

Outside Witness Testimony for FY2014
Written Statement for the Record

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Before the United States House of Representatives
Committee on Appropriations
Subcommittee on State, Foreign Operations, and Related Programs

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Madam Chairwoman, honorable Ranking Member, honorable members of the Subcommittee,

To summarize U.S. Azeris Network (USAN)'s request in FY2014 aid to Armenia and Azerbaijan as well as Armenia-occupied Nagorno-Karabagh region of Azerbaijan:

Aid	Armenia	Azerbaijan	Armenia-occupied Nagorno-Karabagh region of Azerbaijan
USAID	Per Administration request or less	Per Administration request, or more	\$0 (zero)
Military	Per Administration request or less	\$10 million FMF, \$900,000 IMET (Department of Defense)	Never requested, never allocated, not applicable

USAN promotes fair and need-based foreign aid assistance, based on two important criteria: 1) allied relationship of the recipient state with the U.S., and 2) the recipient nation must have a demonstrated and certified need to need and be able to absorb the aid. There is a great disbalance in U.S. assistance to Azerbaijan and Armenia, it should be at the very least equal to both countries, although Azerbaijan is more than twice the size and population, and has several times the size of refugee/IDP population. In reality, because Armenia militarily occupies some 16% of Azerbaijan and thus commits action in violation of the territorial integrity or national sovereignty of another Independent State

of the former Soviet Union, such as violations included in the Helsinki Final Act, per Section 7070 of the FY2012 Conference Report and other relevant U.S. laws, then probably none of the previously appropriated or funds under consideration shall be made available for assistance to Armenia. Ideally, there should be no aid to Armenia (except for democracy-building and promotion of human rights) and as much for Azerbaijan as what the Administration will request (but at least \$26 million - just like in the FY2011 actual aid allocation).

Also, USAN requests to **not** include **any** direct assistance for the Armenia-occupied Nagorno-Karabakh region of Azerbaijan in FY2014. Furthermore, USAN feels that based on prior actuals, real absorption capacity and Pentagon's own assessments (and not the wants of a special interest group), there should be \$900,000 in International Military Education and Training (IMET) aid accompanied by \$10 million in Foreign Military Financing (FMF) for Azerbaijan, while since Armenia's army is occupying parts of Azerbaijan in violation of U.S. and international law, there should not be FMF or IMET aid to Armenian armed forces at all, or at least less than to Azerbaijan. The so-called "military parity" is not required and meaningless, considering how small the U.S. aid is compared to the overall defense budgets of the two nations, and how different states have different needs, and U.S. national security interests.

NO DIRECT AID TO NAGORNO KARABAKH SHOULD BE PERMITTED

Direct aid to the Armenia-occupied Nagorno Karabakh region of Azerbaijan obviously causes irritation and protests on the part of both Azerbaijan and the Azerbaijani-Americans, and spoils the relations between allies significantly. There was no

direct aid requested for Nagorno-Karabakh in either FY2013 or FY2012, or previously.

Meanwhile, the House Subcommittee on State, Foreign Operations, and Related Programs reports, such as for FY2012, only included such innocent and praiseworthy general instructions as "Provided further, That funds made available for the Southern Caucasus region may be used for confidence-building measures and other activities in furtherance of the peaceful resolution of conflicts, including in Nagorno-Karabakh."

Sources: House Subcommittee State and Foreign Operations FY 2012 Bill, July 26, 2011, p. 36, http://appropriations.house.gov/UploadedFiles/FY12-SFOPS-07-25_xml.pdf, and Text of the conference report FY 2012 (House Report 112-331), Division I, p. 40, rules.house.gov/Media/file/PDF_112_1/HR2055CRbill/pcConferenceDivI-BillOCR.pdf

In other words, the instruction was for CBM's for conflicts such as in Nagorno-Karabakh - which means money split equally among both Armenia and Azerbaijan. But instead all the money was provided directly to Nagorno-Karabakh's military junta, led by the Armed Forces of Armenia which occupies this Azerbaijani region. Thus, how did this instruction got turned into a direct aid to the occupied Nagorno-Karabakh region - and to add insult to injury, only to the Armenian residents, and not Azerbaijani displaced from there? Obviously, someone has twisted and changed the spirit and letter of the Subcommittee's and full Conference's report, and did harm to the U.S. national interests, its international and regional standing and prestige, and its appearance of an honest, neutral broker in the mediation between Azerbaijan and Armenia.

U.S. is the only country in the world to allocate aid directly to the occupied region, bypassing central authorities in Baku. U.S. Does not give any direct aid to similar post-Soviet conflict zones such as Abkhazia (Georgia), South Ossetia (Georgia) and

Transdnistria (Moldova), not to mention many other similar regions around the world, such as Chechnya in Russia in the 1990s and 2000s, or the Turkish Republic of Northern Cyprus (TRNC) - then why provide any direct aid to the occupied Nagorno-Karabakh region?

Aside from this action sending the wrong message symbolically, this aid, which is some 10% of the total (shadow) economy of the occupied territories, **frees up funds for the Armenian armed forces to continuing illegal occupation of 16% of Azerbaijan, buying arms, as well as serving as a black hole for narcotics and drug trade, arms smuggling** (there is a 132 km border with Iran), diamond and precious metals trade, etc. Hence, it is absolutely essential that the counter-productive and inappropriate allocation of direct U.S. aid to the occupied Nagorno Karabakh region of Azerbaijan be finally put to stop this year.

VILATION OF TERRITORIAL INTEGRITY IN FORMER SOVIET UNION - VIOLATION OF THE HELSINKI FINAL ACT

The text of the Section 7070 of the Conference Report FY2012 (House Report 112-331), Division I, pp. 230-231, contained the following important legally-binding instruction, which must be followed:

"INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 7070. (a) None of the funds appropriated under the heading "Assistance for Europe, Eurasia and Central Asia" shall be made available for assistance for a government of an Independent State of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other Independent State

of the former Soviet Union, such as those violations included in the Helsinki Final Act: Provided, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States."

Similar instruction was in the Section 7073 of the House Subcommittee State and Foreign Operations FY 2012 Bill, July 26, 2011, on p. 36. Similar legal provision was in the previous appropriation bills and public laws: in the Section 7073 of the Consolidated Appropriations Act of 2010, in the Section 7073 of the Omnibus Appropriations Act of 2009 (H. R. 1105—383), in the Section 617 of the Consolidated Appropriations Act of 2008 and others (longer list below).

Then, why is this legally-binding instruction ignored and not complied with year after year? Because it has been reported, established and certified many times by the U.S. Government (e.g., the State Department - see <http://Karabakh.UZAzeris.org> for a detailed fact sheet), that Armenia occupies Azerbaijan and thus violates the latter's territorial integrity and sovereignty, it is thus ineligible for any U.S. aid.

CONCLUSION

USAN makes the following requests for Azerbaijan and Armenia:

Armenia – follow Administration’s request or give less in both development aid (except for democracy and human rights promotion) and in military (FMF/IMET);

Azerbaijan – follow Administration’s request or provide more; and provide \$10 million for FME, and \$900,000 IMET aid;

Armenia-occupied Nagorno-Karabakh region of Azerbaijan - \$0.00 (zero)