



UNITED STATES
DEPARTMENT OF STATE



USAID
FROM THE AMERICAN PEOPLE

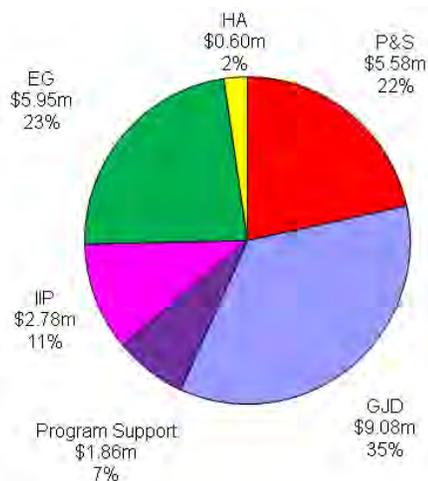
AZERBAIJAN

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

The U.S. seeks a secure, democratic partner in Azerbaijan in addressing crucial global challenges. U.S. Government (USG) assistance therefore promotes fundamental reforms to advance these objectives. Programs in security cooperation seek to increase Azerbaijan’s security capacity and interoperability with respect to the North Atlantic Treaty Organization (NATO). These efforts aim to enhance Azerbaijan’s ability to contribute more effectively to international efforts on peacekeeping, counterterrorism, combating weapons of mass destruction, nonproliferation and counternarcotics. Democracy programs promote increased civic participation, rule of law, reduced corruption, and democratic political processes. USG assistance also supports Azerbaijan’s economic growth as it recovers from the global financial crisis by promoting macroeconomic and structural reform to promote sustainable, diversified and broad-based economic growth and job creation. The United States is working with the Government of Azerbaijan to provide co-financing of some assistance programs, particularly in the areas of economic growth and social services.

TOTAL FY 2009 FOREIGN OPERATIONS APPROPRIATED ASSISTANCE: \$25.84 MILLION*



FY 2009 Areas of Focus

GJD: Governing Justly and Democratically

EG: Economic Growth

P&S: Peace and Security

IIP: Investing in People

HA: Humanitarian Assistance

(*Foreign Operations funding appropriated for FY 2009, not including \$2.35 million in Peace Corps funding and centrally managed, regional Foreign Operations funding that is not budgeted for specific countries. Humanitarian Assistance total does not include the value of donated humanitarian commodities transported by the Department of State, estimated at \$2.03 million in FY 2009.)

HIGHLIGHTS OF FY 2009 PERFORMANCE BY AREA OF FOCUS

Peace and Security

In FY 2009, USG assistance:

- Trained 20 officers who attended the Defense Language Institute in San Antonio, Texas, for English training before attending other courses including infantry, logistics, intelligence, and Navy command and staff courses.
- Upgraded the Azerbaijani Navy Command Center with improved communications equipment, and supplied five Azerbaijani Navy ships with radar and communication equipment linked to the Navy Command Center. Trained Azerbaijan Land Force non-commissioned officers on their roles and responsibilities in the armed forces.
- Enhanced Azerbaijan's ability to combat trafficking in persons (TIP) by exposing over 50 local staff to international best practices, such as learning about victim's rights; disseminating 1,000 copies of a calendar/poster through non-governmental organizations (NGOs), media, and government offices to promote hotline services; and creating a national network of local NGOs and civil society organizations (CSOs).
- Provided specialized training on caring for and dealing with human trafficking victims to 34 personnel of the Ministry of Justice and the TIP shelter and hotline. U.S. funding also supported three human trafficking seminars in 2009, which involved 211 TIP staff.
- Helped improve Azerbaijan's export control system by providing an End User/ End Use (EU/EU) workshop, attended by 17 Azeri licensing and enforcement officials and technical experts, who learned about multilateral export control arrangements, license evasion techniques, and the EU/EU methodology. Also, sent three Azeri officials to the International Export Control Academy at the University of Georgia and provided a WMD Commodity Identification Training workshop for Azerbaijani Customs officers.
- Enhanced Azerbaijan's border control capabilities by providing Customs officers training on the operational employment of VACIS and other X-ray systems deployed in Azerbaijan to interdict illicit trafficking in items of proliferation concern. Also, contributed to Customs' development of a national targeting capability through an orientation visit to the U.S. to observe the DHS/CBP targeting process in Washington, DC and the field.
- Provided support to 17 civilian research and development projects, six of which engaged a total of 18 former weapons researchers. Five grants supported four former weapons researchers. Since their inception, such USG programs funded through the STCU (Science and Technology Center Ukraine) have engaged 72 of the estimated 230 former weapons researchers.

