

The Sides expressed their interest in cooperation in the area of environmental protection in the below given directions, based on Memorandum on Cooperation in the Field of Environmental Protection between the Ministry of the Environment of the Czech Republic and the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan.

- Water management, including transboundary water management and efficient use of water;
- Waste management, including hazardous waste, remediation of industrial contaminated sites;
- Climate change adaptation and mitigation.
- Environmental impact assessment and monitoring

Furthermore, the Sides expressed their interest in promotion of common activities and projects within EU and International platforms;

The Azerbaijani side requested the Czech side to consider supporting the participation of Czech companies in international environment related exhibitions in Baku. The Sides expressed their support for the interest of Czech companies in the extending cooperation in the relevant fields. Furthermore, Sides expressed their interest in holding meetings to explore cooperation opportunities, as well as encouraged implementation of experience exchange programs in water sector between public and private institutions.



8. Cooperation in the field of education and science

The Sides intend to encourage establishment of direct contacts between higher education and research and scientific organizations of both countries with a view to developing of joint programmes, including dual degree programs between higher education institutions, carrying out joint research, exchanging of academic staff and students, and sharing experience in the fields of mutual interests.

The Sides reaffirmed their interest in strengthening educational and scientific cooperation in multilateral programs and projects of the European Union and in creating conditions for the joint participation of research organizations of the Republic of Azerbaijan and the Czech Republic in international competitions of scientific and technical projects.

The Sides agree to mutually promote teaching of Azerbaijani and Czech languages in their countries.

The Sides stressed the importance of expediting the negotiations regarding conclusion of cooperation document in the field of education between the Ministry of Science and Education of the Republic of Azerbaijan and the Ministry of Education, Youth and Sports of the Czech Republic.

The Sides expressed their intention to promote the establishment of contacts and cooperation between the two countries in the fields of science, technology, development and innovation and to inform each other of the most important international symposia on science, technology, development and innovation, which will take place at their territories.

The Azerbaijan National Academy of Sciences (ANAS) suggested cooperation in the following areas with the scientific and educational institutions of the Czech Republic:

- energy efficiency and security, renewable energy, nuclear research;
- bioeconomy, food safety and technology;
- climate change, environmental protection, biodiversity conservation;
- biomedicine, biotechnology, pharmacology;
- digital technology and software development (deep learning, big data, artificial intelligence, machine learning, neural networks);
- nanotechnology, Mini-Fab, quantum informatics;

- space science and technology, astrophysics, geodynamics, geophysics;
- folklore, archaeology, anthropology.

The Institute of History named after Abbasgulu Agha Bakikhanov of ANAS suggested cooperation in the following scientific fields:

- Establishment of research groups on the history of Azerbaijani-Czech relations and investigation of the historical traces;
- Exchange of books;
- Preparation of joint projects.

The Institute of Caucasian Studies of ANAS suggested to cooperate in the field of Caucasian research.

9. Cooperation in the field of innovation and technologies

The Sides intend to explore cooperation opportunities between the innovation facilities (technology parks, incubation and acceleration centers, venture funds etc.) of the two countries.

The Sides shared the intention to encourage cooperation in developing joint startup projects with their respective resources and needs.

The Sides expressed their interest in cooperation in the field of digital economy and digital trade, as well as the Fourth Industrial Revolution Technologies, including AI, IoT, Blockchain and etc.

The Czech Side expressed interest in deepening mutual cooperation in the field of science and research through participation in the 74th International Astronautical Congress in Baku on October 2-6, 2023

10. Cooperation in the fields of labour, employment and social security

The Sides are aware of the importance of the Agreement on Social Security between the Government of the Republic of Azerbaijan and the Government of the Czech Republic in establishing of legal framework for ensuring the pension and social insurance rights of citizens of the countries. Representatives of the relevant ministries are currently in contact, taking steps to finalize the text and the Sides confirmed their intention to sign the Social Security Agreement at the first appropriate opportunity.

