

GAO Highlights

Highlights of [GAO-22-104619](#), a report to the Chairman, Committee on Foreign Relations, U.S. Senate

Why GAO Did This Study

For decades, Azerbaijan and its neighbor Armenia have disputed rights to the region of Nagorno-Karabakh; in 2020, this dispute escalated to open conflict. While Section 907 generally restricts U.S. assistance to the government of Azerbaijan, the President may waive this provision. The President delegated to State the responsibility for making the certification necessary to waive the Section 907 restriction and for reporting to Congress on assistance provided pursuant to the waiver.

GAO was asked to review assistance provided under the Section 907 waiver. This report examines (1) amounts and types of assistance provided for Azerbaijan in fiscal years 2002 through 2020, (2) State's processes for determining that conditions exist to extend the waiver and the extent of compliance with related consultation and reporting requirements, and (3) the extent to which agencies have considered the waiver provision when assessing programs that provided assistance to the government of Azerbaijan pursuant to a waiver. GAO analyzed data for fiscal years 2002 through 2021; reviewed agency guidance, processes, and assessments of assistance to the government of Azerbaijan; and interviewed agency officials.

What GAO Recommends

GAO is making three recommendations—that State ensure its reporting to Congress meets the Section 907 reporting requirement and that State and DOD ensure they document consideration of the Section 907 waiver provision. State and DOD concurred with the recommendations.

View [GAO-22-104619](#). For more information, contact Chelsea Kenney at (202) 512-2964 or kenneyc@gao.gov.

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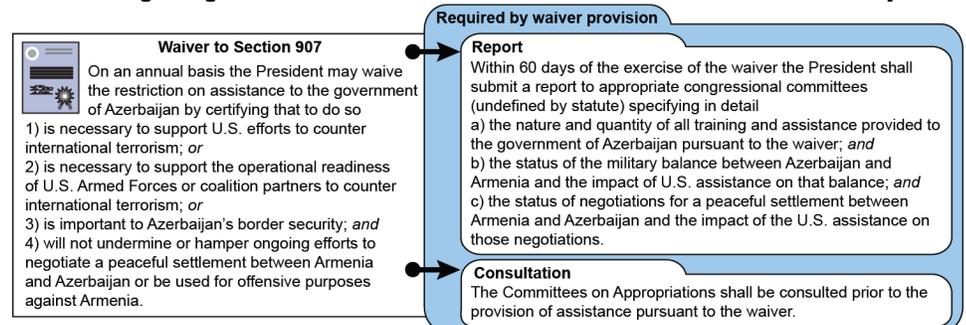
FOREIGN ASSISTANCE

Agencies Should Take Steps to Improve Reporting on Assistance to the Government of Azerbaijan

What GAO Found

Section 907 of the FREEDOM Support Act of 1992 generally prohibits assistance, other than specified support for nonproliferation and disarmament, to the government of Azerbaijan. Subsequent legislation has exempted other types of aid, such as democracy and humanitarian assistance. Since 2002, the President has had the authority to waive the Section 907 restriction annually by certifying certain conditions.

Provision Regarding Waiver of Restriction on Assistance to the Government of Azerbaijan



Source: GAO analysis of Pub. L. No. 107-115, 115 Stat. 2129. | GAO-22-104619

The Departments of State, Defense (DOD), and Energy and the U.S. Agency for International Development reported providing about \$808 million for assistance for Azerbaijan in fiscal years 2002 through 2020. State and DOD reported providing about \$164 million of this amount (20 percent) for security assistance to the government of Azerbaijan pursuant to the Section 907 waiver. Other U.S. agencies' reported categories of assistance—for example, to support democracy and nuclear nonproliferation—were exempt from the Section 907 restriction.

State coordinates with other U.S. agencies providing assistance for Azerbaijan, collecting information needed to determine whether conditions exist to certify the extension of the Section 907 waiver and to comply with the reporting requirement. However, in fiscal years 2014 through 2021, State's reporting to Congress did not address some required elements, such as the impact of proposed assistance on the military balance between Azerbaijan and Armenia. State's 2021 guidance to agencies did not provide detailed instructions about the information required for its reporting to Congress. Unless State takes steps to ensure its reporting addresses all required elements, Congress may lack important information about U.S. assistance to the government of Azerbaijan.

In assessments of their programs providing assistance to the Azerbaijani government pursuant to the Section 907 waiver in fiscal years 2014 through 2021, State and DOD did not document consideration of information the waiver provision requires to be communicated to Congress. For example, the agencies did not document how they determined that their programs would not be used for offensive purposes against Armenia. While program-level considerations of the waiver provision are not statutorily required, documenting such considerations would help ensure State's access to quality information to support its certification of the waiver extension and its related reporting to Congress.