

**REFORM IN ARMENIA: ASSESSING PROGRESS
AND OPPORTUNITIES FOR U.S. POLICY**

HEARING

BEFORE THE

**COMMISSION ON SECURITY AND
COOPERATION IN EUROPE**

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

OCTOBER 22, 2019

Printed for the use of the
Commission on Security and Cooperation in Europe

[CSCE 116-1-8]



Available via www.csce.gov

U.S. GOVERNMENT PUBLISHING OFFICE

WASHINGTON : 2020

38-166PDF

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

LEGISLATIVE BRANCH COMMISSIONERS

HOUSE

ALCEE L. HASTINGS, Florida
Chairman
JOE WILSON, North Carolina
ROBERT B. ADERHOLT, Alabama
EMANUEL CLEAVER II, Missouri
STEVE COHEN, Tennessee
BRIAN FITZPATRICK, Pennsylvania
RICHARD HUDSON, North Carolina
GWEN MOORE, Wisconsin
MARC VEASEY, Texas

SENATE

ROGER F. WICKER, Mississippi,
Co-Chairman
BENJAMIN L. CARDIN, Maryland
JOHN BOOZMAN, Arkansas
CORY GARDNER, Colorado
MARCO RUBIO, Florida
JEANNE SHAHEEN, New Hampshire
THOM TILLIS, North Carolina
TOM UDALL, New Mexico
SHELDON WHITEHOUSE, Rhode Island

EXECUTIVE BRANCH COMMISSIONERS

Department of State, *to be appointed*
Department of Commerce, *to be appointed*
Department of Defense, *to be appointed*

**REFORM IN ARMENIA: ASSESSING PROGRESS
AND OPPORTUNITIES FOR U.S. POLICY**

OCTOBER 22, 2019

COMMISSIONERS

	Page
Hon. Marc Veasey, Commissioner, Commission on Security and Cooperation in Europe	1
Hon. Robert B. Aderholt, Commissioner, Commission on Security and Cooperation in Europe	7

MEMBERS

Hon. Jackie Speier, a Representative from California	4
Hon. Frank Pallone, a Representative from New Jersey	6
Hon. Sheila Jackson Lee, a Representative from Texas	

WITNESSES

Hamazasp Danielyan, Member of Parliament (My Step Alliance), National Assembly of Armenia	8
Arsen Kharatyan, Founder and Editor-in-Chief, AliQ Media .	11
Daniel Ioannisian, Program Director, Union of Informed Citizens	13
Miriam Lansky, Senior Director, National Endowment for Democracy	15
Jonathan D. Katz, Senior Fellow, German Marshall Fund	17

APPENDIX

Prepared statement of Hon. Marc Veasey	30
Prepared statement of Hon. Jackie Speier	33
Prepared statement of Hon. Frank Pallone	35
Prepared statement of Hon. Benjamin L. Cardin	36
Prepared statement of Hamazasp Danielyan	38
Prepared statement of Arsen Kharatyan	41
Prepared statement of Daniel Ioannisian	45
Prepared statement of Miriam Lansky	47
Prepared statement of Jonathan D. Katz	50
Statement for the record from the Armenian National Com- mittee of America	55

REFORM IN ARMENIA: ASSESSING PROGRESS AND OPPORTUNITIES FOR U.S. POLICY

October 22, 2019

COMMISSION ON SECURITY AND COOPERATION IN EUROPE
WASHINGTON, DC

The hearing was held at 2:05 p.m. in Room 210, Cannon House Office Building, Washington, DC, Hon. Marc Veasey, Commissioner, Commission on Security and Cooperation in Europe, presiding.

Commissioners present: Hon. Marc Veasey, Commissioner, Commission on Security and Cooperation in Europe; and Hon. Robert B. Aderholt, Commissioner, Commission on Security and Cooperation in Europe.

Members present: Hon. Jackie Speier, a Representative from California; Hon. Frank Pallone, a Representative from New Jersey; and Hon. Sheila Jackson Lee, a Representative from Texas.

Witnesses present: Daniel Ioannisian, Program Director, Union of Informed Citizens; Arsen Kharatyan, Founder and Editor-in-Chief, AliQ Media; Miriam Lansky, Senior Director, National Endowment for Democracy; Hamazasp Danielyan, Member of Parliament (My Step Alliance), National Assembly of Armenia; and Jonathan D. Katz, Senior Fellow, German Marshall Fund.

HON. MARC VEASEY, COMMISSIONER, COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Mr. VEASEY. [Sounds gavel.] Good afternoon and welcome. This U.S. Helsinki Commission hearing on “Reform in Armenia: Assessing Progress and Opportunities for U.S. Policy” will come to order.

If there are any members that aren’t commissioners, please come up and ask questions and come onto the dais.

Eighteen months ago, the people of Armenia began marching in the streets in a massive protest and civil disobedience movement that would become known as Armenia’s Velvet Revolution. Yerevan, Armenia’s capital, had seen waves of mass protest in recent years, but no one could have predicted that this manifestation of popular will would achieve the transformative change it has so far.

At the beginning of last year, it was difficult to imagine that the ruling Republican Party of Armenia’s grip on power was so tenuous, that it would recede and effectively vanish from politics in a matter of months after being in power for more than two decades. What’s more, the government’s history of violently suppressing pro-

tests meant that demonstrators knew theirs was a dangerous and inauspicious undertaking.

Few knew these lessons better than Nikol Pashinyan, the opposition leader at the center of the Velvet Revolution who was forced into hiding and jailed after helping organize protests against the initial election in 2008 of then-President Serzh Sargsyan, the very leader he helped depose last year to become Armenia's current prime minister. The fact that this revolutionary political change took place without a shot fired is a testament to the strength, unity, and discipline of the protest movement, as well as to the responsible decisionmaking of government officials who declined to resort to violence to cling to power.

The 2018 protest movement coalesced around the demand to stop the term-limited president from becoming prime minister, but quickly grew to encompass broader goals, and those were demanding an end to systematic corruption, respect for the rule of law, and economic justice. These are demands that vaulted opposition legislator and protest leader Nikol Pashinyan to a landslide victory in parliamentary elections in 2018.

As we near the 1-year anniversary of this historic election, the Helsinki Commission is convening this hearing to gauge how the Armenian Government is delivering on its revolutionary promise. What has it achieved so far, and where should it channel its focus in its second year and beyond?

We're also interested in how U.S. policy is adjusting to this unique political opening. Are our assistance levels adequate? Are they properly tailored to promote freedom, security, and sovereignty of the Armenian people? Given our mandate as the Helsinki Commission to focus on the Organization for Security and Cooperation in Europe, how are multilateral institutions like the OSCE responding?

I'm pleased that we have here with us today some of the Congressional Armenian Caucus leaders who have trained their focus on these questions and introduced appropriations language that would double the U.S. assistance to Armenia for the sake of bolstering democratic reforms. I also understand that USAID has responded to the political transformation in Yerevan by undertaking a strategic reassessment of its programming in this country. My hope is that this hearing will generate substantive recommendations for how to orient USAID's forthcoming programs toward the most critical reform priorities.

In the realm of multilateral assistance, the commission is particularly interested in Armenia's engagement with the OSCE, the regional security organization this commission tracks as part of its statutory obligations. Regrettably, however, OSCE's assistance to Armenia's reform objectives is hamstrung by the closure of the OSCE's Field Office in Yerevan since 2017, when the Government of Azerbaijan unilaterally blocked the consensus required to extend the office's mandate. Without this office, it is more difficult to maintain regular OSCE engagement with the Armenian Government to develop and implement important training, capacity building, and policy development initiatives.

In response to the OSCE Field Office's closure, the U.S. has initiated an Armenian cooperation program that draws together vol-

untary contributions from OSCE participating States to support OSCE programs in the country. The Armenian cooperation program is contributing to the government's security and economic reforms, but this partnership should extend to judicial independence, parliamentary oversight, and also free and fair elections. I hope this hearing can serve as an encouragement to our partners in the OSCE to increase their commitment to Armenia's reform program through contributions to this U.S.-led initiative. I also hope that Azerbaijani authorities will reconsider their decision to block the mission and welcome discussions to reopen it.

Before proceeding further, I'd also like to thank Chairman Alcee Hastings for the opportunity to chair today's hearing on an issue of profound importance not only for the people of Armenia, but for the future of democracy and human rights in Eurasia and the OSCE region as a whole.

At this time, I would like to acknowledge other commissioners that are here and, again, Members of the Congressional Armenian Caucus—Jackie Speier and Frank Pallone—that are here, and anyone else in attendance for opening remarks that they wish to make.

We have assembled an excellent panel to discuss developments in Armenia and to provide their recommendations for the path forward.

We're honored to have with us from Yerevan a distinguished parliamentarian from Armenia's National Assembly and a member of the My Step Alliance, Hamazasp Danielyan. Mr. Danielyan spent much of his career working in civil society and managing democracy promotion programs in Armenia. In the National Assembly, he serves as the coordinator of the Parliamentary Working Group on Electoral Reform.

And then we're going to hear from Arsen Kharatyan. Mr. Kharatyan is the founder and editor-in-chief of AliQ Media, an independent Armenian news outlet based in Georgia. Mr. Kharatyan is a founding member of Prime Minister Pashinyan's Civil Contract Party and served as a senior advisor to him during the first 100 days of his tenure as prime minister.

Our third witness is going to be Daniel Ioannisian, who is visiting from Yerevan, where he works as a program director for the Union of Informed Citizens, which is an NGO focused on developing Armenia's independent media sector and tackling issues such as disinformation and media literacy. As a political activist and civil society leader, he has developed expertise in many areas of democratic reform, and currently serves as secretary of the parliamentary working group working on electoral reform that is led by Mr. Danielyan.

Also, in addition to Mr. Ioannisian, we will hear testimony from Miriam Lanskoy, senior director for Russia and Eurasia at the National Endowment for Democracy. Ms. Lanskoy has spent 14 years experiencing and studying and supporting democracy promotion in the former Soviet Union.

Last, Jonathan Katz, who is a senior fellow at the German Marshall Fund, will testify on his considerable experience managing U.S. assistance programs in the former Soviet Union. From 2014 until 2017, he served as deputy assistant administrator at USAID, where he managed U.S. development policy, energy security, eco-

conomic growth, democracy, and governance programs in Eastern and Central Europe and the Black Sea and the Caucasus regions.

I will refer you to the materials in your audience handouts for the full biographies of all of our witnesses. Again, thank you for being here today.

And before we hear from Mr. Danielyan and his testimony, I also want to welcome His Excellency Mr. Varuzhan Nersesyan, the Ambassador of the Republic of Armenia to the United States, who is also here today. Thank you, sir, for joining us.

I look forward to hearing all the experts' assessments and their expertise on Armenia. And now we invite Mr. Danielyan to begin his testimony.

Mr. DANIELYAN. Thank you very much, Mr. Chairman.

Mr. VEASEY. If you could please pause very quickly, I believe Ms. Speier is going to have remarks and then we'll come to you, Mr. Danielyan.

HON. JACKIE SPEIER, A REPRESENTATIVE FROM CALIFORNIA

Ms. SPEIER. Mr. Chairman, thank you for holding this very important hearing on the burgeoning democracy in Armenia. I have met with almost all of your panelists, I believe I have met actually each and every one of you, on one level or another. And I regret that I'm not going to be able to stay because I am a member of the Intelligence Committee and we are knee-deep in interviews right now on the impeachment inquiry. So forgive me for not being able to stay.

But, Mr. Chairman, I wanted to share with you my observations, having just returned from Armenia. And I know my colleague and co-chair of the caucus on issues regarding Armenia, Mr. Pallone, will also speak. Although we passed in the night, so to speak, we were not there simultaneously, but we did bookend each other in our travels.

Over the last year and a half, I have watched, as many of us have, with excitement and admiration as Armenia's people have transformed the government from a staid autocracy to a burgeoning democracy—all without a shot being fired. Seared in my mind are the signature images of Armenia's Velvet Revolution: hundreds of thousands of women and men in the streets protesting, children blocking the roads with their toy cars and trucks, and that defiance turning into joyful dancing and singing as Armenia's people and future carried the day.

As I said, 2 weeks ago I had the privilege to visit Armenia as a member of the first dedicated congressional trip to the country since the revolution. And I could not be more excited or encouraged about the progress that's being made after being there. Armenia's democracy is brand new: 102 of the 132 parliamentarians have never held public office before and its bureaucrats are inexperienced. But I have good news: they are up to the challenge.

I truly was blown away by the bright young people who will define Armenia's next chapter. They have much work to do: building political parties, reforming institutions, and writing and implementing laws. But they are truly up to the challenge.

Armenia's young people are brilliant, engaged, and capable, and they understand that they must act quickly to take advantage of

their unique opportunity to define their country's future. I repeated that sentiment with the prime minister, the president, and with many of the members of the parliament. There is a small window of time in which to act, and act they must.

The efforts that are underway are daunting. There's no question about it. To reshape a country that has been under a mostly corrupt organization beforehand is very important. Some of the basic things that need to take place include building a modern, efficient bureaucracy; reforming the constitution and the electoral code; and improving the country's infrastructure and delivery of basic services, like trash pickup and street cleaning. All we need to do is follow the lead.

I'm very grateful that my amendment to allocate an additional \$40 million in democracy aid to Armenia received a resounding 268 bipartisan votes on the House floor, and it continues with this hearing today. Going forward, we must continue to highlight Armenia's progress, assist its government, and partner with its parliamentarians.

I will say—and I'm sure my colleague, Mr. Pallone, will speak to this as well—we traveled to Artsakh and met with the HALO [Hazardous Area Life-support Organization] Trust there that has been doing an incredible job in demining. And yet, we have reduced the funding to \$500,000 in the next year to have them draw down when, in fact, they still need \$6 million over 3 years to complete their work. So I'm hopeful that we will rethink that allocation and recognize that we must assist in completing the task that HALO has started.