The Sides agree to consider the possibility of preparing a Memorandum of Understanding on cooperation between the Ministry of Labour and Social Protection of



Population of the Republic of Azerbaijan and the Ministry of Labour and Social Affairs of the Czech Republic.

11. Cooperation in the field of culture

The Sides emphasize the importance of cultural cooperation and its irreplaceable role in overcoming cultural barriers between states and nations and embracing cultural difference.

The Sides exchanged views on future areas of cooperation and listed possible fields of cooperation, mainly targeted on:

- Protection of cultural heritage;
- Cooperation in the field of film industry and cultural and creative industries.
- Enhancing cooperation in the framework of international organisations.

The Sides are aware of the role of relevant cultural institutions and their direct contacts to strengthening the level of mutual exchanges.

12. Cooperation in the field of tourism

The Sides consider the field of tourism to be relevant for further development of their economies and expressed their interest in sharing information, experience and best practices in the field of tourism.

Both sides welcome the planned mutual cooperation through Czech participation at the AITF Baku trade fair in 2023, where the Czech stand co-organized by CzechTourism will be located. The Czech Side would appreciate assistance from the State Tourism Agency of the Republic of Azerbaijan and Association of Travel Agencies of Azerbaijan in organization of meetings for the Czech participants.

The Sides welcome the plans of the State Tourism Agency to organize a roadshow in Prague to promote the tourism potential of Azerbaijan in the Czech Republic.

The Sides agreed to explore possibilities of providing mutual support of their candidacies for the seats reserved for the European region of the UN World Tourism Organization (UNWTO) Executive Council for the period 2023-2027.

The Sides agreed to cooperate on the following:

- Support for the organization of a familiarization trip for the representatives of tourism industry of Czech Republic to Azerbaijan in the form of the Czech

side providing relevant contacts to associations of tour operators in the Czech Republic to the Azerbaijani side.

- Exploring the opportunities for cooperation in balneological and spa tourism
- Exchange of information on international events, exhibitions, fairs, festivals and other thematic events in the field of tourism between the two countries, as well as on virtual webinars organized by the relevant tourism entities of both countries for representatives of the tourism industry
- Exchange of information and experience on measures taken in both countries for the restoration of the tourism sector in the post-COVID-19 period.

13. Cooperation in the field of land planning

The Czech side informed about the possibility for cooperation in the exchange of experience in the field of document processing of land planning, implementation of normative regulation and state control in the field of urban planning among the State Committee for Urban Planning and Architecture of the Republic of Azerbaijan and the Ministry of Regional Development of the Czech Republic.

Although no progress has been made in this area since the last meeting, the Czech side is interested in implementing this cooperation and is ready to take steps to mutually exchange experience in the field.

The Sides intend to cooperate in the field of application of modern approaches to spatial planning in cities, especially in small urban settlements and sustainable development and exchange experience in the field of project design using BIM (Building information Modelling) technologies.

14. Cooperation the field of standardization, metrology and conformity assessment

Both sides are ready to continue developing further cooperation within the framework of the Memorandum between the Czech Office for Standards, Metrology and Testing and the State Committee on Standardization, Metrology and Patents of Azerbaijan Republic if there is mutual agreement on its focus and methods of financing.

Czech Metrology Institute is interested to continue the cooperation



with Azerbaijan Metrology institute in the field of metrology.

In order to support the export of the Republic of Azerbaijan to the countries of the European Union, The Czech side expressed the wish to prepare and sign a Memorandum of Understanding between the Association of Accredited and Authorized Organizations of the Czech Republic (hereinafter referred to as AAAO CR) and relevant counterpart entity of the Republic of Azerbaijan which will allow for a wide adjustment terms of cooperation on European product certification. The draft Memorandum will be prepared by the AAAO CR and sent to the Azerbaijani side for assessment by 04/30/2023. The Azerbaijani side welcomed the offer and will identify his counterparts.

