



# Integrated Country Strategy

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## AZERBAIJAN

**FOR PUBLIC RELEASE**

Approved: April 7, 2022

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## 1. Chief of Mission Priorities

The intensive fighting in the fall of 2020 in and around Nagorno-Karabakh fundamentally altered the geopolitical order in the South Caucasus, elevating the importance of our bilateral relationship with Azerbaijan in achieving U.S. strategic interests in the region. As Azerbaijan develops its policy framework for reconstruction of the territories previously controlled by Armenia, it must also balance Turkish, Russian, and Iranian efforts to expand their respective regional influence.

Reintegration of the newly returned territories is central to Azerbaijan's domestic and foreign policy agenda. U.S. Embassy Baku will focus foremost on helping Azerbaijan address the humanitarian impact of the fighting and supporting efforts to reach a permanent, peaceful resolution to the conflict. Our Mission goals and objectives aim to make concrete contributions to demining and the safe and voluntary return of internally displaced persons. We will continue to support and facilitate reconciliation and the normalization of relations in the region.

Azerbaijan's shared border with Iran and Russia, close relationship with Turkey, and extensive energy links make it an important player in South Caucasus and European regional security. We will continue to partner with Azerbaijan to counter transnational threats, including in the areas of cybersecurity, stopping illicit trafficking, and countering violent extremism. We will also prioritize increased NATO interoperability for Azerbaijan to strengthen our joint capacity to contribute to international security efforts.

Azerbaijan's geographic location also gives it great strategic importance as an energy producer and transit hub. The United States has long recognized the importance of Azerbaijani gas exports through the Southern Gas Corridor to ensure European energy security and reduce dependence on Russian gas. As the world transitions away from hydrocarbons to green energy, U.S. Embassy Baku will work with Azerbaijan to increase its renewable energy capacity, reduce its carbon footprint, and secure its role as a green energy supplier for European markets. Growth in Azerbaijan's renewables sector will also be key in the country's efforts to achieve its climate change goals and diversify its economy away from dependence on hydrocarbon

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exports. U.S. Embassy Baku will also continue to encourage and support improvements in Azerbaijan's investment climate to make it a more attractive destination for U.S. investment.

Advancing our shared economic, political, and security agenda requires Azerbaijan to increase its respect for rule of law, transparency, and accountability. U.S. Embassy Baku will work with government and civil society at all levels to implement anti-corruption measures, strengthen gender equality, and advocate for increased respect for human rights and fundamental freedoms. We will invest in people-to-people diplomacy, educational and professional exchanges, and other forms of public diplomacy programming to directly further our Mission goals and make the United States a more visible leader and partner in Azerbaijan.

Lastly, U.S. Embassy Baku will strengthen its internal operations to reflect U.S. policy goals and interests and ensure we have the operational platforms in place to engage in robust bilateral diplomacy. We will implement environmentally friendly best practices across the Mission and prioritize the incorporation of diversity, equity, and inclusion into all sections and programming.

## 2. Mission Strategic Framework

**Mission Goal 1:** Azerbaijan strengthens its capacity to deal with security threats and bolsters its contributions to regional and international security efforts.

- **Mission Objective 1.1:** Azerbaijan contributes to progress towards a peaceful and durable settlement of the Nagorno-Karabakh conflict and related unresolved issues by supporting regional cooperation in the South Caucasus and advancing reconciliation and normalization of relations in the region.
- **Mission Objective 1.2:** Azerbaijan increases its stability by strengthening its capabilities to counter existing and emerging domestic and transnational security and cyber threats, including illicit trafficking in persons, money, and narcotics by expanding countertrafficking measures at all its borders—especially the Iranian border—and by increasing its interoperability with NATO and expanding civilian oversight of military and security forces.

**Mission Goal 2:** Azerbaijan increases economic development while diversifying its economic base and building economic ties with the United States.

