

**Speech by Ahmet Erentok,  
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**USAN Conference on Energy Security and Diaspora in the Development of the  
U.S.-Azerbaijan Strategic Allied Relations  
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His Excellencies, Distinguished Participants, Ladies and Gentlemen,

I'm proud to be part of such an important event for discussing areas of cooperation between the US and Azerbaijan.

Stability and prosperity will not be achieved or last long without strengthened democratic institutions, the rule of law, civil society and institution building. Azerbaijan and other region countries highly appreciate USA assistance programs in support of community development, independent media, NGO development and legal reform which must continue to be bolstered by high-level social dialogue. USA could achieve greater impact by working in tandem with the European Union. The US pushes for democracy in countries where there is only basic level counter productiveness. US democracy promotion efforts need to place much greater emphasis on institution building. One type of these useful institutions which simultaneously can build domestic developmental climate and launch strong relationship with any countries, including USA is a non-governmental organizations and other civil society representatives. *NGOs can be to become alternative platform to discuss national, regional and global problems within bilateral and trilateral framework.*

Azerbaijan-Turkey Business Association (ATIB) as a non-profit, non-governmental business association, whose mission is to assist in developing the economic, social and cultural relations between Azerbaijan, Turkey, U.S. and other countries in the Eurasian region and in the global market economy already could play important role to establish permanent and productive contacts between non-governmental organizations of the suitable countries. Within this mission ATIB has already organized its 1st Annual Conference on Azerbaijan-Turkey-US Relationship in Eurasia which took place in Washington D.C. last year. ATIB together with Hudson Institute's Center for Eurasian Policy and the Central Asia-Caucasus Institute at Johns Hopkins University-SAIS gathered policymakers, analysts and some civil society organizations representatives from Azerbaijan, Turkey, and the United States in Washington, DC to discuss the challenges and opportunities for their three countries in Eurasia. It represented the continuation of ATIB's mission to foster good relations among Turkey, Azerbaijan and other countries, including USA. In fact, two months prior to the Washington, DC event, ATIB organized a similar conference in Moscow to examine the Azerbaijan-Turkey-Russia trilateral relationship in Eurasia. The Washington, DC conference brought together representatives from the government, economic, academic, and

policy spheres of Azerbaijan, Turkey, and the United States in an effort to define the goals of each state in the strategically important Eurasian region—and how they can work together to achieve them. In these events ATIB demonstrated its coordination and collaboration capacity significantly.

We argue that non governmental organizations are integral feature of democratization. The United States allow countries to develop democracy on their own terms, and at their own pace. There are many different kinds of democracy. With that said, Azerbaijan and Turkey both feel that US support for democracy—particularly the institutions of democracy is important for the region. The Azerbaijani and Turkish democracies, although differing from those in the West, can serve as an example for other countries in the CCA as well as the Middle East. The United States should make a point of emphasizing this, while at the same time remaining vigilant that neither Azerbaijan nor Turkey backslides on their democratic credentials. USA has to distinguish and identify local and regional civil society organizations (separately, think-tank based and advocacy based) to strengthen mutual cooperation and to launch new democratization initiatives. *These organizations usually face similar problems such as lack of funding and qualitative human resources, absence of strong international contacts and etc.* Local governments have already had some endeavors to solve these problems (for example, Azerbaijan government set up NGO Supporting Council and allocated some money from central budget to finance their projects). But permanent cooperation with USA which has experience in civil society building and strategic ally of region countries can give benefits to this redesigning process. As a result, we suggest broadening responsibility and operation scope of the USAID and other agencies in our region.

### **Ladies and gentlemen,**

Developing energy resources in Azerbaijan and the Caspian basin and facilitating the infrastructure to get those resources to international markets are significant components of US efforts to reduce global dependence on Gulf and African/Latin American oil. US and other Western companies are currently investing billions of dollars to develop those resources. The Baku-Tbilisi-Ceyhan oil and Baku-Erzurum gas pipelines are now viable commercial projects being pursued effectively by Western investors. Keeping these projects on a path to successful implementation in 2008-2009 remains a high priority. Soon to earn real money from its energy resources, Azerbaijan now more than ever needs effective economic reform to ensure its wealth will be wisely used. Poverty alleviation, especially among refugees of over 800,000, is an urgent issue. The waiver of Section 907 and mutual proper understanding give us new tools to bring about cooperation and reforms.

Key cooperation issues include:

- expanding the mutual investment;
- bolstering effective economic institutions and coordinated decision-making;
- building collaboration and technical assistance in the agricultural/rural sector of the economy, where the greatest short-term gains can be made in creating jobs and increasing incomes;
- launching new energy projects, especially on the generating alternative energy sources;
- promoting Azerbaijan's accession to the World Trade Organization.

During the last years, USA has converted to useful economic partner of Azerbaijan. But we cannot consider USA's trade position in Azerbaijan's import and export as a stable. In some cases, it is more flexible and changeable. But general trend has propensity to increase, especially after 2005. Additionally, trade deficit between two countries has dwindled and annual trade turnover skyrocketed within last 2-3 years. In 2007 Azerbaijan imported from USA goods of 12 types and exported 5 types. Main exported goods are *caviar, fruits and vegetable juice, crude petroleum, black oil fuel and some furniture kinds*. Main imported commodities are *poultry, milk and cream, canned meat, some petrochemicals, iron tubes and fittings, computing machineries, etc.*

Consequently increasing FDI from USA to the Azerbaijan economy was equal **71.4** mln. USD in 2007. It was only **1%** of the total investment directed to Azerbaijan economy that year. So, unfortunately we can not observe plenty of varieties in mutual trade and huge amounts of investments in comparison with other economic partners. But we hope that our joint efforts to extend successful business benchmarking and mitigation of investment climate will be achievable.

Considering all the existing strategic relations between US and Azerbaijan, we recommend:

- To strengthen economic and energy security cooperation under USA-Turkey-GUAM-Kazakhstan format which will enhance and complete economic integration and energy security pact of the Euro-Atlantic geoeconomics area;
- To vary traded commodities and expand trade relations to the new and potential fields. Currently, it depends on to meet international trade standards for Azerbaijan;
- To establish new platform for gathering think-tank organizations and advocacy organizations together and set up strong USA-Azerbaijan civil alliance;

There is also a need in stimulating mechanisms that can enable mediation between NGOs and decision making instances. It means that NGOs should have capacity to generate alternative and more effective solutions for decision makers;

As coming to escalating regional tensions, we expect that civil society organizations and business associations should activate influences to international organizations and undertake lobbyist functions.

In conclusion, organisers for their effort to have such an important meeting for development of the region. I believe that the conference findings will be of a great importance for all stakeholders in order to develop stronger and more comprehensive relationships. I wish you all much success in the work of the Conference.

**Thank you.**