In meeting with the prime minister, he also made the plea to us that they want assistance in terms of training their law enforcement, and particularly to acquire police vehicles, much like the vehicles we have here in the United States. So we must also ensure that Armenia's leaders understand that taking advantage of their special limited opportunity to drive their country's future will require laying out specific plans. So it's not good enough to just say we are moving forward. I think the Armenian people need to know specific plans that will be undertaken.

Armenia has come so far in such a short period. It is truly remarkable, and inspiring, and a reminder that even in the shadow of growing global autocracy, even in a neighborhood filled with bad actors, and even when it seems more distant, the flame of democracy burns bright and we can help it grow.

I want to thank you again for holding this hearing, Mr. Chairman, and I look forward to the testimony. I regretfully am going to have to leave, but I will certainly read the testimony once it's transcribed.

And let me just say, as I leave, what's happening in Ukraine should be a warning to all of us that if we are not vigilant, if we do not support democracies that exist in that part of the world, we will be damned in the future. And I yield back.

Mr. VEASEY. Representative Speier, thank you for your comments and thank you for joining us.

The chair now recognizes from New Jersey, Mr. Pallone.

**HON. FRANK PALLONE, A REPRESENTATIVE FROM NEW
JERSEY**

Mr. PALLONE. Thank you, Mr. Chairman. I want to thank you and the U.S. Helsinki Commission for having this really important hearing today. And, as my colleague Jackie Speier from California mentioned, we were very fortunate just in the last few weeks, the two of us as well as Judy Chu, to travel to Armenia and see the results of the Velvet Revolution and meet some of the parliamentarians, including Mr. Daniel Ioannisian, who's going to be the first person to testify today.

I'll be brief, but I just wanted to say that it is incredible to me the amount of progress that has been made by Armenia since the first time I visited. I visited a few years after the breakup of the Soviet Union. And I can't stress enough, this was a new republic, a new country coming out of the Soviet Union that had a war over Artsakh, that had an earthquake which devastated major parts of the country, that continued to be blockaded then and today by its neighbors, Turkey and Azerbaijan, and was cut off, in the aftermath of the Soviet Union, from its market. Remember that Armenia was part of this market with the Soviet Union. It was a manufacturing center that produced a lot of products that were sold in the other parts of the Soviet Union.

So it was really on its knees. It was in bad shape. But even then, I think there was a feeling on the part of the new government that they had to be democratic; that they had to be market-oriented; that they had to enforce the rule of law. And I would be the first to admit that it was a long time before all those things came to fruition. And they're still not completely at fruition. But the bottom line is, when we had the Velvet Revolution in April 2018, it was really a culmination of what I felt was the way that Armenia wanted to go. Armenia very much looks to the West and looks to our institutions.

And I'm not going to suggest that there still isn't a lot more that needs to be done with regard to judicial reform, constitutional reform, corruption, and police reform. Jackie mentioned that the prime minister stressed that to us more than anything else, because he thought that was something that we could work on together. There's a lot more that needs to be done, but they have just made so much progress, and there's so much optimism in the air.

And every one of these things that I just mentioned, the parliament is now working on. When we were there, we actually had an opportunity to go and listen to some of the debates by some of the members of the U.S. Friendship—they have a U.S. Friendship Council that's the equivalent of our Armenia Caucus. And we were there on a MECEA trip and they're coming here in November, some of the leaders of their equivalent of the Armenia Caucus.

And they were working on the judicial reform as we spoke. That was part of the debate in the parliament that ultimately passed. So I can't stress that enough. And, as Jackie said, this was a Velvet Revolution. Think about it. We know what happened in Russia. We know that Ukraine continues to be a dictatorship—or, not Ukraine—Belarus continues to be a dictatorship. We know how difficult it is for Ukraine. But here, without firing a single shot, the president resigned, there were new elections that were totally

transparent last December. And I can't stress enough how much they're doing to bolster civil society, strengthen the democratic and judicial institutions, and root out corruption.

But the main thing I wanted to say—and I know Jackie alluded to that as well—is that's why we in the Armenian Caucus are really working hard to try to get the State Department and USAID to fund projects in Armenia. For example, we met with the high tech minister. And there are so many things that could be done there if we could do some more USAID projects, or other projects with U.S. help. We met with the health minister. The prime minister talked about police reform. Every one of these things could be done either through USAID or some of the other democratic institutions that we have here. So we're really trying to encourage that. We want the U.S. to get involved.

I introduced a resolution that aims to officially recognize the democratic reforms that the country's taking. And that's now in our International Relations Committee. I know that they're going to move that fairly quickly. I should also mention, if I can, that it's very likely that the Armenian genocide resolution is going to come to the floor next week. I know that might not seem to be the topic today, but I think it's also something that needs to be done in order to talk about the terrible history that Armenians faced over 100 years ago.

And so I'm hoping that under the auspices of both the Helsinki Commission as well as our efforts with the Armenia Caucus, that we can provide the investments that will build on the current U.S.-Armenia strategic relationships and help to grow what I consider an already thriving pro-democracy movement to reach its fruition with our aid.

Thank you, again. My colleague for Energy and Commerce—I'm going to say one more thing. I chair the Energy and Commerce Committee. Marc is also on it. And a lot of the things that we mentioned in Armenia come right under our jurisdiction—tech, health care, energy. There are so many things that we have to look at in our committee—not that I'm going to tell you what to do. But we can work together on some of these things in our committee.

Thank you. Thank you, Mr. Veasey.

Mr. VEASEY. No, that's very true, Mr. Pallone. Thank you very much for being here today. Thank you for joining us. And thank you for your testimony.

And now the chair recognizes from Alabama, Mr. Robert Aderholt.

**HON. ROBERT B. ADERHOLT, COMMISSIONER, COMMISSION
ON SECURITY AND COOPERATION IN EUROPE**

Mr. ADERHOLT. Thank you Mr. Chair. Just want to say, good to be here. I've been a member of the Helsinki Commission for many years now. And it's an important committee, it looks at issues around the world, and hot spots, and places that we can work together to make the different regions of the world our partners in many different ways. I don't have any really official opening comments. I want to say I'm glad to be here and look forward to the testimony that we're about to hear.

Thank you.

Mr. VEASEY. Mr. Aderholt, thank you very much.

And now I'm going to recognize Mr. Danielyan to begin his testimony. And want to remind all the witnesses that we're here for an abbreviated time period. So, if you want to, make your remarks brief so everyone can have a chance to go, and we can have questions and answers, that would be great.

Thank you very much.

Mr. Danielyan.

MR. HAMAZASP DANIELYAN, MEMBER OF PARLIAMENT (MY STEP ALLIANCE), NATIONAL ASSEMBLY OF ARMENIA

Mr. DANIELYAN. Thank you, Mr. Veasey. And thank you, Helsinki Commission members.

Let me start with thanking the honorable members of this distinguished commission for organizing these hearings and bringing Armenia's democratic transformation under the spotlight. Your interest toward democratic developments in Armenia is very encouraging. The support is very much appreciated. I should say that as a member of the Parliamentary Assembly of the Organization for Security and Cooperation of Europe, we established good level working relations with the U.S. delegation and distinguished members. At the same time, I should bring your attention to the fact that there is much yet to be done in deepening our cooperation across all three dimensions of the OSCE.

I believe this hearing will contribute to that aim, especially in the direction of human rights and democracy. I also believe that Armenia's recent experience of peaceful democratic transformation has much to offer for many countries in the region and across the globe. And this experience and commitment to democratic failures and human rights was also recognized only a few days ago when Armenia was elected by the vote of more than 140 U.N. member states to be a member of the Human Rights Council of the United Nations.

Now, coming to the process of democratic transformation, for me there are many aspects I would like to present. While I was making my close to 30-hour-long trip to stand in front of you, to make this 5-minute testimony, I was thinking, what are the best ways to present the process that is happening in Armenia? And I came to the conclusion that maybe instead of presenting the details of democratic reforms and strategies, and all the documents that I suspect are being and can be communicated in a better forum, I will talk a little bit about my personal experience and journey, which is directly intertwined with the trends that are happening in Armenia, and present a few episodes from the past 10 or so years.

So, first, let me begin with the February 2008 contested presidential elections that were happening in Armenia. I was in my career working for a nongovernmental organization in the United States, IFES, the International Foundation for Electoral Systems. And through this organization, we were supporting democratic elections in Armenia, as well as witnessing the systemic level of rigged elections. I cannot forget the efforts of a brave American woman, whose name is Linda Edgeworth, who was trying to save one of the local observers that was being harassed in the local precinct.

The number of precincts in Armenia are close to 2,000. And, unfortunately, there were not enough Lindas to assist stopping the systemic level of vote rigging. After these elections, for 10 days citizens of Armenia protested peacefully on the streets of Armenia. And this resulted in one of the darkest days of modern Armenian history, March 1st, 2008, when, because of the use of lethal force, 10 people were killed on the streets. Only a few months later, I remember a conversation with my friend and colleague Arsen Kharatyan, in DC, in the summer of 2008, about the democratic prospects of Armenia. And those were not very hopeful conversations. And prospects were not very bright.

Despite that, I returned to Armenia with the hope of contributing to the democratic development of Armenia. And one of the best and secure ways to do it was joining USAID efforts. And I should say that most of my career I spent working with different USAID projects aimed at working in the democracy and governance sector in Armenia and aimed at strengthening democratic institutions in Armenia. I remember 2012 when I was hired as a country expert for reviewing USAID's country 5-year strategy. And after a number of failed attempts to improve elections and strengthen parliament, there wasn't much optimism about the direction of Armenia's political development.

An important milestone in the negative development toward the autocratization of Armenia, in my opinion, was the adoption of constitutional changes in December 2015, which paved the way for a president, who was elected in 2008, to extend his rule beyond the two terms by changing the governing system in Armenia. I remember clearly that while drafting the annual report—I was drafting the annual report for Freedom House in 2016, I believe—I noticed that there was another year of stagnation of Armenia, and that my country slowly, but steadily, was coming closer to downgrading to the category of totalitarian regimes, despite all the efforts of civil society, international partners, and very few and already marginalized changemakers in the government.

I should admit, there were moments when I started to doubt that I would ever witness genuine democratic changes, or even a single free and fair election in Armenia within my lifetime. I had the same doubts when I joined the protesters in April 14, 2018 in Freedom Square, the place that was the epicenter of all important political developments in modern Armenian history, starting with the struggle for independence from the Soviet Union. There were a couple of thousand protesters. And I remember, along with Daniel Ioannisian who was there with his drone documenting the event, a small child with Arsen talking about the importance of raising our disagreement with the plan of Serzh Sargsyan to remain as the leader of country.

Indeed, many of us were there just to protest this final act of the well-planned process of making Armenia into another post-Soviet country that is indefinitely ruled by a single person and a single party. Few could predict that only after a couple of weeks, this strongman would be forced to resign by hundreds of thousands of peaceful protestors, who joined those few of us, led by current Prime Minister Nikol Pashinyan. Already, by the beginning of July 2018, a commission of experts was formed that was led by—Arme-

nia's a small country, so I will keep repeating the same names—Daniel Ioannisian, that was tasked to table a package of changes for the electoral code in preparation of snap parliamentary elections.

I was member of that commission, but I joined it slightly later because I was in this beautiful city early July supporting the work of the Smithsonian Institution, because Armenia was featured in its Folk Life Festival. After a couple of months of work, this commission was able to prepare a package of bills exactly 1 year ago, October 22d, 2018. The parliament rejected this bill, and the parliament still had a majority of the outgoing party of previous regime. And interestingly, if they didn't reject the bill, they would now be represented in the parliament because this bill was suggesting for more inclusive rules—electoral rules.

December 2018 was the first ever genuine democratic election in Armenia. And, as a result of these elections, a new parliament was formed. And I am honored to be a member of this parliament. And this assessment is not the assessment of only the Armenian public, but also the assessment that is reflected in the OCSE Parliamentary Assembly OSCE ODIHR joint opinion. And starting from March 2018 in the parliament, we formed a working group, bipartisan I should emphasize, where members of all parties represented were tasked with drafting and designing the changes—electoral changes.

I should—without taking much of the time—I should point out two things. This working group has prioritized a number of areas for the reform, including change of political party rule of law. And on Friday, we had a big public hearing with participation of all major stakeholders, discussing the ways we can liberalize the rules for party organization in Armenia and increase transparency because we consider this as an important measure for anticorruption.

I should conclude with stating that we have no illusions that the task of creating strong and democratic institutions, it is not easy. And there will be a lot of challenges ahead. But there are also no illusions that this may be the last chance for our generation to achieve this very important task of building strong, democratic statehood in Armenia, which is the only way that Armenia can enable Armenia to meet its challenges within and outside.

I want to say that this is a big struggle of a small nation. And this struggle is not about geopolitics. This story is about people who wish to restore the sovereignty and are doing their best to make their homeland a place where they can pursue their happiness, with the respect of human rights and freedoms. And this is the struggle that we all hoped to have had during the past decade.

I hope later we will have a chance to discuss many more specific directions of the reforms that are happening in Armenia, but I will give the floor now.

Thank you.

Mr. VEASEY. Mr. Danielyan, thank you very much for your testimony.

And now I'm going to invite Arsen Kharatyan. He is the founder and editor-in-chief of AliQ Media. And just a reminder, you don't have to read all of your remarks, but to try to keep them brief enough so that we can have a chance to hear from everybody, and

perhaps even have questions from the commissioners and other of the dais.

Thank you.

**MR. ARSEN KHARATYAN, FOUNDER AND EDITOR-IN-CHIEF,
ALIQ MEDIA**

Mr. KHARATYAN. Thank you, Congressman.

I want to thank Chairman Veasey and Helsinki Commission for organizing this important hearing. And I want to thank, of course, the members of the Armenian Caucus, who I've known for over a decade myself. Thank you very much, once again, for putting Armenia and our democratic process in Washington and on the agenda.