- **Mission Objective 2.1:** Azerbaijan supports the Southern Gas Corridor and European energy security by working with regional and international partners to maintain a stable hydrocarbon supply base.
- **Mission Objective 2.2:** Azerbaijan advances its emission reduction goals through the adoption and expanded use of hydrogen, wind power, and other green energy technologies.
- **Mission Objective 2.3:** Azerbaijan better attracts U.S. foreign direct investment by mitigating its vulnerability to malign influence and reforming its business climate.
- **Mission Objective 2.4:** Azerbaijan contributes to region-wide prosperity by working with Georgia and Armenia on joint independent and Western-led economic and environmental initiatives.

**Mission Goal 3:** Azerbaijani institutions and civil society are increasingly independent and promote the principles of rule of law, gender equality, respect for fundamental freedoms and human rights, environmental sustainability, and government accountability.

- **Mission Objective 3.1:** Azerbaijan strengthens respect for individual liberty, rule of law, gender equality, and democratic institutions by increasing government transparency and accountability and reducing restrictions on civil society and NGOs.
- **Mission Objective 3.2:** Azerbaijan manages the reconstruction of the newly returned territories in an open, transparent, and environmentally sound manner by collaborating with international and civil society organizations and incorporating best practices for sustainable development.
- **Mission Objective 3.3:** Azerbaijan works with Georgia and Armenia to support people-to-people programs that build lasting relationships across borders and contribute to regional stability.

**Mission Goal 4:** The United States becomes a more visible leader and partner, supporting Azerbaijan's independence, stability, and prosperity.

- **Mission Objective 4.1:** Azerbaijanis gain a better understanding of United States culture and values through increased media engagement, exchange programs, and other primary sources, including the potential return of Peace Corps.

**Management Objective 1:** Enhance productivity, effectiveness, and leadership on environmental issues through improvements to the Mission's infrastructure.

**Management Objective 2:** Create a more diverse, equitable, inclusive, and accessible Mission through training, policies, projects, and partnerships.

### 3. Mission Goals and Objectives

**Mission Goal 1:** | Azerbaijan strengthens its capacity to deal with security threats and bolsters its contributions to regional and international security efforts.

**Description:** | The United States and Azerbaijan have a shared interest in strengthening our partnership to counter transnational threats, including terrorism, the proliferation of weapons of mass destruction (WMD) and related materials, and narcotics smuggling. This cooperation supports Azerbaijan's stability and participation in regional and international security efforts. Stable, prosperous, and friendly states enhance U.S. domestic security and create opportunities for U.S. economic interests. Azerbaijan collaborates with the United States to protect critical energy infrastructure from cyber and physical threats. Azerbaijan develops and diversifies its energy sources, supplies, and export routes and encourages other countries to do the same. The conflict between Armenia and Azerbaijan over Nagorno-Karabakh remains unresolved and flare-ups along the international border and Line of Contact continue, despite the November 2020 ceasefire arrangement. While both governments continue to engage in the OSCE Minsk Group Co-Chairs process, progress on humanitarian issues will likely be necessary ahead of any discussion of a peace treaty or status talks. The Embassy's ability to provide consular services to American travelers in affected areas will be limited.

**Mission Objective 1.1:** | Azerbaijan contributes to progress towards a peaceful and durable settlement of the Nagorno-Karabakh conflict and related unresolved issues by supporting regional cooperation in the South Caucasus and advancing reconciliation and normalization of relations in the region.

- **Objective 1.1 Justification:** | Peaceful settlement of unresolved issues related to the Nagorno-Karabakh conflict is vital for regional security and stability. Addressing barriers to trade and investment will be key to unlocking the region's economic potential. Increased Mission efforts, including through informal and people-to-people diplomacy, will center on normalization of relations between Azerbaijan and Armenia, demining of

the newly returned territories, and support for the return of internally displaced persons.

- **Objective 1.1 Linkages:** | EUR Joint Regional Strategy Objective 4.4
- **Objective 1.1 Risks:** | Risks associated with not achieving this Mission Objective include potential increased instability in the Caucasus region, which will negatively influence other Mission Objectives.