15. Final provisions

The Sixth Session of the Joint Commission on economic, scientific-technical and cultural cooperation between the Government of the Czech Republic and the Government of the Republic of Azerbaijan will be held in the Republic of Azerbaijan on the dates to be negotiated by the Sides through diplomatic channels.

This Protocol was signed in Prague on 3 March, 2023, in two original copies in the English language.

Petr Třešňák
Deputy of the Member of the
Government

Sahib Mammadov
Deputy Minister of Economy

Co-chair of the Commission
for the
Czech Republic

Co-chair of the Commission
for the
Republic of Azerbaijan

Annex

1. List of companies offering solutions in the area of Smart Cities:

- Agdata, which provides a digital platform that includes air quality monitoring, weather conditions, telematics and more;
- ASIO, a company involved in the development, production, and delivery of technologies for wastewater treatment, water treatment and air treatment;
- CEMENTUM, a producer of sustainable concrete products with an emphasis on design and maximum use of secondary raw materials;
- DEKONTA, an international environmental services and technologies supplier with successful projects in various countries including the Republic of Azerbaijan;
- Future Farming, a producer of aquaponics farms and a general supplier of technology and know-how;
- Lifetech, a developer of UVL, UVM, O3, AOP devices for water and air purification;
- LOGIO, a consulting and technology company that has been providing Supply Chain Management services to manufacturing companies and retailers;
- MAVEL, a global manufacturing-engineering company producing turbines, related technologies, and upgrading and rehabilitating the existing hydropower plants;
- Mikroelektronika, a supplier of efficient and customer-friendly ticketing systems for public transport;
- MORAM CZ, a leading supplier of machinery and equipment for telecommunication and electrification work and infrared heaters for asphalt repair and weed control;
- MYCROFT MIND, an AI and software company;
- Škoda Transportation, a world-famous brand whose main products include low-floor trams, trolleybuses, electric locomotives, suburban train units, subways, electric buses and other products;
- VISION CRAFT, a developer of an AI based technology that enables cities and companies to obtain valuable information from moving objects and helps contextualize the situation in the monitored environment.

2. List of companies mentioned in chapter 1 of the Protocol

- The companies of the Třinecké železářny - Moravia Steel Group have had the experience of implementing a project for the overhaul of the railway line through



Azerbaijan in 2015-2019. The Group can now rely on this project as a reliable reference for further offers of cooperation in the field of railway infrastructure development and urban rail transport from Azerbaijani companies.

- The company FASTRA offers comprehensive service activities on all types of pipelines, such as gas pipelines, water pipelines, oil pipelines, sewage systems, etc. In Azerbaijan, through the state agency CzechTrade, the company is looking for a partner, or dealer network, or end customers for the sale of products and equipment necessary for service activities on pipelines, including the actual servicing and repairs (e.g. connection to existing pipeline lines, liquidation of accidents, closure of burning pipelines, etc.). As the implementation of "Green Cities" projects is starting in Azerbaijan, the company can provide the know-how of its production and development base in the field of product pipelines also for the water and urban sewerage sectors.
- The Czech companies participating in the expert mission to Czech Republic in October 2022 (MAVEL, Zikmund Electronics, TopoWater and Market Connect) have suggested to the Azerbaijani Side the continuation of the discussion on the possibilities of cooperation in the field of water management. The company MAVEL is a provider of hydroelectric power plants. The company Zikmund Electronics is producing cameras for inspecting sewers, pipelines, boreholes, heat ducts and other inaccessible areas. The company TopoWater is providing solutions in the area of wastewater treatment. The company Market Connect is a consulting company working with many Czech companies which offer smart cities solutions.
- The Škoda Transportation company is interested in cooperation in the field of public transport in the Republic of Azerbaijan. In the context of the need to build on the global Green Cities efforts, the company is ready to participate, for example, in the reconstruction of interregional transport. The company is interested in supplying metro services to the Baku Metropoliteni company.