Briefly about myself—I grew up in Armenia and got engaged in civic activism as a young student at a young age. In 2008, after the disputed presidential elections that saw then-President Serzh Sargsyan come to power, many of us were arrested, including the current prime minister and many of the political elite currently in power, harassed to an extent that we were, and I was forced to leave the country. But it wasn't all that bad. I found my wife, Ms. Sonia Shahrighian, here, who was born across the river in Virginia and who currently works for the U.S. Government, and has been working for the last decade.

Her job took us to Georgia, the country of Georgia, which is also getting quite a lot of support from the U.S., which I believe is a very important thing to do. I, myself, worked at Voice of America and had the opportunity to interview many of you, including Congressman Pallone here and Congresswoman Jackie Speier, many times, especially when it came to discussions on the Armenian genocide resolution.

And I remember one of these times, where my journalist colleagues were here and we were discussing the resolution in 2009 at the Foreign Relations Committee, which was quite tough work. It took 8 hours and there were parliamentarians back then from Turkey, from Armenia, including the current Ambassador to the United States, who was a DCM [deputy chief of mission] back then, Mr. Varuzhan Nersesyan, who I want to thank for being here with us.

Anyways, I will shortly talk about the revolution that we went through. This was by large a revolution of values. This was by large a revolution in aspiration for a democratic state that our country and our nation has been struggling with for a long time. This was a homegrown revolution, obviously. This is an internal process, by large.

But this would not have been possible without the great support that the Armenian civil society and media have been receiving from the United States as well. For a number of years, this country has been supporting democratic institutions in our country, including my great colleague Miriam Lansky, who will be speaking here through the National Endowment for Democracy, which has been supporting many of the young civil society groups, including the media organizations, for many years, for which I want to thank. And I want to see the continuation of that.

So for the last three decades, our nation experienced great challenges. From military conflict in Nagorno Karabakh, which of

course the Congressmen and Congresswomen here know very well, to massive economic decline, a transition from the Soviet centralized to a market economy with a continued blockade of our two borders by our two neighbors in the east and in the west. Since our independence in 1991, our people never stopped their struggle for their fundamental freedoms, civil and electoral rights. We do realize that the path to freedom is not an easy one. It is a bumpy road. But in our view, Armenia and the Armenian people have no other choice but to have a country with fully functioning democratic state institutions and a strong civil society.

While Armenia's nonviolent Velvet Revolution is yet another example of great positive transformation and a hope for democracy for the world at this time of crisis, I have to admit that there are a great deal of challenges we have to deal with. The new democratically elected administration of our country, headed by the leader of our revolution and currently the Prime Minister of Armenia, Nikol Pashinyan, has introduced its reform agenda with a big emphasis on fighting against corruption, building state institutions, ensuring fundamental freedoms and liberties of our citizens.

While, the current Civil Contract ruling party, or the faction called My Step, which is represented by my great friend Hamazasp Danielyan here, received a very high vote of confidence, over 70 percent, in December 2018, the new administration in Yerevan is now dealing with fundamental changes in the state governance in order to ensure the prosperity of its citizens and security for the state. Years of corrupt governance eroded the state apparatus, creating an oligarchic and a kleptocratic system where all of the resources of the country were utilized to benefit a tiny minority of strongman and criminals.

To change an almost failed state to a functioning system of governance is not an easy task. And we expect the United States to stand by the Armenian people, as it has done since our independence. Since the early 1990s, the American people supported Armenia in its path to democracy, market economy, and helped build a strong civil society, as I mentioned before. I would like to note that this continued support has been instrumental in our success before, during, and hopefully after this Velvet Revolution.

Since its inception, the democratically elected parliament and the government of Armenia have announced a wide range of reforms and a fight against corruption. I can state that at this point, systemic corruption in the country is practically eliminated. And that said, the prime minister and the government, no one in the ruling party has been or can be spotted for being involved in anything related to corruption. The political elite, which came to power as a result of the revolution through free and fair elections, is a group of young and educated idealists, who are true believers of fundamental human rights and have the best intentions to make their country a fully functioning democracy.

However, it is evident, that good intentions are not enough for changes of this scale, so we do need your assistance at this critical time. The Government of Armenia has announced its policy of fighting against corruption, which will soon be adopted by the country's parliament. The policy includes a wide range of changes in the areas of judiciary, tax and customs, reforming police and

public security system, as well as education, health care, and social security. The United States can and has already showed interest in supporting the Armenian Government in all of these areas. However, it would be a great sign of support from Washington if this interest translated into concrete actions.

While with the great help of the friends of the Armenian Caucus at the U.S. Congress, the financial aid to Armenia has doubled for the next year. Earmarking the funds allocated to our country, like it is done with our neighbors Georgia and Ukraine, would be a great sign of wider political support. Meanwhile, in my view, from aid to trade should be the philosophy of Washington, DC with regards to Armenia. Hence, making Overseas Private Investment Corporation, the OPIC funds, larger, like it is, again, in the case of Georgia and Ukraine, would encourage American businesses to enter the Armenian market with more interest and confidence.

Last but not least, supporting Armenia in the area of security can and should be discussed further. Our military's present in Afghanistan and Iraq within the framework of NATO's Partnership for Peace program. Considering the unresolved conflict in Nagorno Karabakh and the changing security architecture of our region, continued and deeper training of our security forces is of crucial importance. So this is an area where U.S. support would be greatly appreciated—really appreciated.

That said, you should also raise your expectations of what Armenia and the Armenian people can and should do in the months and years ahead. You should not explain or excuse away our failures because of geopolitics or the legacies of the past. Yes, Armenia's challenges are decades in the making, but just like the people's apathy and seemingly all-powerful political monolith, the challenges can be overcome and resolved. Much is at stake, and we have got to get this right. The people who believed in themselves and the strength of the universal ideals of freedom, fairness, and pursuit of happiness deserve it all.

I once again thank this commission for organizing this important hearing and will be happy to address your questions.

Mr. VEASEY. Thank you very much for your testimony, Mr. Kharatyan. I really appreciate that.

And now the program director at Union of Informed Citizens, Mr. Daniel Ioannisian, who will begin his testimony now. Mr. Ioannisian.

MR. DANIEL IOANNISIAN, PROGRAM DIRECTOR, UNION OF INFORMED CITIZENS

Mr. IOANNISIAN. Thank you very much, Chairman Veasey. This is a great honor for me to appear here in front of you and to give testimony regarding democratic transition in Armenia.

For decades, democratic institutions were being systematically destroyed in Armenia. All the state bodies forcefully served a group of people who kept power through rigged elections. Extensive propaganda and total apathy were also helping that group keep the power. This situation was an example of state capture. Expressing their discontent toward yet another attempt to violate democracy, and desiring to counteract corruption, the people of Armenia made a democratic and peaceful revolution last year. As a result of the

revolution, people who lost power did not lose the very big amount of financial and media resources they had. With the obvious support from Russia, they started active propaganda against liberal democracy, setting it against security.

That propaganda is so active that it makes the authorities step back from the ideology of liberal democracy, which they share, I'm pretty sure. And the authorities are doing so to prove that they do respect the importance of security as well. And here, I don't mean the real security. I mean nationalistic and hoorah-patriotic rhetoric.

Currently, Armenia needs to consolidate its democracy so that the values of liberal democracy are not compromised. For that reason, support to the developments of democratic institutions is important, but it's not enough. As I already noted, the representatives of the former government—the former corrupt government—are trying to stop the democratic transformation by all means they can. These groups continue to own huge financial resources and they act very efficiently in the cyber and information space. And they are backed up by Russia.

I should note that in this respect, it will be very efficient to freeze the illegally obtained assets of those who have committed crime-related offenses in Armenia, to freeze it everywhere in the world, and including in the United States. Of course, this all should be done with full respect of human rights and fundamental freedoms.

But neutralization of corrupt representatives of the former government is not enough. It is also important to support making the democratic transition in Armenia more complete and comprehensive. It is crucial that the independent justice system and efficient law enforcement develop in Armenia. One of the weaknesses of the law enforcement system in this respect is the lack of capacity to fight against corruption, organized crime, and cybercrime. The capacities of the law enforcement and judicial system in this sector are so weak, that very often they are not able to institute criminal prosecution based on the investigations already conducted by investigative journalists or other watchdogs. As a result, the representatives of the former corrupt government violate laws, commit financial and cybercrimes, and conduct large-scale campaigns against democratic reforms, but remain largely unpunished only because the capacities of law enforcement, the prosecutor's office, and the independence of courts are not enough to respond to these criminal activities.

Although Armenian authorities share democratic values and human rights, they are quite inexperienced. And due to this factor, the former corrupt regime manages to force the authorities to slow down the institutional reforms by setting, as I mentioned, security against liberal democracy and affecting public opinion. It is also important to note that with respect to higher efficiency of reforms and not compromising the ideas of liberal democracy, it is crucial that the process of reforms should be inclusive, and nonprofit organizations which have promoted democratic values for years or decades are actively involved in it.

Today, Armenia has an exclusive and unique opportunity to put the principles of liberal democracy on institutional basis. To reach

that goal, support should be provided to Armenia in terms of becoming more independent from Russia. It is no secret to anyone in this room that Russia does not like any democratization process in its neighborhood, or anywhere in the world. And the independence from Russia can grow if nonnatural gas-based generation of electricity and other infrastructures will develop in Armenia. The first will assist to reducing the influence of Russian natural gas, and the second will help in bringing back Armenian working migrants from Russia, since they also serve as a pressure tool for Kremlin when needed.

Support to institutional reforms should be not only financial, but also it should be as sharing of experience. There are very good examples. Maybe mentioning the Ukrainian example is not the best idea in these days here, but still, the experience that was shared in Ukrainian anticorruption bodies was quite useful.

Thank you very much, and I'll be happy to answer any questions.

Mr. VEASEY. Thank you very much, Mr. Ioannisian. I really appreciate that.

And now we're going to have Miriam Lanskoj, who is the senior director of the National Endowment for Democracy. I want to remind the witnesses that their full testimonies will be entered into the record. And please feel free to summarize your testimony in the interest of time.

Ms. Lanskoj.

**MS. MIRIAM LANSKOJ, SENIOR DIRECTOR, NATIONAL
ENDOWMENT FOR DEMOCRACY**

Ms. LANSKOJ. Thank you very much, Chairman Veasey, and other members of the commission. Thank you for having this hearing. And it's a great honor to be here to speak about the reform in Armenia.

The National Endowment for Democracy is a congressionally funded private foundation which is dedicated to the growth and strengthening of democratic institutions around the world. NED has been working continuously in Armenia since the mid-1990s. We've supported a wide range of programs for this entire period. And since the revolution, we have seen the transition in Armenia as a major regional priority. We do view Armenia similarly to Ukraine and Georgia as a major priority. And I want to join others who have said that it should be approached in a similar manner, through USG funding to be accelerated in a similar way.

Armenia's Velvet Revolution is an authentic democratic breakthrough. It's a historic opportunity to build a more just system. And it presents many opportunities for deepening relations with the United States.

Having said that, and with sort of all due respect to my colleagues, the change has been slow to materialize. Prime Minister Nikol Pashinyan has been prime minister since May 2018 and the newly democratic Parliament has been there since January 2019. Over the last few months, we are starting to see some of the reforms take shape. And as already has been mentioned, particularly in the areas of anticorruption, judicial reform, and electoral law.

They're only a year into a 5-year term. So, there's still a lot of time and their popularity is very high with the Armenian people.

So this new government does represent a very popular aspiration for democracy. They have 70–80 percent support throughout the last couple of years. No one doubts their values or their intentions.

I think there are two issues. One issue is of a philosophical nature. These people are idealists, committed to democratic principles and want to be cautious, and don't want to see drastic, rapid transformation. Another type of issue is a kind of overreliance on the executive, which is typical of the post-Soviet space, where the office of the prime minister is the seat of all power. And that is consistent across time and space everywhere in the post-Soviet area.

However, for democracy to flourish, the other branches, particularly the Parliament and the courts, also have to come into their own. And in Armenia, I would say the major opportunity is the Parliament. As has already been mentioned by Congresswoman Speier, it's a freshman Parliament. One hundred and one parliamentarians are in their first term. These are young people. They are well-educated, they're worldly. They are really the future of this country. And the more that we can do to build up the capacity of the Parliament and enable it to play a stronger role in reform in the future, the better. NDI and IRI are already there, with some support from AID and some from NED. But more can be done, especially building up commission staff and various professional staff, like a research service for the Parliament.

NED has prioritized media assistance and countering disinformation. As has already been noted, the media space is still largely controlled by oligarchs, particularly television. They are close to Russia. This is a major destabilizing force in Armenia. New TV licenses are not yet available. They might be in a year or so. At the moment, what we're doing is focusing on building capacity of independent online media that have a strong audience and have a strong editorial line and can, in time, transition to television when that opportunity is available.

More could be done to provide training and to provide different opportunities for independent media to emerge, as well as to help the public broadcaster and also to help the government develop communications strategies. There's an overreliance on social media. This was a social media revolution. And the people in government too often are sucked into kind of social media storms. And there could be more to help professionalize the way that government officials, parliamentarians, work with the public and with the media. So, there are many areas where the U.S. can offer support through programs, and to really help develop a more robust democracy.

Finally, the last thing I want to mention is that Armenia has put its former president, Robert Kocharian, on trial. This is a huge, huge achievement. It's a big deal. No former president in the former Soviet space—some have been removed, but none have gone to trial. Kocharian is a friend of Putin's. No one would have thought that Armenia would be able to do this. And this goes back to what Mr. Danielyan mentioned, the killings in 2008. Kocharian is being held responsible for those killings.

But there are enormous problems because the constitutional court is made up almost entirely of Kocharian's appointees. So they have voted, the constitutional court has held that he enjoys immunity. This is an extremely important and difficult process that Ar-

menia is going through. And there's a lot of questions about whether an authoritarian constitution, an authoritarian juridical system, an authoritarian constitutional court could actually deliver justice in a pivotal case like this. And we're seeing now a complex process of trying to bring about that justice.

And just in closing, again, Pashinyan and My Step remain very, very popular. They have four more years in their mandate. And all of society is really hoping that they do build systematic and real institutional reform.

Thank you.