**Mission Objective 1.2:** | Azerbaijan increases its stability by strengthening its capabilities to counter existing and emerging domestic and transnational security and cyber threats, including illicit trafficking in persons, money, and narcotics by expanding countertrafficking measures at all its borders—especially the Iranian border—and by increasing its interoperability with NATO and expanding civilian oversight of military and security forces.

- **Objective 1.2 Justification:** | Maintaining and expanding Azerbaijan’s cooperation with the United States and NATO will be increasingly important for long-term security interests. Within the parameters of Section 907 of the Freedom Support Act, the United States advances U.S. influence through continued counter-proliferation and counterterrorism cooperation with Azerbaijan and provides border security assistance to prevent the spread of WMDs; stem the flow of narcotics, foreign fighters, and the trafficking of persons; and counter violent extremism. Foreign assistance resources will also be used to mitigate vulnerabilities in rural and other communities, where youth are at greater risk of joining extremist organizations, engaging in violence to promote change, or being trafficked for sexual exploitation or forced labor. The United States will support Azerbaijan’s efforts to protect critical infrastructure in the Caspian basin and along export routes to global markets from cyber and physical threats and enhance response capabilities to natural and manmade disasters.
- **Objective 1.2 Linkages:** | EUR Joint Regional Strategy, Objectives 1.1, 4.4
- **Objective 1.2 Risks:** | Risks associated with not achieving this Mission Objective include the persistence of cross-border terrorism and cyberthreats that could directly impact the security of the United States and its allies. Other risks include proliferation of



weapons (including WMD), narcotics and other illicit items that threaten the security of the United States and its allies.

**Mission Goal 2:** | Azerbaijan increases economic development while diversifying its economic base and building economic ties with the United States.

**Description:** | A strong economy helps to protect Azerbaijan from instability. Robust economic growth is inextricably linked to the pursuit of market-based reforms that promote and technology to offer across sectors, providing opportunities for Azerbaijan and the United States to partner and support mutual economic growth.

**Mission Objective 2.1:** | Azerbaijan supports the Southern Gas Corridor and European energy security by working with regional and international partners to maintain a stable hydrocarbon supply base.

- **Objective 2.1 Justification:** | Azerbaijan is a key energy supplier for European markets and represents a reliable alternative to Russian gas. Azerbaijan needs to continue to attract adequate investment to meet its gas export commitments over the medium- to long-term, while upgrading transmission systems to minimize technical losses. The country must also responsibly implement energy tariff reforms to discourage inefficient consumption and attract foreign direct investment in new sources of power and heat generation, allowing gas currently used for domestic consumption to be repurposed for export.
- **Objective 2.1 Linkages:** | EUR Joint Regional Strategy Objective 3.4, Interim National Security Strategic Guidance priority.
- **Objective 2.1 Risks:** | Risks associated with not achieving this Mission Objective include expanded influence of U.S. strategic competitors and increased vulnerabilities for European energy security.

**Mission Objective 2.2:** | Azerbaijan advances its emission reduction goals through the adoption and expanded use of hydrogen, wind power, and other green energy technologies.

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- **Objective 2.2 Justification:** | Azerbaijan has committed to a 35 percent reduction in fossil fuel emissions from 1990 levels by 2030. Azerbaijan has considerable potential to expand its use of wind, solar, and hydrogen, and has made renewable energy an important part of its development plans for the territories previously occupied by Armenia. Azerbaijan also has committed to diversifying its energy sources, which would further support its energy exports to Europe. Azerbaijan's focus on green energy provides opportunities for potential U.S. investment in this growing sector of the economy.
- **Objective 2.2 Linkages:** | EUR Joint Regional Strategy Objective 3.4
- **Objective 2.2 Risks:** | Risks associated with not achieving this Mission Objective include lack of diversification in Azerbaijan's energy market and a decline in Azerbaijan's importance as a European energy supplier.

**Mission Objective 2.3:** | Azerbaijan better attracts U.S. foreign direct investment by mitigating its vulnerability to malign influence and reforming its business climate.

