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**Foreign Affairs
Legislative Aide**

Armenian National Committee of America
NATIONAL HEADQUARTERS

To: Foreign Affairs Legislative Aide
From: Aram Hamparian, Executive Director
Date: June 11, 2009

RE: Double standards

Attached please find a two-page review of how recent large-scale proposed aid cuts to Armenia reflect the lack of consistent standards governing U.S. assistance policy to the countries of the Caucasus.

As you may recall, Armenia was singled out in May of this year for the single largest percentage cut of any of the 19 recipient nations of Europe and Eurasia:

Albania +27%	Kazakhstan -23%	Serbia +10%
Armenia -38%	Kosovo -17%	Tajikistan +84%
Azerbaijan +20%	Kyrgyz Republic +70%	Turkmenistan +86%
Belarus +30%	Macedonia +21%	Ukraine +26%
Bosnia/Herzegovina +31%	Moldova +40%	Uzbekistan +18%
Bulgaria (0 to \$800,000)	Montenegro +29%	
Georgia +19%	Russia -7%	

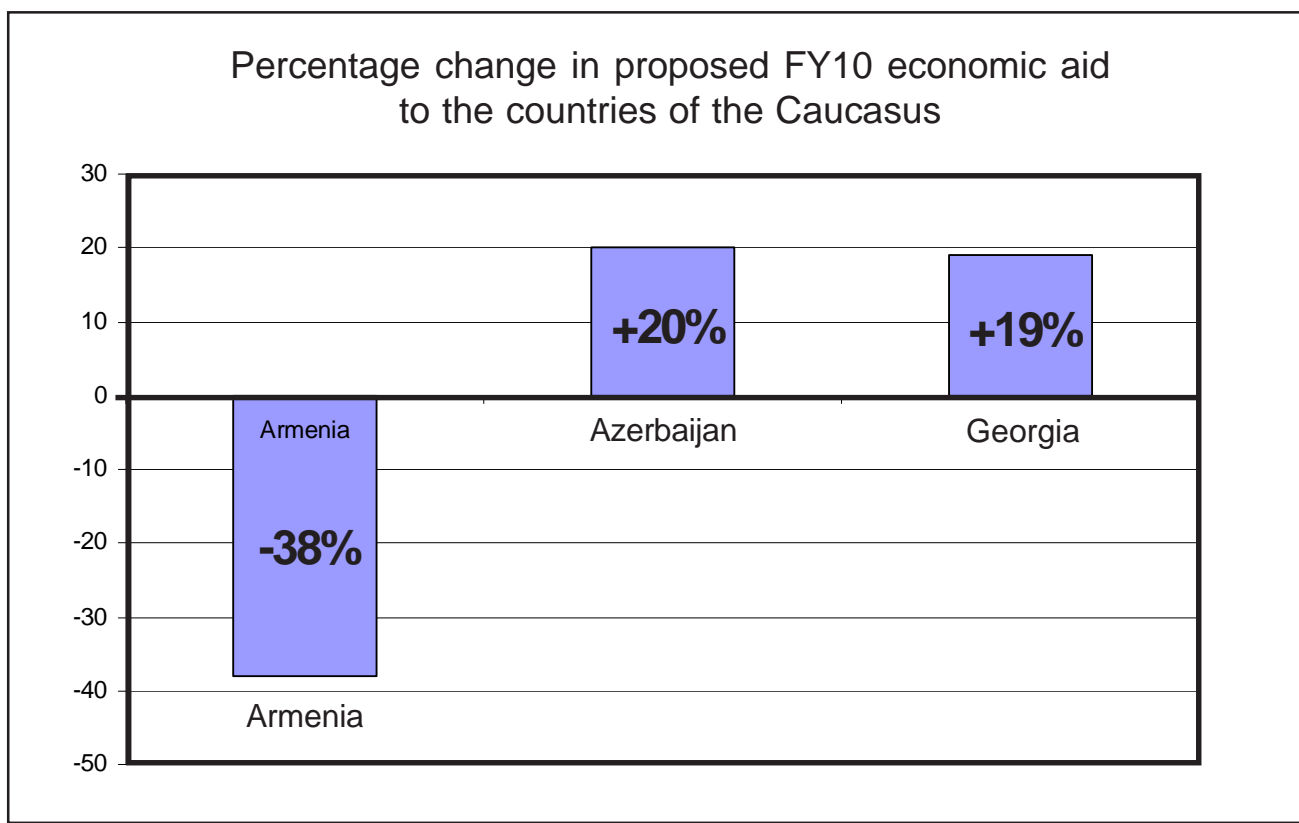
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Double Standards: U.S. Aid Policy in the Caucasus

The Administration's proposal to cut economic aid to Armenia by 38% and the recent decision by the Millennium Challenge Corporation's to effectively end an \$80 million road project in Armenia both highlight the absence of a consistent set of standards in setting foreign aid policy toward the nations of the Caucasus.



Armenia:

- **A proposed 38% cut in FY10 economic aid**
- **An \$80 million reduction in MCC funds**
- **A proposal to break military aid parity in favor of Azerbaijan**

The Millennium Challenge Corporation, on June 10th, effectively stopped an \$80 million roads projects in the poorest sections of Armenia due to concerns over democratic governance. Prior to this, in May of this year, the Administration proposed a 38% cut in economic aid to Armenia, the sharpest cut to any of the nations of Europe and Eurasia.

Azerbaijan:

- A proposed 20% increase in economic aid**
- No MCC program**
- A proposal to break military aid parity in favor of Azerbaijan**

In May of 2009, the State Department proposed a 20% increase in economic aid to Azerbaijan. This increase was recommended despite Baku's record of human rights abuses and its recent flawed election ratifying a constitutional amendment that will allow the Aliyev family to continue its corrupt and openly authoritarian rule. (An Aliyev, either the current president, Ilham, or his father the late Geidar, has ruled Azerbaijan for roughly 36 of the last 42 years.)

Georgia:

- A proposed 19% increase in economic aid**
- A potential \$100 million increase in MCC funds**
- A partially implemented billion dollar post-war aid package**

On September 9, 2008 the Millennium Challenge Corporation announced a potential \$100,000,000 increase to Georgia and praised Georgia's "strong economic foundation and its impressive record of reform." In May of 2009, the State Department asked for a 19% increase in economic aid to Georgia.

MCC's assertion about Georgia's "impressive record of reform" contradicts its own determination that Georgia falls below MCC standards for Political Rights, Civil Liberties, Voice and Accountability, and other categories.

Human rights monitors, including the State Department, Human Rights Watch, and Amnesty International, regularly criticize Georgia's conduct.

Sources:

<http://www.mcc.gov/documents/score-fy09-english-georgia.pdf>

<http://www.state.gov/g/drl/rls/hrrpt/2008/eur/119080.htm>

<http://www.hrw.org/en/news/2009/04/22/human-rights-watch-concerns-and-recommendations-georgia>

<http://www.amnesty.org/en/region/georgia/report-2008>