Mr. VEASEY. Ms. Lanskoj, thank you very much for your testimony.

And now I would like to recognize Mr. Jonathan D. Katz. He is the senior fellow the German Marshall Fund.

Mr. Katz, thank you very much.

**MR. JONATHAN D. KATZ, SENIOR FELLOW, GERMAN
MARSHALL FUND**

Mr. KATZ. Thank you, Mr. Chairman, and members of the commission, Congressman Pallone, others, particularly the chairs of the Armenia Caucus. And I want to just applaud them for the recent visit to Armenia. I get a sense from Armenian leaders that they'd love to have more visibility with U.S. officials at a much higher level. And so your visit there is really incredibly important to that effort.

I want to just thank you [for being] on this panel today with really some very distinguished colleagues. But I want to praise the colleagues who've come here from Armenia, because they were on the frontline of democracy, making the change happen. And so I just want to applaud you for your efforts, and your leadership to be part of really a transformative moment in Armenia.

I think, as was pointed out, in an era where we've seen democratic backsliding occurring in too many countries across Europe, Armenia stands out as a nation bucking this disturbing trend. Despite economic, political, security and geostrategic challenges, Armenia has forged ahead. I think you all deserve a lot of credit for those changes. These challenges, as we know, are particularly acute when you consider closed borders, Yerevan's delicate balancing act between Russia and the West, and what had up until recently been fairly weak democratic progress in Armenia since independence in 1991. When I look at Armenia, this is the government that has, I think, the biggest commitment and the best chance to really truly form democracy in Armenia since 1991. And I hope we take advantage of that.

Now, Armenia's undergone a truly historic transformation following its Velvet Revolution in the spring of 2018 that has ushered in an unparalleled opportunity for democratic and judicial reforms that had been stymied by the previous governments. Last December's Parliamentary election and sweeping victory for the prime minister and his coalition has created unprecedented conditions for the Armenian Government to act quickly on the Velvet Revolution demands. In effect, they have a mandate to make these changes and to do them.

I appreciate what Miriam has said about the speed of those reforms and the need for the government to move forward. That even with high popularity ratings, that I think any politician would be envious of, there's still a period in which the public will look back and say whether or not their hopes and aspirations, those that were played out in the Velvet Revolution, actually come to fruition. And I will just say that I've seen this other—where you're talking about the Maidan in Ukraine, where you have these high expectations of the public, and at times you don't necessarily have the government in place to carry out those reforms. I think in Armenia, you do.

And Miriam mentioned, I think, one of the largest problems that they have in doing this is the judicial system itself, which is an impediment—which is often an impediment in a number of countries in the region. Moldova recently went through this same exact challenge with its judicial system. And you see these same type of challenges in Ukraine today, where a new high anticorruption court was just formed as a means, in effect, to rebuild a judicial system to address corruption. So these challenges are deep. But at this point in time, these are really unprecedented conditions of the Armenian Government to carry out reforms.

Notwithstanding this transformation, we know that these reforms are incomplete. The government's been in place. We know that the prime minister took over shortly after the Velvet Revolution, but also he didn't have a parliament with him capable of carrying out reforms until January of this year. So we're on to about month number 10 to carry out reforms in a system that was incredibly corrupt. And those vestiges remain.

And so I think, on one hand, there needs to be speed, but also we need to recognize that these things will take time. And even in the best of circumstances, if you look across this region, it will take a number of years before reforms are not only passed, but implemented. And that's really important for partners of Armenia that are thinking about supporting Armenia or thinking about, as you're talking about, legislation and about how best to support this.

So helping Armenia to succeed is not only important for our meetings themselves, but I also want to just point out that it's really important for U.S. and European efforts to advance democracy, combat kleptocracy and illiberalism across Europe, Eurasia, and globally. And I think this is so important.

The Helsinki Commission has been at the forefront of this for years to address these challenges; even recently held hearings. It's a challenge that we're facing globally. And in Armenia—success there is such an important thing for others, both in its region and globally. So we know this is in the interest of the United States for this to succeed.

Armenia's revolution, which no one could have predicted, is an opportunity for Armenians to break free of entrenched corruption that has held back this nation politically and economically, and put the future of this nation of 3 million in the hands of its people. I want to applaud the Armenian Government's reform plan, which is to be commended, which focuses on the key importance of democracy, development of democratic institutions, rule of law, equality before the law for all, the existence of an independent judiciary,

and an introduction of effective mechanisms of checks and balances.

It was mentioned earlier too how important this is, especially with a new Parliament in place, that you don't want to—in Armenia or in this region—to have power concentrated in one body and one hand. And hopefully the work that you're doing will help them move forward in that direction.

So, for Armenia to carry out this ambitious agenda, it's incredibly important for partners of Armenia, including the U.S., the Helsinki Commission, and Congress, to support this transformation by providing necessary assistance and resources and working with the Armenian people, civil society and government.

U.S. policy toward Armenia should also include a strategy that greatly enhances Armenia's independence, which we haven't talked as much about today, and expands its political, economic, security and energy options. Russia was mentioned briefly by one of our speakers. And if you look down the line at the dependence of Armenia on Russia in a number of sectors, you know this is a challenge. But it's important that Armenians should be free and independent to determine their own future domestically and internationally.

Commissioners, and Members of Congress, your continued leadership in this effort is critical twofold. First, your leadership is needed as legislation and assistance for Armenia currently making its way through Congress is passed and ensure that the assistance is funded and targeted appropriately. And I think this is really important. It was mentioned that USAID and the U.S. Government has pivoted over the last year. And I think that's really important. But even the passage of legislation and passage of new funding for Armenia has to be followed all the way to the end point as well.

And I'll just say that we've seen a real change in the language of how the U.S. Government is engaging directly with our Armenian counterparts. And I think this is really important. As many of you know, there is an ongoing process over the last year called the U.S.-Armenia Strategic Dialogue, which was to discuss cooperation on strategic reforms and promoting shared democratic values and deepening cooperation. And this is really important—it was meant as an effort by the U.S. Government to recognize that the relationship has changed, that things in Armenia have changed.

And so I think the most important thing we can do is to continue to encourage that type of cooperation. USAID has launched a number of new initiatives and projects over the last year, one on energy security, one on good governance, and others dealing with economic reforms and economic growth. Those are going to be critical to continue.

The other aspect too is that the U.S. is not the only country that's providing support for Armenia. There's an agreement with the European Union, a comprehensive agreement, called CEPA. The EU provides 40 million euros annually and share some of the same goals and objectives of the United States in this space. It would be incumbent on the U.S. to work more closely with the EU and Armenia, and also to continue to try to provide the resources to help support Armenia's growth.

We can get more deeply into some of the details of this, because I know we've got a short time. I just want to thank the commission again for the opportunity to speak today.

Thank you.

Mr. VEASEY. Mr. Katz, thank you very much.

And I'd like to now take the time to recognize Mr. Pallone. He needs to leave soon. But he does have some questions that he'd like to ask. I recognize Mr. Pallone to speak.

I do want to acknowledge Representative Sheila Jackson Lee from the 18th Congressional District in Texas. Thank you for joining us.

Ms. JACKSON LEE. Thank you.

Mr. VEASEY. Mr. Pallone.

Mr. PALLONE. Well, thank you, Mr. Veasey. I apologize. I feel bad going in front of the other commissioners.

But I'll be brief. I'm going to ask three questions, and two of them of Ms. Lanskoj. Right? And I apologize to Mr. Danielyan and the others from Armenia, but I got a chance to talk to you in Armenia. So I want to ask them something. [Laughs.]

One was about the media and the other was about the role of parliament. And in each case, these were things that we discussed with the Armenian MPs when we were in Armenia a few weeks ago. And you talked about the media. And, of course, they were very concerned, the MPs, about the fact that the media continues to be controlled by the oligarchs and by the forces of the previous government, essentially.

And they had asked that when they came here to meet with us in November, that we set up a meeting with the FCC, our Federal Communications Commission, because they were basically saying, What can we do to set up some kind of a structure with regard to the media?

Now, you mentioned problems with licensing. You talked about moving to a more independent online. How could we be helpful? Like, what is the role of the FCC, for example, in the U.S. that doesn't exist in Armenia that we could use in preparation for this meeting to say what we could do?

I know they've heard about the FCC, but they weren't too specific about exactly how that could be emulated or whatever. You want to talk about that?

Ms. LANSKOY. Yes. Thank you for that question.

I don't necessarily have a good answer in terms of whether the FCC itself as a model would be correct here. But there needs to be a strategy for how to approach fairly the question of licensing broadcasters. That could be the FCC. That could be other places that have had successful—

Mr. PALLONE. Is part of it—

Ms. LANSKOY. —transitions.

Mr. PALLONE. I'm trying to remember. I think a lot of it was they were concerned about transparency and ownership. In other words, here, when you own a station there's transparency of ownership, which doesn't necessarily exist in Armenia.

Ms. LANSKOY. Oh, so transparency of ownership is a key issue. And that's something that could be put in place, I would think, more easily than the whole question—you have to come up with

some fair process for which stations are going to continue to have licenses and which ones shouldn't, right, and on what basis you would award new licenses.

But you absolutely should be able to—and this was done in Georgia, frankly. There was a long time when it was not well documented, and you understood that there were intermediary owners and you could never get to the bottom of who actually owned a station. That should not be so complicated to do. And we could come up with examples of where that has been done.

Mr. PALLONE. All right. I know—

Ms. LANSKOY. I mean, I think there are others.

Mr. PALLONE. I've got to be brief because I want to get to two other things, but go ahead. Arsen, if you want to just—

Mr. KHARATYAN. I just wanted to pick up, Congressman, because it is an important and pressing question. Currently the Parliament is discussing the new law on media. And in 2021, we have the frequency competition coming up. They're looking at different models of how you can limit one person from owning 50 percent of the public TV frequencies.

Mr. PALLONE. Okay.

Mr. KHARATYAN. So they're going to limit the ability for one or two owners who own, let's say, three, four available frequencies. If they want to have it in the private space, that's fine. But I just wanted to point out—

Mr. PALLONE. No, I appreciate that. And, Mr. Veasey, we'll continue with this.

But let me get in my second question, because I have three and these guys are going to get tired of hearing from me. Second one is you talked about the role of the Parliament versus the executive. Now, of course, we have that problem here increasingly too, so I don't know that I want to use the U.S. as an example; but, in other words, having professional and research staff, which, of course, we do in the Congress. Just develop that a little more for me, how that can make a difference.

Ms. LANSKOY. If I'm not mistaken, there's almost no professional staff. There's a dozen professional staff in Parliament. Is that right? So there's a woeful lack of staff. And the idea that members such as yourselves could cover all of those areas, especially when there is time pressure—so when I say that reforms need to come quickly, I also understand that there's this whole range of problems. And, yes, there's no committee staff. There's hardly any personal staff.

Mr. PALLONE. Do you want to say something quickly, Mr. Danielyan?

Mr. DANIELYAN. Very quickly, I want to reflect, because the speed of reforms is directly related to the capacity of the parliament. And we should be aware that we are talking about an institution that we inherited that used to be a rubber-stamp parliament that was there simply to ratify whatever came from the executive, while, from the day one it was announced that the political reforms are going to be designed in the Parliament. And for this we need capacity. And oftentimes the speed—for example, including the working group that I'm coordinating—depends on the lack of institutional capacity and processes.

Mr. PALLONE. Sure.

Mr. DANIELYAN. I should recognize also here the support—the certain level of support that we are getting from USAID programs—

Mr. PALLONE. That too.

Mr. DANIELYAN. —in terms of electoral affairs, I have mentioned; IRI, for example, in terms of conducting evidence-based policy reforms. They are in Armenia doing public-opinion polls. Once I return to Armenia, we are going to have town-hall meetings to discuss this—with the support of IRI to discuss these changes in the law, political parties. But a separate, well-designed intervention that would support institutionally the Armenian Parliament, we very much appreciated because that's also defining the pace of the reforms in Armenia.

Mr. PALLONE. And we can talk about this when the MPs come over here in November.

But my last question was for Mr. Ioannisian. Almost everything that I mentioned, as Mr. Veasey knows, comes under our committee, of course. These are things that relate to our Energy and Commerce Committee.

But you talked about independence for energy and dependence on Russian natural gas. What would you have us do? In other words, we're the energy committee, Energy and Commerce. We have had set up programs with Israel, for example, for energy independence. What would you have us do to move in the direction you're suggesting of less dependence on natural gas, and therefore less dependence on Russia?

Mr. IOANNISIAN. Thank you very much, Mr. Congressman. If I could also to say a few words about the media.

So, in Armenia, there is no way to run a profit-making media outlet because the market is small, and other reasons. For that reason, all the media outlets that are independent, they are supported by the West generally, mainly by the United States. It is by the National Endowment for Democracy. This is why the State Department and Open Society Foundations are also very active. But if we want to have more independent media in Armenia, this media should be directly supported.

Regarding your question on independence from the viewpoint of energy sector, I should mention that one-third of electricity in Armenia is produced by natural gas. Also, we have a nuclear power plant which is producing approximately one-third of electricity—

Mr. PALLONE. And a lot of the MPs mentioned hydropower too.

Mr. IOANNISIAN. Yes. And the rest one-third is hydropower. But the nuclear power plant should be shut down probably in more or less 7 years. It cannot work forever. And, because hydropower is quite limited and it can't be kind of raised, this will lead to have more portion of electricity produced by natural gas. And the natural-gas monopoly in Armenia belongs to Gazprom Armenia, which 100 percent belongs to Gazprom.

So to have more independence in energy sector, we will need other sources of electricity.

Mr. PALLONE. Are we talking about renewables? Solar? Wind? What are we talking about?

Mr. IOANNISIAN. It could be a power—nuclear power plant. It could be solar. I don't think that wind will work in Armenia. I'm not sure. Solar could work. Now, there are some programs supported by European Union for householders to have solar-power panels. But also—solar-power panels are quite limited and the efficiency is quite limited. So—

Mr. PALLONE. I mean, it seems to me—Mr. Veasey, I know you're from oil country, so I have to be careful. [Laughs.] He's from Texas, you know.