Governing Justly and Democratically

In FY 2009, USG assistance:

- Increased the Parliament's interaction with citizens by supporting the establishment of 101 parliamentary constituent offices throughout Azerbaijan, training 110 Member of Parliament Assistants (MPAs), and supporting the publishing of all adopted legislation on the Parliament's website. MPAs now have weekly engagements with local media outlets to provide updates on parliamentary activities. In FY 2009, the parliamentary constituency offices received 16,500 citizen requests, which are being processed and responded to by a Member of the Parliament or an MPA.
- Increased the research and writing skills of parliamentary staff, resulting in an increase in the percentage of legislation that included staff's written comments from 28% to 50%. With the fall 2009 legislative session, committee leadership also allowed their legislative drafting working groups to include qualified professionals/experts from outside the institution for the first time. This change is expected to improve the quality of the draft legislation presented for consideration by the Parliament.
- Trained 60 prosecutors and investigators from the Prosecutor General's Anti-Corruption Department in how to detect corruption offenses, build a case, and prosecute a complex case at trial. The Prosecutor General's Anti-Corruption Task Force now uses these skills as standard operating procedure. For example, during a recent investigation into school bribery, the Task Force conducted both a sting operation and a net worth analysis on the superintendent of a local school district, resulting in the arrest of the superintendent for systematically extorting bribes from students.
- Provided technical and financial support in the form of grants for advocacy/coalition building activities to 61 CSOs and community-based organizations, with a primary focus on outreach to youth and women as their main population targets. In one instance, the USG provided technical assistance to advocacy CSOs and policy makers resulting in the removal of draft NGO legislation that would have severely curtailed the development of the civil society sector in Azerbaijan. Over 80% of the restrictive provisions in the draft law were eliminated from the final text approved by Parliament.
- Supported an NGO advocacy coalition in drafting and advocating for the Law on Voluntary Activities, to improve the regulatory environment for volunteers. This law was adopted on July 27, 2009, after two years of work by the coalition.
- Through political party strengthening programs, consulted and trained youth leaders and regional party activists from seven political parties in Baku and the regions to use social networking tools, increasing willingness by bloggers to voice their concerns regarding the future of Azerbaijan.
- Trained trainers and poll workers from the Central Electoral Commission to increase their capacity and ability to train election workers, and monitor and supervise elections. Trainings expounded on fair voting processes and handling election complaints and appeals.
- Advanced media freedom, increased access to information, and improved journalistic professionalism through the development of an interactive website for citizen journalists; the opening of eight community information centers with free internet access as an alternative

venue for traditional and civil journalists to deliver news and opinions; and the training of journalists on the correct use of legal phraseology to avoid language mistakes that could be misconstrued as criminal journalistic misconduct.

- Supported the Central Bank of Azerbaijan (CBA) in developing a new Anti-Money Laundering law and in establishing the institutional support structures needed for its implementation. The Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) issued a public statement noting that "progress has been made in addressing many of MONEYVAL's concerns" in meeting the country's Council of Europe, United Nations, and Financial Action Task Force requirements. The Azerbaijani President authorized the establishment of a Financial Investigative Unit under the auspices of the Central Bank.
- Supported the Women's Bar Association in Azerbaijan, enabling it to apply for and obtain funding from the European Commission under the European Initiative for Democracy and Human Rights as well as from the "One-Woman Initiative, an international women's empowerment fund launched in May 2008 by the U.S. Secretary of State.

Investing in People

In FY 2009, USG assistance:

- Helped improve Azerbaijan's ability to manage an increasing tuberculosis (TB) problem through a number of programs. Assisted the government in refining and monitoring recently introduced legislation that bans the sale of first line tuberculosis drugs. As a result of U.S. input on the importance of out-patient-based treatment for TB, the National TB program manager at the Ministry of Health (MOH) and the Azerbaijani Parliament agreed to prioritize out-patient treatment in an effort to improve the National TB Control Strategy. Specific revisions were also suggested to bring the National TB Control Strategy more in line with international TB control standards.
- Trained and provided technical assistance on how to develop provider payment systems to the MOH Policy and Planning Unit (HPPU), charged with strengthening MOH's stewardship of health sector reforms. Training was supplemented by USG technical support for a joint World Bank/Government of Azerbaijan (GOAJ) health reform loan project to develop a framework for health system performance assessment. USG assistance also engaged the MOH to successfully influence national health policy reforms. These combined efforts are expected to help Azerbaijan measure health system performance, compare performance over time, and use this data as a basis for health policy decision-making by the end of 2010.
- Helped public health care facilities in two districts to improve the quality of patient records and become a more reliable source of information on clinical practices. In these two districts, the percentage of cases where two or more antibiotics with similar therapeutic effect were prescribed to treat Acute Respiratory Infections decreased by 20 percentage points, reducing anti-microbial resistance and healthcare costs.
- Helped the MOH and parliamentarians to develop the country's first reproductive health law, which will establish a framework for the provision of quality family planning/reproductive health (FP/RH) services in Azerbaijan.

- Successfully advocated for an MOH policy change to allow FP/RH services and counseling to be provided by a range of trained health workers. Now, pediatricians, therapists, nurse practitioners, and midwives – in addition to gynecologists – are allowed to provide family planning/reproductive health services in Azerbaijan. The MOH-approved family planning protocols developed with USG support contributed to this dramatic change in practice. As a result of USG support, 62 health facilities in target regions are improving the quality of reproductive health services. Of these facilities 92% meet established criteria for providing quality and safe FP/RH services, including counseling, prescription of FP methods and intrauterine device insertion.
- Ensured broad distribution of and access to high-quality, modern contraceptives for segments of the population that can pay for these services. All pharmacies participating in the USG program have at least a three-month stock of at least three modern FP methods.

Economic Growth

In FY 2009, USG assistance:

- Supported the establishment of a working group that systematically analyzed and developed targeted recommendations regarding the operational and strategic issues hampering rollout of the automated treasury system. The working group's efforts culminated in the determination by the Ministry of Finance (MOF) to roll-out the automated treasury procedures to cover approximately 80% of GOAJ expenditures by the close of 2009.
- Supported Azerbaijan's efforts to accelerate WTO accession progress by facilitating enactment and implementation of key trade and investment policy reforms.
- Promoted Azerbaijan's membership in the Codex Alimentarius as part of its WTO accession activities by preparing a manual and delivering a training seminar on the preparation of Annual Notification on Agricultural Support. The manual is now being used as the basis for multilateral WTO negotiations and for annual WTO notification of agricultural subsidies post-accession.
- Provided technical assistance, training, and direct support to entrepreneurs in various sectors, facilitating further job creation opportunities and improvements in the integrity of the banking system in Azerbaijan. USG-supported commercial bank and equity fund investments in non-traditional sectors generated over \$22.85 million in new investments in FY 2009.
- Facilitated 20 new buyer-supplier agreements in selected sub-sectors, strengthening value chain relationships. For example, three buyer-supplier agreements were signed between 203 local small farmers and two large fruit companies in the northern region of Azerbaijan, worth approximately \$1.03 million. In the dairy sector, about 90 small dairy farmers that supply raw milk to a large milk processor in southern Azerbaijan received training to improve milk handling techniques and production. This assistance resulted in a 30% decrease in rejected milk at local milk collection facilities. Improvements in the quality and quantity of milk produced led to a 30% increase in raw milk revenue for local dairy farmers. This increased quality of milk enabled the large milk processor to produce an additional \$5 million of milk.

- Provided technical assistance to six local commercial banks and two equity funds to increase their capacity to analyze potential investments in non-traditional sectors, including credit training, cash flow analysis, and the introduction of two new short-term credit financial instruments. This resulted in over \$22.85 million in new investments in Azerbaijani SMEs in targeted sectors. A new Initial Loan Application Form was developed with the partner banks, which cut the time required for banks to review and provide feedback on credit applications down from several weeks to three days.
- Provided technical assistance to the Central Bank of Azerbaijan (CBA) to promote the development and implementation of risk-management-based prudential oversight, the formulation of sound macro-financial policy frameworks, and institutional strengthening of the CBA. USG technical assistance also advised the CBA on off-site commercial bank inspection planning and methodology.

Humanitarian Assistance

In FY 2009, USG assistance:

- Provided 14 containers of donated clothing, footwear, hygiene items, and school kits valued at over \$2.03 million to institutions and organizations identified as among the neediest, including to internally displaced persons.
- Funded small reconstruction projects to three kindergarten facilities, two orphanages, and the Duz-Rudullu Village Gedevey region.