- **Objective 2.3 Justification:** | Structural reforms to Azerbaijan's business environment will support Azerbaijan's goal to develop its non-oil economy and create a more diversified economy. The reforms will also help to diversify trading partners and support increased investment opportunities for U.S. companies, which will assist Azerbaijan in reducing the impact of certain actors to use trade and investment as a means of coercion. Azerbaijan needs to reduce corruption to move to a fair, transparent, and market-oriented business climate.
- **Objective 2.3 Linkages:** | Priority of Interim National Security Strategic Guidance
- **Objective 2.3 Risks:** | Risks associated with not achieving this Mission Objective include fewer commercial prospects for U.S. companies and opportunities for strategic competitors to gain influence in the market.

**Mission Objective 2.4:** | Azerbaijan contributes to region-wide prosperity by working with Georgia and Armenia on joint independent and Western-led economic and environmental initiatives.

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- **Objective 2.4 Justification:** | Regional economic cooperation is an essential pillar to help develop economic linkages that can improve livelihoods in all countries and increase regional stability. Helping to create economic ties, including in trade and transportation, can support broader efforts to resolve more difficult political issues between Azerbaijan and Armenia resulting in greater social cohesion. Azerbaijan's efforts to diversify its economy and establish itself as a regional hub for trade and transportation can play a productive role in pushing region-wide economic initiatives and countering Kremlin or PRC-led propaganda. Regional economic growth must be considered in tandem with efforts to mitigate against environmental degradation to ensure growth is not at the expense of limited natural resources. Additionally, thoughtful and inclusive regional economic development can help support and improve the livelihoods of underserved and marginalized populations.
- **Objective 2.4 Linkages:** | EUR Joint Regional Strategy Objective 3.1, NSC Regional Strategy
- **Objective 2.4 Risks:** | Risks associated with not achieving this Mission Objective include continued tension between Azerbaijan and Armenia, as well as the continued ability of the Kremlin to play a dominant role in regional economics and the opening of space for greater economic ties with the PRC government and pro-PRC businesses.

**Mission Goal 3:** | Azerbaijani institutions and civil society are increasingly independent and promote the principles of rule of law, gender equality, respect for fundamental freedoms and human rights, transparency, environmental sustainability, and government accountability.

**Description:** | A community of like-minded democratic states improves global stability and prosperity. The United States will work with Azerbaijan to improve its ability to fight corruption and strengthen the rule of law. The United States will also promote strengthening of civil society organizations that advance democratic principles and support government accountability.

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**Mission Objective 3.1:** | Azerbaijan strengthens respect for individual liberty, rule of law, gender equality, and democratic institutions by increasing government transparency and accountability and reducing restrictions on civil society and NGOs.

- **Objective 3.1 Justification:** | Azerbaijan’s democratic development remains constricted due to government efforts to undermine independent and civil society institutions. Non-state actors have been marginalized and sidelined from taking part in building state institutions and civil society. The United States will continue to use diplomatic tools and foreign assistance resources to strengthen diverse actors and institutions to more effectively support rule of law, equality, and government accountability.
- **Objective 3.1 Linkages:** | EUR Joint Regional Strategy, Objectives 2.1, 2.2; Joint Strategic Plan, Strategic Objective 3.3
- **Objective 3.1 Risks:** | Risks associated with not achieving this Mission Objective include weakening affinities for U.S. principles and values, reduced foreign direct investment, and greater fragility of democratic and civil institutions.

**Mission Objective 3.2:** | Azerbaijan manages the reconstruction of the newly returned territories in an open, transparent, and environmentally sound manner by collaborating with international and civil society organizations and incorporating best practices for sustainable development.

- **Objective 3.2 Justification:** | An open and transparent process for the development of the newly returned territories will help attract U.S. companies to Azerbaijan, while also ensuring this area features the highest quality infrastructure and services while minimizing graft. The promotion of civil society organizations in the provision of services to returning IDPs will provide this vulnerable population with critical support while also demonstrating to the Azerbaijani government that civil society can be an effective partner.
- **Objective 3.2 Linkages:** | EUR Joint Regional Strategy, Objectives 2.1, 2.4
- **Objective 3.2 Risks:** | Risks associated with not achieving this Mission Objective include increased graft and corruption, poor provision of services thereby creating instability in

the returning IDP community, and exclusion of qualified companies (including U.S. companies).