Mr. VEASEY. [Off mic.]

Mr. PALLONE. [Laughs.] But what I was saying is we did something with Israel on energy, cooperation. Maybe we could do something similar with Armenia and look into that.

Mr. DANIELYAN. Congressman, quickly—

Mr. PALLONE. Go ahead.

Mr. DANIELYAN. —if I may add, as Daniel mentioned, yes, by large we are dependent on gas from Russia. And the other source is Iran, if you remember. And that is—

Mr. PALLONE. Oh, sure.

Mr. DANIELYAN. —another. And you don't pick your geography, as they say. So solar is the way to go. I will just mention this. In one of the regions near Lake Sevan, there was research that showed that it has the largest number of solar energy throughout the year, over 300 days. And I think the Government of Armenia has prioritized solar to be the way to move forward. The key part of it is to be able to sustain it within and not import the panels or anything else. So, producing the solar panels and making some kind of a chain of sustainability might be a key area to look into.

Mr. PALLONE. Okay, thank you.

Mr. KATZ. Can I just add, too? I mean, just on energy, there is ongoing U.S. Government cooperation with Armenia on energy. One of the issues has been trying to connect Armenia back to back with Georgia on electricity and then connecting it to the wider European energy market.

What that will take, though, which is really important, is that the U.S. Government has gone in to provide resources for legal and regulatory changes that are needed for Armenia to comply with EU energy laws. And that really is important. That connection is important. It's what we've been trying to do both with Moldova and Ukraine as well. It's to try to connect them to safer energy partners and provide some real security. But I think it's—

Mr. PALLONE. You know, one of the—

Mr. KATZ. —happening right now.

Mr. PALLONE. Well, one of the things that we used to have—and I'm going back; Mr. Veasey won't remember because he's too young, I don't know if anybody in this audience will remember, but there was a time when we had, through the Appropriations Committee, a—I don't know what it was called—but it was like a trans-Caucasus pot of money. It was set aside every year in the appropriations process for the Caucasus. And it could only be tapped if two of the three countries cooperated. It was Georgia, Armenia and Azerbaijan.

And it was set up as a way of trying to create cooperation and lessen tension, if you will, between the three Caucasus countries.

And, if Georgia and Armenia got together—it would be nice if it was Azerbaijan too, but that’s less likely—then, we’d get the funding for that. And it could have been like a water project or an energy project or whatever. We should probably look into something like that again, because that would be also a cooperative effort in the Caucasus that could be a source of funding that brings the countries together.

Mr. KATZ. Absolutely. And I think Georgia is a good example of a country that was greatly dependent on Russia and has completely removed that dependency on Russia through other means. Georgia is such an important partner for Armenia, particularly in this energy sector. And I agree. I think the resource levels that USAID has been working with and the U.S. Government are probably not sufficient enough to move the needle completely. So it’s an area that should be looked at.

Mr. PALLONE. And I don’t mean to suggest—I’ll end, because I took up too much time, but I don’t mean to suggest in all of this that somehow Armenia shouldn’t be cooperating with Russia, because I know that that’s necessary for military and security purposes as well. But I don’t like to see the oligarchs control the energy sector or the media sector or anything, because it’s not just a Russian issue; it’s an oligarch issue. And it’s antidemocratic. So that’s important too.

Thank you, my colleague.

Mr. VEASEY. Chairman Pallone, thank you very much. I appreciate you joining us today.

And I have a few questions myself that I wanted to ask. Mine specifically revolves around corruption, because I know that has been an issue in a lot of former Soviet States and regions in being able to move forward, quite frankly. And I’ve visited the Ukraine and have seen it personally myself and know that that was something there that came up over and over again, and know that it’s been an issue here. But I know that this new government has adopted a new national anticorruption strategy, and I was just wondering if you might be able to update us. Maybe Mr. Katz or Mr. Ioannisian, if you could update us on what are the key goals of this national strategy on anticorruption, and what is the status of this implementation?

Mr. IOANNISIAN. Thank you very much, Mr. Chairman. I should say that the anticorruption strategy was prepared during the last 5 months, maybe 6 months. The preparation process was quite inclusive. Civil society actors were involved in discussions.

So basically there are a few main things. First is that we’re going to have, finally, a specialized law enforcement body [that] probably is going to be called Anticorruption Committee, which will fight criminal offenses of corruption. This body will include us investigators who will investigate the cases, but also it will include intelligence bodies who will find the cases.

It is also important that we will have comparatively new regulations regarding illegal enrichment, illicit enrichment, which is also a very efficient way to fight corruption. So also—beneficial ownership of mining sector is very important that we will have probably next year. This is also very important issue for transparency and for preventing corruption regarding mining sector.

There are many issues, I'm not aware of all the details because the document is more than 50 pages, but I'll be happy to provide it later.

Thank you.

Mr. KATZ. I was going to suggest to you that a member of parliament who is sort of pushing this through right now would have a good sense on the exact timing of what's going to happen next.

Mr. DANIELYAN. Thank you. Well, I would just want to add certain directions that are part of the strategy. It's including, well, strengthened, enhanced institutional capacity to fight corruption with the revision of the whole institutions, and this commission will be tasked—we have a broader mandate and toolkit. For example, in the Parliament we are discussing that also financial oversight of political parties should be part of this institution, and there are successful cases from post-Soviet space where this is implemented. Other things that are part of the strategy is a mechanism for stolen asset recovery, strengthening of whistleblower protection, increased transparency and accountability of public offices and enhanced integrity through comprehensive declaration of assets and interests, and as well as anticorruption education and awareness raising. So it's a quite comprehensive strategy.

Mr. VEASEY. Thank you.

Mr. IOANNISIAN. Mr. Chairman, if I just add, sir, that regarding stolen assets recovery, I guess the United States of America can be very good ally for this reform in Armenia, because I'm pretty sure that many stolen assets are kept in United States.

And the second thing regarding Anticorruption Committee, it would be very useful if the FBI or other law enforcements from United States would share their experience, would train these new law enforcement bodies, because such trainings were very useful in other post-Soviet countries.

Thank you very much.

Mr. VEASEY. Thank you very much. And I know we've kind of talked a little bit about corruption and judicial reform. Was there something—because obviously we weren't there, and I don't know what all was said during the campaign, and it may be better if you want to put members of Parliament on the spot—but I just wanted to know, were there some things, any promises that—maybe Ms. Lanskoj—any promises that were made during the campaign that are going to be hard—obviously, although there are going to be challenges for any promises to be kept, but if there are some that are going to maybe be more tough than others that we should be concerned at—looking at them down the road?

Ms. LANSKOY. I think it's going to be tough to deliver. The expectations are very high. Pashinyan made sweeping promises also about economic growth with—and growth of the population, but—that Armenia can flourish over the next several years to deliver the kind of growth he's talking about.

It's great to set really high expectations and try to reach them, but whether that's realistic and—what can we do to help that come to fruition? Can we think through economic strategies and socio-economic programs that may keep more Armenians at home so people don't have to leave the country to find work? Can we help them

think through other kind of growth-oriented reform, infrastructure projects?

And, of course, rule of law is key to attracting investment; the kinds of anticorruption plans being discussed, that's very important in the dialog with the EU that unlocks a lot of EU funding.

I think these are difficult challenges that they have set for themselves, and if we can work with them on a number of them, I think it could be productive. It might not reach the really high standards that they've set for themselves.

Mr. KATZ. Can I just add to this, too? I think with the challenges that there's these great expectations that have been made, and turning plans into policy, into law and implementing it is a huge task. So even with the greatest intentions, it's a difficult task.

Miriam mentioned earlier, I think that one of the biggest challenge will be the judiciary, which is connected to the previous regime. And so, if you're pushing constitutional reforms and the courts are rejecting those reforms, it's problematic. If you're prosecuting someone who should be prosecuted for committing acts of corruption or other acts and you don't have a judiciary that's independent, it's problematic. So the vestiges of that old system that's in the media, that's why it was mentioned before how important it is for the U.S. to keep funding independent media or other partners, because that's really the only way in an unsustainable media market to have independent media, to continue to do that.

And just last, on Russia and sort of other malign influence. I think the Congressman's correct—Armenia obviously has a close relationship with Russia, has to balance that relationship, but it's really—I think we have to recognize that when you see Mr. Pashinyan on the one hand—there was a great picture of him at a recent Eurasia Economic Union event, a selfie with him and Mr. Putin and other Central Asian leaders who're part of the Eurasian Economic Union. You know that they're on sort of different spectrums of democracy—human rights and sort of corruption. They're representing two systems. I believe as soon as Russia believes that it's not in their interest to have this government, they will ratchet up the pressure on this government. And it's something that will be a challenge because there's obviously a deep security relationship and energy relationship. And so we have to take that into account, that there are other forces that are pushing in the opposite direction of where the government wants to go.

And last I would just say is new partners like China, it's so important—I think China is the second-largest trading partner of Armenia now, and it's important to know that as China is seeking to invest, that the Armenian Government makes certain that transparency is part of this process. Even small countries like Armenia can say that these are our standards.

And that also, as Armenia's corruption is addressed and people look at Armenia as a market to invest, bringing in more competition for energy projects, mining and mining projects for minerals, is really important.

And I just want to say that to you Armenians, it's tough to get that direct foreign investment, but be careful. The Chinese investment always comes with the blessing and approval of the Chinese Government. And I think that in Yerevan, you have the means to

push for the type of transparency that's necessary to make certain that any investment doesn't come with bad strings.

Mr. VEASEY. Please.

Mr. KHARATYAN. Just to add to what already has been said, when it comes to promises and deliverables, this year alone, this administration has built more roads than the previous one in the last 3, 4 years—over 300 kilometers of roads, and the quality hopefully should be assured. That's big, in a country that was completely corrupt, where physical infrastructure was so damaged, it was almost impossible to go from one town to another.

Last year, in 2018, it was the first time for the last 8 years when we had more people coming into the country than leaving. We had a very big problem with migration. People were leaving the country for various reasons and now we have a surplus.

Foreign debt. For the first time we started paying off our foreign debt and taking less. In 2018, at least so far, basic salary has been raised probably in the last 5 years for the first time, 20 percent. I'm just giving you figures of very specific reforms that have already been adopted and done using the state budget. And the number of tourists, if you wish. Again, it's endless. I've never seen Yerevan, Armenia as lively as it used to—as in the last decade or so. I mean, it's a vibrant—it's a happening place, and I'm sure all of us, including our MPs, are inviting you to visit us the sooner the better, to see it with your own eyes.

Mr. VEASEY. Sir?

Mr. DANIELYAN. Just a couple of sentences regarding the expectations and deliverables. Two-thirds of Armenian citizens are expecting from us, from our government, to resolve economic and social issues. Those are high in the priorities, maybe up three, four out of five.

[For me] personally, as a legislator, democratic reform is No. 1, and that's why I got into the Parliament actually. But we need to recognize that, in the end, it's about economy and the economic performance and social needs of the people. Therefore, for our government to succeed, to be successful in terms of democratic reforms, institutions, but I think it's also very important how the economy will be performing for the next year. And here, that's why I also want to return to the idea from aid to trade, and also the importance of the United States to have a role in this regard.

And building upon the invitation, I want to extend it also as an open invitation to visit Armenia and see the changes and maybe even the upcoming best occasion might be the elections that are going to happen—Nagorno-Karabakh Republic, also known as Artsakh, which are also very important for establishing democratic institutions there. In March, there is going to be elections, both for president and also the Parliament, and it was previously a Congressman from the United States had visited and observed the elections and the dynamics. I hope we will see also people during this upcoming March.

Mr. VEASEY. Thank you very much.

Mr. IOANNISIAN. Mr. Chairman, if I may, just two words about elections in Karabakh.

Mr. VEASEY. Yes.

Mr. IOANNISIAN. Because as a head of an NGO who observed last local elections in Karabakh of around months ago, I should say that this is very important. This is not—if someone is observing those elections, this doesn't mean that this is a recognition of the dependence of Nagorno-Karabakh. But Nagorno-Karabakh is in the OSCE region, and people there should feel the freedoms and rights that anyone in the OSCE region should feel. And they should have a right to elect their government, to have good elections. And I guess the international society should support that.

Thank you very much.

Mr. VEASEY. Thank you very much. Well, we have concluded.

I really appreciate everybody's comments and remarks. I know that the other commissioners that were here and also the other Members of Congress that were here really enjoyed being able to ask you some questions.

Well, this is obviously an area of ongoing concern and observance here in the U.S. Congress and Armenia, and how the situation there is going. So we appreciate you taking time to come all the way out here, guests that are here.

Thank you for your expert testimony, and this hearing is now concluded. [Sounds gavel.]

[Whereupon, at 3:44 p.m., the hearing ended.]

A P P E N D I X

PREPARED STATEMENTS

PREPARED STATEMENT OF HON. MARC VEASEY

Good afternoon and welcome. This U.S. Helsinki Commission hearing on “Reform in Armenia: Assessing Progress and Opportunities for U.S. Policy” will come to order.

Eighteen months ago, the people of Armenia began marching in the streets in a massive protest and civil disobedience movement that would come to be known as Armenia’s Velvet Revolution. Yerevan, Armenia’s capital, had seen waves of mass protest in recent years but no one could have predicted that this manifestation of popular will would achieve the transformative change it has so far.

At the beginning of last year, it was difficult to imagine that the ruling Republican Party of Armenia’s grip on power was so tenuous that it would recede and effectively vanish from politics in a matter of months after being in power for more than two decades. What’s more, the government’s history of violently suppressing protests meant that demonstrators knew theirs was a dangerous and inauspicious undertaking.

Few knew these lessons better than Nikol Pashinyan, the opposition leader at the center of the Velvet Revolution, who was forced into hiding and jailed after helping organize protests against the initial election in 2008 of President Serzh Sargsyan—the very leader he helped depose last year to become Armenia’s current prime minister.

The fact that this revolutionary political change took place without a shot fired is a testament to the strength, unity, and discipline of the protest movement as well as to the responsible decision-making of government officials who declined to resort to violence to cling to power.

