



Armenian National Committee of America
NATIONAL HEADQUARTERS

Armenian American FY11 Foreign Aid Priorities

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- 2) **\$10 million in development aid to Nagorno Karabagh**
- 3) **Enhancing Section 907 of the FREEDOM Support Act and maintaining military aid parity**
- 4) **Removing barriers to U.S.-Nagorno Karabagh dialogue**
- 5) **Supporting the reinstatement of Nagorno Karabagh in the Minsk Group peace process**
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ANCA NATIONAL HEADQUARTERS
1711 N Street, NW
Washington, DC 20036
ph: 202 775 1918, fx: 202 775 5648
www.anca.org, anca@anca.org

ANCA WESTERN REGION
104 N Belmont Street, 2nd Floor
Glendale, CA 91204
ph: 818 500 1918, fx: 818 246 7353
www.anca.org, ancawr@anca.org

ANCA EASTERN REGION
6923 47th Avenue
Woodside, NY 11377
ph: 917 428 1918, fx: 201 453 3387
www.anca.org, ancaer@anca.org

Allocating \$70 million in economic aid to Armenia

Request: We call for language requiring no less than \$70 million in direct U.S. economic assistance to Armenia in FY 2011.

Since Armenia's independence in 1991, U.S. aid has played a vital role in meeting humanitarian needs, fostering democratic reforms, and building self-sustaining economic growth.

Today, with U.S. help, Armenia is a member of the World Trade Organization, International Monetary Fund, and World Bank; has signed bilateral agreements with the U.S. on trade, investments, and the protection of investments; holds regular Economic Task Force meetings on U.S.-Armenia economic cooperation, and; - in 2005 - was granted Permanent Normal Trade Relations status. The Wall Street Journal-Heritage Foundation 2009 Index of Economic Freedom ranked Armenia as the 31st freest economy in the world.

In large part as a result of reforms supported by U.S. development programs, Armenia's economy has, until the current worldwide economic crisis, grown by more than 10% in each of the past 6 years, more than doubling Armenia's Gross National Product. Armenia, however, still faces the impact of Turkey and Azerbaijan's blockades - estimated by the World Bank as costing Armenia at least \$720 million on an annual basis.

Armenia is one of the 43 member and partner states that make up the NATO-led International Security Assistance Force in Afghanistan. In early 2004, in its first mission abroad, Armenia sent peacekeeping forces to Kosovo to serve under Greek command as part of NATO KFOR operations. In 2008, the size of the force was doubled. Approximately 50 Armenian troops served under Polish command as part of Coalition peacekeeping operations in South-Central Iraq. The Armenian forces, which rotated every six months, include doctors, de-mining experts, and truck drivers. Armenia also invited Iraqi officers to Armenia for training in mine-removal operations.

\$10 million in development aid to Nagorno Karabagh

Request: We call for \$10 million in direct development assistance to Nagorno Karabagh.

We encourage the allocation of no less than \$10 million in FY11 assistance for development programs in Nagorno Karabagh.

We welcome the removal, in the FY10 State, Foreign Operations report, of language restricting aid to Nagorno Karabagh to humanitarian projects. The elimination of this restriction opened the door to much needed developmental aid to Nagorno Karabagh.

For more than a decade, the U.S. Congress has played a unique and vital role in providing direct aid to meet pressing needs in Nagorno Karabagh, helping its people to rebuild their lives after years of devastating Azerbaijani aggression and ethnic cleansing. The provision of development aid would reflect our success in leveraging local efforts to dramatically reduce Nagorno Karabagh's once-daunting humanitarian challenges.

Since declaring independence in 1991, Nagorno Karabagh has built a solid democracy, a free market economy, respected human rights, and held four parliamentary and three presidential votes, all praised by international monitors as free and fair. A fifth parliamentary election is scheduled for May 2010.

Development aid will further strengthen democracy through election reforms and civic and media programs, and will represent a powerful symbol of U.S. support for Nagorno Karabagh's commitment to a fair and lasting peace.

We call on the Congress to request that the Administration provide an annual report on the U.S. assistance program to Nagorno Karabagh, including a full accounting of allocated funds, a review of all policies governing the implementation of this program, and a preview of planned and upcoming projects.

Enhancing Section 907 of the FREEDOM Support Act and maintaining military aid parity

Request: We call for enhancing Section 907 of the FREEDOM Support Act and maintaining military aid parity.

Section 907 of the FREEDOM Support Act, a law first enacted more than 17 years ago, stands as a statement of U.S. opposition to Azerbaijan's blockades and other aggressive uses of force against Armenia and Nagorno Karabagh. Since its enactment, Azerbaijan has not lifted its illegal blockades, nor has its leaders agreed to pursue a peaceful resolution of the Nagorno Karabagh conflict.

We welcome the FY10 State, Foreign Operations conference report's language urging all parties to refrain from threats of violence and to emphasize the need to inform the Committee that the requirements of a Section 907 waiver are being met. Azerbaijan has disregarded Congress' request and continues to threaten to attack Nagorno Karabagh and now Armenia itself. For example, on April 23, 2010, a day before the 95th anniversary of the Armenian Genocide, the *New York Times* reported that Azeri President Aliyev alluded to a possible attack on Armenia itself, announcing that Azeri Defense Minister Safar Abiyev informed him that "The Azerbaijan army has all the capabilities to hit any target on the territory of Armenia if necessary."