**Mission Objective 3.3:** | Azerbaijan works with Georgia and Armenia to support people-to-people programs that build lasting relationships across borders and contribute to regional stability.

- **Objective 3.3 Justification:** | Support for programs that bolster regional stability are important for U.S. security interests in the South Caucasus. Programs on countering disinformation and developing a professional corps of journalists are stronger and more effective at the regional level.
- **Objective 3.3 Linkages:** | NSC Regional Strategy, EUR Joint Regional Strategy Objective 4.4
- **Objective 3.3 Risks:** | Risks associated with not achieving this Mission Objective include decreased stability in the South Caucasus and fewer opportunities for engagement at a regional level to advance U.S. interests.

**Mission Goal 4:** | The United States becomes a more visible leader and partner, supporting Azerbaijan's independence, stability, and prosperity.

**Description:** | Governments that respect the rights of their citizens remain the best vehicle for prosperity, progress, peace, and stability. In Azerbaijan, our diplomats will build and lead coalitions and use new and existing outreach platforms to articulate the vision of the United States and advance our shared interests.

**Mission Objective 4.1:** | Azerbaijanis gain a better understanding of United States culture and values through increased media engagement, exchange programs, and other primary sources, including the potential return of Peace Corps.

- **Objective 4.1 Justification:** | Increased people-to-people diplomacy, access to Western media, and English-language skills act to counter negative regional influences and disinformation. In Azerbaijan, we seek to advance shared interests, values, and

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aspirations and articulate America's vision for a world that is safe, prosperous, and free. We also aim to counter the influence of strategic competitors seeking to weaken Azerbaijan's sovereignty.

- **Objective 4.1 Linkages:** | EUR Joint Regional Strategy Management Goal, Objective 4
- **Objective 4.1 Risks:** | Risks associated with not achieving this Mission Objective include creating space for U.S. strategic competitors to spread disinformation and expand influence as well as for non-state actors to encourage adoption of intolerant, non-inclusive policies, undermining U.S. national security goals.

## 4. Management Objectives

**Management Objective 1:** | Enhance productivity, effectiveness, and leadership on environmental issues through improvements to the Mission's infrastructure.

- **Justification:** | The current mission facilities—an overcrowded, 130-year-old, non-purpose-built Chancery and a leased Annex 0.9 miles away—reduce productivity, place extra demands on resources, present safety and security issues, and minimize opportunities to lead by example on climate issues. Embassy Baku will take steps to improve infrastructure, up to and including by advocating for host government approval of a New Embassy Compound.
- **Linkages:** | EUR Joint Regional Strategy Objective 4.2 and 4.4; Functional Bureau Strategy/OBO Goals 1 and 2; Functional Bureau Strategy/DS Goal 1.1; Joint Regional Strategy/EUR Goals 5.1 and 5.5/ Federal Sustainability Plan (Primary Operating Goals 2 and 6)
- **Risks:** | Not achieving this Mission Objective negatively impacts Embassy security, operations, and leadership on climate change.

**Management Objective 2:** | Create a more diverse, equitable, inclusive, and accessible Mission through training, policies, projects, and partnerships.

- **Justification:** | Embassy Baku will strive to foster an environment where all employees feel valued, included, supported, and empowered to do their best work and contribute to the success of the Mission. Each employee's unique background, experiences, perspectives, and viewpoints will enhance the ability of the Mission to accomplish its key goals and objectives in Azerbaijan.
- **Linkages:** | Executive Order (E.O.) 13985 on Racial Equity and Support for Underserved Communities; Secretary's Policy Statement on Diversity and Inclusion; Department of State and USAID's Joint Strategic Plan FY2022–26.

- **Risks:** | Failure to make progress on this Mission Objective will impact the Embassy's ability to reach its full potential and its effectiveness in achieving other ICS goals