The 2018 protest movement coalesced around the demand to stop the term-limited President Sargsyan from becoming prime minister but quickly grew to encompass broader goals: demanding an end to systemic corruption, respect for the rule of law, and economic justice. These are the demands that vaulted opposition legislator and protest leader Nikol Pashinyan to a landslide victory in parliamentary elections in December 2018.

As we near the one-year anniversary of this historic election, the Helsinki Commission is convening this hearing to gauge how the Armenian government is delivering on its revolutionary promise. What has it achieved so far and where should it channel its focus in its second year and beyond? We are interested in how U.S. policy is adjusting to this unique political opening. Are our assistance levels adequate and are they properly tailored to promote the freedom, security, and sovereignty of the Armenian people? And given our mandate as the Helsinki Commission focused on the Organization for Security and Cooperation in Europe: how are multilateral institutions like the OSCE responding?

I am pleased that we have with us today some leaders of the Congressional Armenian Caucus who have trained their focus on these questions and introduced appropriations language that would double U.S. assistance to Armenia for the sake of bolstering democratic reforms.

I also understand that USAID has responded to the political transformation in Yerevan by undertaking a strategic reassessment of its programming in the country: my hope is that this hearing will generate substantive recommendations for how to orient USAID's forthcoming programs toward the most critical reform priorities.

In the realm of multilateral assistance, this Commission is particularly interested in Armenia's engagement with the OSCE—the regional security organization this Commission tracks as part of its statutory obligations. Regrettably, however, OSCE assistance to Armenia's reform objectives is hamstrung by the closure of the OSCE's Field Office in Yerevan since 2017 when the Government of Azerbaijan unilaterally blocked the consensus required to extend the office's mandate. Without this office, it is more difficult to maintain regular OSCE engagement with the Armenian government to develop and implement important training, capacity-building, and policy development initiatives.

In response to the OSCE Field Office's closure, the United States initiated an Armenian Cooperation Program that draws together voluntary contributions from OSCE participating states to support OSCE programs in the country. The Armenian Cooperation Program is contributing to the government's security and economic reforms, but this partnership should extend to judicial independence, parliamentary oversight, and free and fair elections. I hope that this hearing can serve as an encouragement to our partners in the OSCE to increase their commitment to Armenia's reform program through contributions to this U.S.-led initiative. I also hope that Azerbaijani authorities will reconsider their decision to block the mission and welcome discussions to reopen it.

Before proceeding further, I would like to thank Helsinki Commission Chairman Alcee Hastings for the opportunity to chair today's hearing on an issue of profound importance not only for the people of Armenia but for the future of democracy and human rights in Eurasia and the OSCE region as a whole.

At this time, I would like to acknowledge my fellow Commissioners and members of the Congressional Armenian Caucus in attendance for any opening remarks they wish to make.

We have assembled an excellent panel to discuss developments in Armenia and provide their recommendations for the path forward.

We are honored to have with us from Yerevan a distinguished parliamentarian from Armenia's National Assembly and member of the ruling My Step alliance, Hamazasp Danielyan. Mr. Danielyan spent much of his career working in civil society and managing democracy promotion programs in Armenia. In the National Assembly, he serves as the coordinator of the parliamentary working group on electoral reform.

Next we will hear from Arsen Kharatyan, founder and editor-in-chief of AliQ Media, an independent Armenian news outlet based

in Tbilisi, Georgia. Mr. Kharatyan is a founding member of Prime Minister Pashinyan's Civil Contract party and served as a senior advisor to Pashinyan during the first 100 days of his tenure as prime minister.

Our third witness, Daniel Ioannisian, is also visiting from Yerevan where he works as program director for the Union of Informed Citizens, an NGO focused on developing Armenia's independent media sector and tackling issues such as disinformation and media literacy. As a political activist and civil society leader, Mr. Ioannisian has developed expertise in many areas of democratic reform and currently serves as secretary of the parliamentary working group on electoral reform led by Mr. Danielyan.

After Mr. Ioannisian, we will hear testimony from Miriam Lansky, senior director for Russia and Eurasia at the National Endowment for Democracy. Ms. Lansky has 14 years of experience studying and supporting democracy promotion in the former Soviet Union.

Lastly, Jonathan Katz, senior fellow at the German Marshall Fund, will testify drawing on his considerable experience managing U.S. assistance programs in the former Soviet Union. From 2014–2017, he served as deputy assistant administrator at the U.S. Agency for International Development, where he managed U.S. development policy, energy security, economic growth, and democracy, and governance programs in Eastern and Central Europe and the Black Sea and Caucasus Regions.

I will refer you to the materials in your audience handouts for the full biographies of our witnesses. Thank you to all our esteemed witnesses for being with us today. I look forward to hearing your expert assessments and hereby invite Mr. Danielyan to begin his testimony.

PREPARED STATEMENT OF HON. JACKIE SPEIER

Thank you, Chairman Veasey. I want to thank you and for holding this crucial hearing on Armenia's peaceful democratic revolution.

Over the last year and a half, I have watched with excitement and admiration as Armenia's people have transformed their government from a staid autocracy to burgeoning democracy—all without a shot fired. Seared in my mind are the signature images of Armenia's velvet revolution—hundreds of thousands of women and men in the streets protesting. Children blocking the roads with their toy cars. And that defiance turning into joyful dancing and singing as Armenia's people and future carried the day.

Two weeks ago, I had the privilege to visit Armenia as a member of the first dedicated Congressional trip to the country since the revolution. I could not be more excited, encouraged, or enthusiastic about the progress I saw.

Armenia's democracy is brand new. 102 of its 132 parliamentarians have never held public office. And its bureaucrats inexperienced. But, I have good news. They are up to the challenge. I was blown away by the bright young people who will define Armenia's next chapter. They have much work to do: building political parties, reforming institutions, and writing and implementing laws. But they're up to the challenge.

Armenia's young people are brilliant, engaged, and capable. And they understand they must act quickly to take advantage of their unique opportunity to define their country's future. They know—from the youngest member of parliament to the Prime Minister—that Armenia must reform the justice sector, build a modern, efficient bureaucracy, reform the constitution and electoral code, and improve the country's infrastructure and delivery of basic services like trash pickup and street cleaning. All we need to do is follow their lead.

That effort began when my amendment to allocate an additional \$40 million in democracy aid to Armenia received a resounding 268 bipartisan votes on the House floor. And it continues with this hearing. Going forward, we must continue highlighting Armenia's progress, assisting its government, and partnering with its parliamentarians.

We must also ensure that Armenia's leaders understand that taking advantage of their special, limited opportunity to define their country's future will require laying out specific plans. The issue of corruption stands out especially—ad hoc arrests of corrupt figures will not have the same legitimacy or efficacy as a sustained, organized campaign within an understandable framework. That level of clarity, of course, would also aid reform efforts on issues from basic services to the constitution.

Armenia has come so far in such a short period. It's remarkable, inspiring, and a reminder that—even in the shadow of growing global autocracy, even in a neighborhood filled with bad actors, and

even when it seems most distant—the flame of democracy burns bright and we can help it grow.

Thank you again for holding this hearing and thank you to our witnesses for sharing your knowledge. I look forward to learning more about how we can help Armenia's democracy grow and prosper.

PREPARED STATEMENT OF HON. FRANK PALLONE

Thank you to the U.S. Helsinki Commission, Chairman Veasey, and Co-Chair Wicker for holding this important hearing.

I would like to start by acknowledging the incredible progress Armenia has made since I first visited in the 1990s. This is especially true of the last year, where we saw a grassroots movement take hold during the “Velvet Revolution” starting in April 2018. Last December, that revolution culminated with the freest, fairest and most open national elections in the country’s history. These elections brought in one of the youngest and most reform-minded legislatures and executives that Armenia has ever had.

I had the pleasure of meeting several of these individuals during my recent visit to Armenia and Nagorno Karabakh earlier this month. I was struck by the sense of opportunity and promise imparted by Prime Minister Pashinyan and his My Step alliance—and by the incredibly hopeful mood that can be found throughout the country.

There is progress being made and a real sense of momentum within this young government. However, one should not ignore the major changes that are still needed to fulfill the goals of the revolution. This includes bolstering civil society, strengthening its democratic and judicial institutions, and rooting out corruption in an even-handed way. These challenges will require immense focus on the part of the government, and it will require significant international investment and aid to ensure reform efforts take a firm hold. That is why I am working with the other co-chairs of the Congressional Caucus on Armenian Issues to encourage State Department and USAID funding for projects in Armenia.

I have also introduced a resolution that aims to officially recognize the democratic reforms that are currently taking place. It reaffirms the critical importance of US-Armenia cooperation as well. My hope is that Congress will immediately take up and pass these measures to show full American support for Armenian democratic reforms. I believe that taking these steps and providing investments will build on the US-Armenia strategic relationship and help to grow the already thriving pro-democracy movement.

We must continue to do more, committing significant resources to Armenia and Nagorno Karabakh, and I am hopeful that these efforts will yield success.

Thank you again for holding this aptly timed hearing.

PREPARED STATEMENT OF HON. BENJAMIN L. CARDIN

Good afternoon. We are here today to discuss an exciting and important development in the former Soviet Union and the OSCE region as a whole: a political revolution that has opened the door to long-overdue reforms in the Republic of Armenia.

Last year, tens of thousands of Armenians went to the streets to put a stop to the creeping autocracy that was tightening its grip on the country. In Armenia, the same ruling party had prevailed in elections for more than two decades, bolstered by a vast network of political and economic corruption. As of April 2018, Armenia's president had ruled for ten years and was poised to evade his presidential term limit by assuming greater powers as prime minister under constitutional amendments he had championed.

I stand in admiration of the Armenian people who declared in April of last year that 'enough is enough.' The change these citizens brought about through nonviolence was almost impossible to imagine before they began their collective action. Over the course of just a few days in April 2018, peaceful protests and civil disobedience replaced the ruling party with an opposition-led government. By the end of the year, this newly-installed government held free and fair elections and was rewarded with a super-majority in the parliament and a resounding mandate to carry out its promises of sweeping political and economic reform.

The central demands of the revolution were to fight corruption, uphold democracy, and build economic opportunity. Each of these goals is noble but none of them are easy. I look forward to learning from our witnesses today where these reform plans currently stand and how the United States can assist in realizing the democratic aspirations of the Armenian people.

In addition to tackling corruption, strengthening the rule of law, building confidence in democratic institutions, advancing transitional justice, and growing the economy, I would urge the new Armenian government, in partnership with the United States, to regard the adoption of renewable energy technologies as a matter of strategic importance. As of today, Armenia's reliance on Russian and Iranian sources of energy leave it vulnerable to malign external influence that is hostile to democratic development in the country.

Last year, as Ranking Member of the Senate Foreign Relations Committee, I commissioned a minority staff report detailing the Kremlin's decades' long assault on democracy in Russia and Europe. The report describes how Russia responded to "color revolutions" in the former Soviet Union in the early 2000s by channeling efforts and resources toward organizations dedicated to promoting the Kremlin's agenda or agitating against democratic gains. On this point, the report's findings are sobering: "[m]ost of the Russian government's funding is focused on post-Soviet 'swing states' like Ukraine, Moldova, Georgia, and Armenia." The Kremlin is dedicated to obstructing democratic movements at every turn or scuttling them altogether. I hope our witnesses today will address the role of Russian influence and disinformation in Armenia and provide recommendations for how to address it.

Given the Turkish Government's ongoing military operation in northeastern Syria that threatens the peaceful coexistence of ethnic and religious minorities in that region, I want to reaffirm my longstanding support for official U.S. recognition of the Armenian Genocide perpetrated by the Ottoman Empire in 1915. I worry that our refusal as a nation to explicitly recognize this historical fact impedes our ability to learn history's lessons—lessons that are of relevance to the events we are witnessing today. I reiterate my call for the Trump Administration to urgently reverse its policy of disengagement from northeastern Syria, which puts counterterrorism objectives, regional stability, and civilian populations at risk.

In closing, I want to thank Chairman Alcee Hastings for keeping the Helsinki Commission focused on these developments in Armenia that bear important consequences for the future of fundamental freedoms and human rights in the OSCE region. I also want to extend my appreciation to my fellow commissioner Congressman Marc Veasey for chairing today's hearing—it is a pleasure to serve on the Helsinki Commission together where we can collaborate to uphold our shared values at home and abroad.

PREPARED STATEMENT OF HAMAZASP DANIELYAN

Thank you, Mr. Veasey, and thank you to the Helsinki Commission members. Let me start with thanking the honorable members of this distinguished Commission for organizing these hearings and bringing Armenia's democratic transformation under the spotlight. Your interest towards democratic developments in Armenia is very encouraging and the support is very much appreciated. I should say that, as a member of the Parliamentary Assembly of the Organisation for Security and Cooperation of Europe, we have established a good working relationship with the US delegation and its distinguished members. Though, I believe that there are still opportunities to further deepen our cooperation across all three dimensions of the OSCE.

I believe today's hearing will contribute to that aim, especially in the direction of human rights and democracy. I also believe that Armenia's recent experience with its peaceful democratic transformation has much to offer for many countries in the region and across the globe. This experience and commitment to democratic values and human rights was recognized only a few days ago when Armenia was elected by over 140 UN member states to become a member of the Human Rights Council of the United Nations.

Now, coming to the process of democratic transformation in Armenia, there are many aspects I would like to present. Instead of immediately diving into the texts of the reforms that are underway in Armenia, I thought it was important to provide some highlights of my personal experience over the last decade. It is a journey that is directly intertwined with the changes that are happening now in Armenia.