The FY02 Foreign Operations bill created broad waiver authority that opened the door to military assistance to Baku. In light of Azerbaijan's belligerent behavior, we urge you to narrow this Presidential waiver as follows:

The President may waive Section 907 of the FREEDOM Support Act if he determines and certifies to the Committees on Appropriations that to do so --

(A) the assistance is necessary to support United States efforts to counter international terrorism, or to support the operational readiness of United States Armed Forces or coalition partners to counter international terrorism;

(B) the assistance will not undermine or hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan or be used for offensive purposes against Armenia or Nagorno Karabagh; and

(C) in the last fiscal year, Azerbaijan has not taken hostile action, either through military force or incitement, including but not limited to threatening pronouncements by government officials, toward Armenia or Karabagh.

Assuming all conditions of this new waiver authority can be met, and military assistance is provided to Azerbaijan, we urge you to uphold the Committee's long-standing tradition of maintaining parity in funding between Armenia and Azerbaijan.

Removing restrictions on contacts and communication with Nagorno Karabagh

Request: We call on Congress to direct the Administration to remove barriers to official and civil society communication and contact between the U.S. and Nagorno Karabagh.

The time has come for the lifting of outdated and counter-productive restrictions on the free exchange of ideas between U.S. officials and the democratically elected leadership of Nagorno Karabagh.

These outdated and arbitrary restrictions - first put in place by the State Department close to 20 years ago - stand in the way of a long overdue dialogue. These restrictions prevent meetings, block travel, prohibit exchange programs, and bar cooperation on public health, counter-proliferation, anti-narcotics, and other regional issues.

These restrictions even hinder direct oversight of U.S. assistance programs in Nagorno Karabagh. The only channel of direct communication left open is through the OSCE Minsk Group, which is focused almost entirely on the peace process.

We respectfully request that the following report language be included in the bill:

“In the interest of promoting mutual understanding, regional cooperation, and a fair and lasting peace, the Committee directs the Department of State, to remove any official or unofficial restrictions on U.S.-Nagorno Karabagh travel, visitations, discussions, meetings, contacts, consultations, exchange programs, or other governmental or civil society communication, cooperation, or interaction.”

Supporting the reinstatement of Nagorno Karabagh in the Minsk Group peace process

Request: We call on Congress to support the reinstatement of Nagorno Karabagh in the Minsk Group peace process.

The Nagorno Karabagh Republic was one of the three parties to the 1994 brokered cease fire, which ended military hostilities between Nagorno Karabagh and Azerbaijan. In its aftermath, Nagorno Karabagh actively participated in the OSCE Minsk Group peace process as an equal partner, along with Armenia and Azerbaijan, in establishing a final and lasting peace in the South Caucasus region.

Since 1997, however, at Azerbaijan's insistence, Nagorno Karabagh has been excluded from the OSCE Minsk Group peace process. As the key party in the negotiations for a final peace agreement, Nagorno Karabagh must be permitted to participate in the ongoing negotiations over its final status.

Calls from the governments in Nagorno Karabagh and Armenia for Nagorno Karabagh's reinstatement are growing more intense with Nagorno Karabagh's Foreign Ministry stating in June 2009 that "no agreement regarding the interests, fate, and future of the Nagorno-Karabagh Republic can be adopted" without Nagorno Karabagh's full participation and Armenian Foreign Minister Nalbandian informing the OSCE Minsk Group Co-Chairs in February 2009 that "it is impossible to achieve progress in the settlement without Nagorno-Karabagh's direct participation." The U.S. Co-Chair to the Minsk Group even admitted in August 2009 that "As Co-Chairs, we know that there cannot be an agreement that's viable if the views of the Karabaghi Armenians are not fully incorporated because they won't accept the agreement."

We respectfully request that the following report language be included in the bill:

"In the interest of promoting a lasting and durable peace in the South Caucasus, the Nagorno Karabagh Republic must be reinstated into the OSCE Minsk Group peace process as a full negotiating partner."

Allocating \$5 million in military aid to Armenia

Request: We call for \$4 million in Foreign Military Financing and \$1 million in International Military and Training in the FY11 State, Foreign Operations bill.

Armenia faces threats from Turkey and Azerbaijan. At the same time, Armenia continues to expand its military partnership with the United States and NATO. The steady growth of this cooperation reflects both the strong partnership between the U.S. and Armenia and the enduring ties that have, for more than a century, brought together these two nations around shared democratic values.

This military cooperation, which began following the Republic of Armenia's independence from the Soviet Union, was strengthened in scope and depth in the wake of the horrific terrorist attacks of September 11th. The new era of intensive cooperation includes partnerships in the following areas:

- ◆ Armenia joined the global war on terror, contributed troops to the Coalition in Iraq, sent troops to support NATO peacekeeping in Kosovo, and is part of the NATO-led International Security Assistance Force in Afghanistan.
- ◆ In order to ensure the transparency of its Armed Forces and enhance the spirit of cooperation, Armenia created the necessary conditions for the U.S. Department of Defense to conduct a successful Defense Assessment. After consulting the U.S., Armenia adopted its first National Security Strategy.
- ◆ With U.S. help, Armenia established a modern and well-equipped Demining Center that trains officers for peacekeeping operations. Armenia has established a State Partnership Program with the State of Kansas.
- ◆ Armenia ratified a Status of Forces Agreement with NATO and concluded a bilateral Article 98 Agreement, providing safeguards to U.S. military personnel in Armenia.