Let me begin with the February 2008 presidential election that took place in Armenia. I was working in Yerevan for an important organization headquartered in the United States called IFES, the International Foundation for Electoral Systems. Our office supported the democratic elections in Armenia and was an observer to the systemic level of election violations that occurred. I cannot forget the efforts of a brave American woman by the name of Linda Edgeworth, who intervened on behalf of one of the local observers that was being harassed in a local precinct. There are about 2000 precincts in Armenia and, unfortunately, they were not enough Lindas to prevent this systemic level of vote rigging. After this election, for ten days, citizens of Armenia protested peacefully on the streets. These protests culminated in one of the darkest days of modern Armenian history, March 1st, 2008, when fatal force was used by police and ten people were killed on the streets. Only a few months later in the summer of 2008, I remember conversations I had with my friend and fellow panelist Arsen Kharatyan here in DC about the democratic prospects for Armenia. Those were not very hopeful conversations. The prospects were not very bright. Despite that, I returned to Armenia with the hope of contributing to the continued democratic development of the country. One of the best and most secure ways to do so was joining USAID efforts. I spent most of my career working with different USAID projects aimed at the democracy and governance sector in Armenia to strengthen democratic institutions.

Over the next years, I was hired as a country expert to review USAID's five-year strategy and after a number of failed attempts to make changes, it seemed Armenia was moving in the wrong direction. An important negative milestone in Armenia's autocratization was the adoption of constitutional changes in December 2015, which paved the way for that president, first elected in amidst the gunshots of 2008, to extend his rule beyond the two term limit by changing Armenia to parliamentary model, where he could stay on as Prime Minister. I clearly remember drafting the annual report for Freedom House in 2016, distressed at another year of stagnation for Armenia and that my country was approaching indicators that would likely soon see it downgraded to the classification of "Not Free", despite all the efforts of civil society, international partners and the handful of marginalized change makers within the government. I must admit that there were moments that when I started to doubt if I would ever witness genuine democratic changes or even a single free and fair election in Armenia during my lifetime.

As we all expected, President Sargsyan was nominated to continue as Prime Minister in 2018. I had those same doubts in mind, even as I joined the protesters on April 14 in Freedom Square, the gathering place that had been the epicenter of all important developments in modern Armenian history, including its struggle for independence from the Soviet Union. At first, there were only a couple thousand of us protesters. I remember fellow panelist Daniel Ioannisian there with his drone, documenting the event. In a small chat with Arsen, we spoke about the necessity of raising our voices against this final step in Serzh Sargsyan's well-planned strategy to stay in power, even if it did not affect the final result. We did not want to see Armenia become another post-soviet country that is indefinitely ruled by a single person and a single party. It was to our great relief that that message resonated widely with the Armenian people. Only a few weeks later, we witnessed the protests grow so large it brought the country to a standstill, and successfully forced Sargsyan's resignation and the installation of protest leader Nikol Pashinyan as the new Prime Minister.

Soon after, in July 2018, Prime Minister Pashinyan created a commission of experts, led by Daniel, that was tasked with recommending a package of changes to the Electoral Code ahead of snap parliamentary elections. I was a member of that Commission, returning to Yerevan from my work with the Smithsonian Institute here in DC for last year's Folk Life Festival, featuring Armenia. After a couple of months of work, this commission presented its final package. It was actually exactly one year ago today, on October 22nd, 2018, that the parliament rejected the bill that would have enacted those recommendations. The outgoing party of the previous regime still held a majority in Parliament. Thus, in December 2018, an early parliamentary election was held anyway, under the previous Electoral Code. I can say that they were the first-ever genuinely democratic elections since Armenia's independence as was also reflected in the assessment of the OSCE ODIHR observation mission. I am honored to be a member of this new Parliament. Interestingly, had the previous government's members voted in favor of our more inclusive electoral rules, they would still

have retained a few seats. Instead, they were completely shut out by their own system.

Our attempt at electoral reform is thus still underway. In March 2018, a tri-partisan working group was formed to design and draft electoral changes with input from all three parties represented in parliament. This working group has prioritized a number of areas for the reform, including changes to the Law on Political Parties. Just last Friday, we held a day-long public hearing with participation from all major stakeholders to discuss how we can both cut red tape for party organization in Armenia but also increase transparency because we consider this to be an important anti-corruption measure.

I will conclude by stating that we have no illusions that the task of creating strong and democratic institutions is simple. There will be a lot of challenges ahead but the effort will be well worth it if our generation can achieve the critical task institutionalizing Armenia's democratic statehood. In fact, it is the only way to enable Armenia to meet its domestic and foreign challenges.

I want to say that this is a big struggle for a comparatively small nation. Its focus is not geopolitics but the individual people who wish to restore their sovereignty and are doing their best to make their homeland a place where they can pursue happiness with respect for human rights and freedoms. This is the struggle that we all hoped to emerge from for the past decade.

I look forward to diving into the specific directions of the reforms during our conversation today.

Thank you.

PREPARED STATEMENT OF ARSEN KHARATYAN

Thank you Chairman Veasey, Chairman Hastings and Co-Chairman Wicker for holding this important hearing, and for inviting me to testify about Armenia's Velvet, non-violent Revolution and the progress the new government has made since coming to power in May of last year.

Briefly about myself. I grew up in Armenia and got engaged in civic activism at a young age. In 2008, after the disputed Presidential elections that saw then-President Serzh Sargsyan claim to power, many of us were arrested and harassed to an extent that we were forced to leave the country. It wasn't all bad during those years—I got married to my wife, Sonia Shahrigian, who was born across the river in Virginia. Both of our kids were born in Sibley Hospital here in the District. Throughout the 2010s, I worked for Voice of America's Armenian service before my wife, who works for the Millennium Challenge Corporation, was assigned to the Republic of Georgia as deputy mission chief for the past five years. While in Georgia, I founded a media organization that focuses on the Armenian community living in Georgia and Armenian-Georgian relations.

Now onto the topic of today's hearing. I think it will be apt for the Members of this Commission to re-live the marvelous events of last year for a few minutes.

Last spring, when a small group of our friends alongside Nikol Pashinyan started walking from Armenia's northern city of Gyumri towards Yerevan, the capital, almost no one believed that in a span of weeks, Armenians would shake off decades of lethargy and hopelessness and begin finding themselves and believing in themselves. Our march was a protest against plans by one man to rule Armenia indefinitely. And prior to the start of our march, we said that in addition to not allowing the indefinite rule of a failed regime, we intended to defeat and uproot suffocating levels of pessimism, disengagement and hopelessness that had overwhelmed the people of Armenia.

We knew and said as much that without liberating ourselves from the corrosive and arresting notions of apathy, we cannot overcome and resolve Armenia's pressing public policy challenges. We walked through Armenia's cities and villages where we were again reminded of the failures of her successive governments. But we also sensed and were inspired by the resolve and perseverance of our citizens. We encouraged others to "Take a Step" and join our movement. On the 14th day of the march while entering Yerevan another group of civic-minded citizens who were doing their part to protest the former Prime Minister-cum-President from solidifying his one-man and one-party rule.

Together, we walked into universities' quads and lecture halls and with malfunctioning bullhorns and coarse voices called upon students to shed their apathy, pessimism and resignation and commit to democracy, justice, freedom and fairness and engage in this civic movement that puts at its core citizens' dignity and rights. Students heeded our calls in droves, as did thousands of others.

We continued marching through the streets of Armenia and in days ahead, sensing the unprecedented pent-up demand for whole-

sale change in Armenia, and seeing the surging of believers and doers adding to our numbers, we declared the start of a Velvet Revolution.

Inspired by the words and guided by the deeds of Rev. Martin Luther King Jr., Nelson Mandela, Mahatma Gandhi, Lech Walesa, Vaclav Havel and Armenia's own men and women who stood against the Soviet Empire in the late 1980s and defended Armenia's sovereignty, and building upon the legacy of previous pro-democracy movements of Armenia, we set in motion a peaceful revolution.

We engaged in acts of civil disobedience, saw the closure of streets, shutting down of public transportation and bridges, blocking entrances to government buildings, boycotts of businesses tied to the regime, sit-ins and more. Our numbers grew and grew, and we walked more. By April 23, Armenia's longtime ruler resigned, which only increased the numbers of Armenians who believed in themselves. We made it clear that the people's demands must be met unconditionally and that Armenia must have new leadership, one that has the backing of the people and not the few dozen Members of Parliament of a morally bankrupt political party in power for almost two decades.

After a few more political shenanigans by the party in control of parliament, which were promptly answered by more demonstrations of people power of an entire nation and its diaspora, the once all-powerful ruling elite relented.

This was a remarkable display of people power that was resolute, peaceful, tolerant, courageous and persistent which in turn inspired the world. An incredible level of optimism and confidence took over the hearts and minds of our people—and until today, that self-confidence and optimism inspires and motivates people remain engaged.

For the last three decades our nation experienced great challenges. From military conflict in Nagorno Karabakh, to massive economic decline, a transition from the Soviet centralized to market economy with a continued blockade of our borders two of our four neighbours. However, since our independence in 1991 our people never stopped their struggle for their fundamental freedoms, civil and electoral rights. We do realize that the path to freedom is not an easy one, it is a bumpy road but in our view Armenia and the Armenian people have no other choice but to have a country with fully functioning democratic institutions and a strong civil society.

While Armenia's non-violent Velvet Revolution is yet another example of great positive transformation and a hope for democracy for the world at this time of crisis, I have to admit that there are great challenges we have to deal with. The new democratically elected administration of our country, headed by the leader of our revolution and currently the Prime Minister of Armenia Nikol Pashinyan, has introduced its reform agenda with big emphases to fight against corruption, building state institutions, ensuring fundamental freedoms and liberties of our citizens. While, the current ruling party received a very high (70%) vote of confidence from Armenia's citizens during the snap parliamentary elections in December 2018, the new administration in Yerevan is now dealing with fundamental changes in the state governance in order to insure the

prosperity for its citizens and security for the state. Years of corrupt governance eroded the state apparatus, created an oligarchic and kleptocratic system, where all of the resources of the country were utilized to benefit a tiny minority of strongmen and criminals.

Since the early 90s the American people supported Armenia in its path to democracy, market economy, as well as helped build the country's civil society and free media. I would like to note that this continued support has been instrumental in our success before and during our Velvet Revolution, as without free media and a vibrant civil society this transformation would not have been possible. Hence, it is time to move forward and continue strengthening our democratic institutions and the country of Armenian as a whole.

Since its inception, the democratically elected parliament and the government of Armenia has announced about a wide range of reforms in the country. One of the key areas for this reform is the fight against corruption. I can state, that at this point systemic corruption in the country is practically eliminated, as the political elite which came to power as a result of the revolution through free and fair elections, is a group of young and educated idealists, who are true believers of fundamental human rights and have the best intentions to make their country a fully functioning democracy. However, it is evident, that good intentions are not enough for changes of this scale, so we do need your assistance at this critical time.

The government of Armenia has announced about its policy of fighting against corruption, which will soon be adopted by the country's parliament. The policy includes a wide range of changes in the areas of judiciary, tax and customs, reforming police and public security system, as well as education, health care and social security. The United States can and has already showed interest in supporting the Armenian governments in all of these areas, however it would be a great sign of support from Washington if this interest translated into concrete actions. While with the great help of the friends of Armenians at the US Congress the financial aid to our country has grown for the next year, earmarking the funds allocated to our country like it is done with our neighbours Georgia and Ukraine would be a great sign of wider political support. Meanwhile, in my view "from aid to trade" should be the philosophy of Washington DC with regards to Armenia. Hence, making OPIC funds bigger would encourage American businesses to enter Armenian market with more interest and confidence. Last but not least, supporting Armenia in the area of security can and should be discussed further. Our military is present in Iraq and Afghanistan within the framework of NATO's Partnership for Peace program. Considering the unresolved conflict in Nagorno Karabakh and the changing security architecture of our region, continued and deeper training of our security forces is of crucial importance. It would be a terrible missed opportunity if this self-empowerment and renaissance is not supported by concrete actions by the United States. The American people have been generous towards Armenians for over a century. They had our backs during the Armenian Genocide, they welcomed the refugees here and gave them a new home, they opened their hearts and wallets when Armenia became

independent again in 1991, and they should now embrace Armenia as she renews herself.

That said, you should also raise your expectations of what Armenia and the Armenian government can and should do in the months and years ahead. You should not explain or excuse away our failures because of geopolitics or the legacies of the past. Yes, Armenia's challenges are decades in the making, but just like the people's apathy and seemingly all-powerful political monolith, the challenges can be overcome and resolved. Much is at stake, and we have got to get this right. The people who believed in themselves and the strength of the universal ideals of freedom, fairness and pursuit of happiness, deserve nothing less.

I once again thank this Commission for organizing this important hearing and will be happy to address your questions.

Thank you for your attention.

PREPARED STATEMENT OF DANIEL IOANNISIAN

For decades democratic institutions were being systematically destroyed in Armenia. All the state bodies forcefully served a group of people who kept power in their hands through rigged elections, extensive propaganda and total apathy. This situation was an example of a state capture.

Expressing their discontent towards yet another attempt to violate democracy and desiring to counteract corruption, the people of Armenia made a democratic and peaceful revolution last year.

As a result of the revolution, people who lost power did not lose the enormous financial and media resources they had. With the obvious support from Russia, they started active propaganda against liberal democracy, setting liberal democracy against security.

That propaganda is so active that it makes the authorities step back from the ideology of liberal democracy and thus prove that they do respect the importance of security. And here I don't mean real security, I mean nationalistic and hoorah-patriotic rhetorics.

Currently, Armenia needs to consolidate its democracy so that the values of liberal democracy are not compromised. For that reason, support to the development of democratic institutes is important but not sufficient.

As I already noted, the representatives of the former corrupt system hinder democratic transformation in all possible ways. These groups continue to own huge financial resources obtained by corruption, and they act very efficiently in the cyber and information space together with Russia.

I should note that in this respect it will be very efficient to freeze the illegally obtained assets of those who have committed corruption related crimes in Armenia. To freeze it everywhere in the world, including in the US. Of course, this all should be done with due respect towards human rights and fundamental freedoms.

But neutralisation of corrupt representatives of the former government is not enough. It is also important to support making democratic transition in Armenia to make it more complete and comprehensive.

It is crucial that the independent judicial system and efficient law enforcement develop in Armenia. One of the weaknesses of the law enforcement system in this respect are the lack of capacities to fight against corruption, cyber crimes and organized crime.

The capacities of the law enforcement and judicial systems in this sector are so weak that very often they are not able to institute criminal prosecution based on the investigations already conducted by investigative journalists or other watchdogs.

As a result, the representatives of the former corrupt government violate laws, commit financial and cyber crimes, conduct large-scale campaigns against democratic reforms but remain largely unpunished only because the capacities of the law enforcement system and the Prosecutor's Office, and the independence of the courts are not enough to respond to these criminal activities.

Although Armenian authorities largely share democratic values, they are quite inexperienced. And due to this factor the former corrupt regime manages to force the authorities to slow down the in-

stitutional reforms by setting security against liberal democracy and affecting public opinion.

It is also important to note that with respect to higher efficiency of reforms and not compromising the ideas of liberal democracy, it is crucial that the process of reforms should be inclusive and non-profit organizations which have promoted democratic values for years are actively involved in it.

Today Armenia has the exclusive and unique opportunity to put the principles of liberal democracy on institutional bases. To reach that end, support should be provided to Armenia in terms of becoming independent from Russia to the extent possible. It is no secret to anybody here that Russia does not like any democratization process in its neighbourhood.

And independence from Russia can grow if non-natural gas based generation of electricity and other infrastructures will develop in Armenia. The first will assist in reducing the influence of Russian gas, and the second will help in bringing back Armenian working-migrants from Russia since they also serve as a pressure-exerting lever for Kremlin.

PREPARED STATEMENT OF MIRIAM LANSKOY

I am grateful to the Helsinki Commission for holding this very important hearing and for giving me the opportunity to speak about the state of reform efforts in Armenia.

The National Endowment for Democracy (NED) is a private, non-profit foundation dedicated to the growth and strengthening of democratic institutions around the world. NED has been supporting civil society in Armenia continuously since the mid-1990s, and maintains a large portfolio of projects. NED's programs in Armenia include support for foreign policy think tanks, human rights organizations, vote monitoring coalitions, provision of legal expertise, conflict resolution, and media assistance. Supporting the democratic transition in Armenia is a major priority for NED and we have substantially expanded funding for Armenian organizations.

Armenia's Velvet Revolution is an authentic democratic breakthrough, a historic opportunity to build a more just system. No event since Armenia acquired its independence in 1991 is of similar significance. Beyond transforming the relationship between citizen and government in Armenia, it stands as an example of peaceful transition for the post-Soviet space. That Armenia has not altered its geopolitical alignments and remains dependent on Russia for security and energy does not diminish the significance of the opening or the opportunity it presents for deepening relations with the US.

Reform plans have been slow to materialize, raising concerns that the momentum for change could dissipate. Nikol Pashinyan has been Prime Minister since May 2018 and the new democratically elected parliament convened in January 2019. What are the obstacles to reform? This is not entirely clear and is subject to considerable debate. The philosophy of the new leadership is to avoid dramatic change and they point correctly to mistakes and abuses during transitions elsewhere. Instead, they believe that they can make the existing system work better through better practices. No serious analyst questions their motives or their values—this debate is largely about the strategy and speed of reform. Other factors at play may be the lack of qualified and motivated professionals within the ministries as well as over-centralization of power in the office of the Prime Minister. The Prime Minister has vast responsibility for foreign and domestic policy and is a charismatic leader—a journalist, a former political prisoner, and parliamentarian—but lacking executive experience.

The fundamental approach is to start with reforms that would support rule of law and eventually make Armenia more attractive to investment. A program for anti-corruption reform, which would include an anti-corruption court, freedom of information mechanisms, and asset declarations for office holders, is being drafted, as is a program for judicial reform. The existing proposals represent a positive step, particularly by the new Minister of Justice, to move forward with reforms under challenging and imperfect circumstances, but they fail to answer several key, big picture questions about what justice will look like in a new Armenia, and at the micro-level need increased detail and a plan for implementation. Despite these flaws, putting these reforms forward, as with

similar proposals for reforms in the tax code, in education, and in healthcare, generates momentum for important conversations which need to happen if the revolution is to deliver on its promises.

While some progress has been made within the ministries towards putting forward a reform agenda, parliament has, so far, taken less of a leading role. The parliamentary elections in December 2018 were free and fair and produced a parliament with three parties where Pashinyan's My Step won with 70% of the vote and has 88 out of 132 seats. The median age of a parliamentarian is 40, and 101 members are freshmen. The parliamentarians are young and new to politics. Moreover, the parliament as an institution has never had a meaningful role, power has always been concentrated in the executive. However, over time the very talented young people in parliament may start to take greater initiative. A strong parliament is a key pillar of democracy and various forms of assistance, notably from NDI and IRI, are already underway. Additional new initiatives could include building up professional committee staff and creating a parliamentary research service.

NED has prioritized its media assistance and countering disinformation. Armenia has a real problem with disinformation coming from Russian state media as well as domestic disinformation. The main television stations are controlled by oligarchs close to the old regime and are continuously divisive, scandalous, and distracting. New broadcast licenses will not be available for at least a year although there are some reforms at the state broadcaster. NED is focusing on building capacity of independent online outlets who have a strong audience and a strong editorial line and can in the future transition to producing television programs when that opportunity becomes available. Other programs uncover disinformation, support Russian language coverage of events in Armenia, provide journalism trainings, and conduct analysis of audiences and viewership trends. More could be done to provide training, to support the emergence of independent media, particularly television, and to help different government entities develop communication strategies.

Perhaps the most significant process underway is the trial of former President Robert Kocharian. This is the first time that any former president of a post-Soviet state has been brought to trial. Kocharian is a friend of Putin and few would have expected that Armenia would risk antagonizing Putin by prosecuting him. Kocharian is charged with abusing his authority by imposing martial law and authorizing use of deadly force to disperse protests leading to the deaths of ten people in 2008. This pivotal case is being handled by an unreformed police, prosecutors, and judiciary. The Constitutional Court made up almost entirely of Kocharian's appointees has ruled that he enjoys immunity, yet the case is proceeding to trial over their objections. Kocharian's defense argues that he had legal authority to call martial law. It is not at clear that the constitution, the law, the judiciary—all produced by an authoritarian system designed to shield the president from accountability—can deliver justice in this case. This is the central dilemma of today's Armenia—can the good people now in government achieve their admirable goals without first undertaking systematic institutional restructuring?

Pashinyan and My Step remain very popular and are only one year into a five-year term. Armenians understand that this government is trying to solve problems that it did not create, that have accumulated over two decades of authoritarianism and kleptocracy. However, the oligarchic disinformation machine is waiting patiently for the new government will fail to deliver so that at some future point they might exploit this government's mistakes or unfulfilled promises to engineer a comeback. The lessons from attempted democratic transitions elsewhere in Eurasia are clear, backsliding has occurred frequently, and to ward off that possibility tangible improvements must materialize rapidly lest public trust erodes and authoritarians return to power.

PREPARED STATEMENT OF JONATHAN D. KATZ

Chairman Hastings, Co-Chairman Wicker and Members of the Commission,

Thank you for the opportunity to join this distinguished panel to discuss Armenia's democratic transformation and steps the United States and other international partners can take to work with the government in Yerevan, along with Armenian citizens and the Armenian diaspora, to strengthen rule of law and transparency in Armenia.

As you may be aware, the German Marshall Fund of the United States and our Black Sea Trust based in Bucharest continue to support democracy, civil society and free media in Armenia and across Eastern Europe. GMF working with international partners has stepped up our efforts following the Velvet Revolution to support Armenians working towards genuine democratic reform, human rights and rule of law.

In an era where we have seen democratic backsliding occurring in too many countries across Eastern Europe, Armenia stands out as a nation bucking this disturbing trend, despite enormous economic, political, security and geostrategic challenges. Those challenges are particularly acute when you consider closed borders, Armenia's delicate balancing act between Russia and the West, and what had up until recently been weak democratic progress since independence in 1991. I know the Commission has followed Armenia's progress closely from the referendum in 1991 that led to independence from the Soviet Union to the dramatic events that led to the Velvet Revolution in 2018.

Armenia has undergone a truly historic transformation following its Velvet Revolution in the Spring of 2018, led by civic activists and now Prime Minister Pashinyan, that has ushered in an unparalleled environment for democratic and judicial reforms that had been stymied by previous governments. Parliamentary elections last December where the My Step Alliance, which includes Prime Minister Pashinyan's Civil Contract Party, won over 70% of the votes have created unprecedented conditions for the Armenian government to act on the Velvet Revolution demands.

Notwithstanding this remarkable transformation, Armenia's reforms are incomplete, and the country faces some serious challenges. The United States has an important role to play in helping Armenia face these challenges and carry out transformative democratic reforms. Helping Armenia succeed is also important to overall U.S. and European efforts to advance democracy and combat kleptocracy across Europe and Eurasia.

Armenia's revolution, which no one could have predicted—is an opportunity for Armenians to break free of entrenched corruption that has held back this nation politically and economically. This is one reason why it is incredibly important for partners of Armenia, including the United States, the U.S. Helsinki Commission and Congress, to support Armenia's transformation, including by providing necessary assistance and resources, and working with the Armenian people and government. U.S. policy toward Armenia should also include a strategy that greatly enhances Armenia's

independence and expands its political, economic, security, and energy options.

Chairman Hastings and Commissioners, your leadership in this effort is critical and two-fold. First, your leadership is needed to ensure that legislation and assistance for Armenia currently making its way through Congress is passed and assistance is funded appropriately. If we support a deeper bilateral relationship with Armenia it should come with more robust diplomatic engagement and overall assistance. Second, it is essential that you continue to press the Armenian government, in Washington and through OSCE efforts in Armenia, to carry out expeditiously judicial, rule of law and anti-corruption reforms that it has prioritized and to take additional steps to improve human rights, gender equality and security reforms. Armenia's democracy reforms are a work in progress today and the Helsinki Commission's sustained attention, encouragement and engagement is exactly the support needed to spur progress.

I want to take a step back to look at Armenia's reform progress and challenges. This past February, the new government led by Prime Minister Pashinyan announced an ambitious five-year plan of the government focused on economy, trade, security, and other top priorities including democracy, rule of law and transparency.

The government's plan, which is to be commended, focuses on the "key importance of democracy, development of democratic institutions, rule of law, and equality before the law for all, the existence of an independent judiciary, and introduction of an effective mechanism of checks and balances. The plan also focused on accountability and transparency of the government, public rejection of corruption, and corruption-free society."

I will touch briefly on judicial and electoral reform that are critical to continued democratic and economic progress in Armenia.

Judicial Reform

Armenia's judiciary still lacks independence, despite several high-profile arrests of former officials demonstrating the government's commitment to the issue. This factors into the ability of the government to effectively carryout democratic reforms, combat corruption, and create an economy that is attractive and transparent to domestic and international investors. Prime Minister Pashinyan has said the lack of judicial independence was the "number one threat to the country."

The leadership of the Armenian judiciary includes holdovers from previous governments that were not committed to an independent judiciary upholding the rule of law. This is a pattern in countries that seek rule of law reforms but are blocked by judiciaries. For example, this is a problem in Moldova and Ukraine where the judiciaries represent the priorities and thinking of previous governments and entrenched economic and political interests.

While judicial and rule of law reform is moving forward, the pace of reforms is still not as advanced as many thought it would be under the Pashinyan government. That is not to say that action is not taking place. For example, the draft anti-corruption plan laid out by the government includes "three main directions including

prevention of corruption, the exposing of corruption crimes, and anticorruption education and awareness.”

This month we are seeing progress, including the government’s recent announcement by Armenian Justice Minister Badasyan, on the provision of greater detail on rule of law, judicial, and constitutional reforms. Minister Badasyan has spoken specially about to e-justice tools to expand access to justice throughout the country and reforms in Armenia’s prosecution system and investigative bodies.

The Venice Commission responded positively last week to the Armenian governments judicial reform package. The Commission said that the proposals are “in line with European standards and contribute to combatting corruption without encroaching on the independence of the judiciary.” The Commission stressed, however, that the offer of early retirement to some justices of the Constitutional Court made in a draft law is not objectionable only if it remains strictly voluntary and if it does not hinder the effective functioning of the Constitutional Court.

Elections and Electoral Reform

Prior to the local and national elections in 2018, Armenians elections were not seen as free, fair, or transparent. There were deep concerns about the misuse of administrative resources, the independence and professionalism of the Central Election Commission, undue influence on opposition parties, and lack of independent media.

The 2018 elections, including local and national elections, were an improvement on the status quo. The Organization for Security and Co-operation in Europe (OSCE) found that “the general absence of electoral malfeasance, including of vote-buying and pressure on voters, allowed for genuine competition.” The Pashinyan government has adopted legislation that would criminalize vote buying.

Internal and External Challenges

Although there has been progress there are several internal and external challenges that impact the progress of Yerevan’s democratic reforms. Despite the deep desire of the public, Prime Minister Pashinyan, and his government, transforming a country like Armenia that was scored as a semi-consolidated authoritarian regime by Freedom House’s Nation in Transit in 2018, is a monumental task under the best of circumstances.

The government infrastructure, administration, and judiciary left in place for the new government, along with security and economic challenges, makes true reform an uphill battle for the Armenian government. The Prime Minister tried to compel changes to a Judiciary in the spring with limited effect. Many Armenians are concerned the Judiciary is not independent or up to the task of democratic and rule of law transformation in Armenia, but affecting change is difficult.

The entrenched political elite that controlled Armenia’s legislative and executive branches may be gone but resistance to changing a corrupt system remains. Partners of Armenia should understand that reform, and its implementation, will take time.

Beyond domestic challenges, Russia is a key external factor in Yerevan's reform efforts. Moscow continues to play a significant role in Armenia and pulls strings in key sectors. What complicates this relationship is that Pashinyan and Putin are on opposite sides of the spectrum on democracy and combating corruption and rule of law.

Despite substantive differences on democracy between the two leaders Moscow refrained from interfering in the 2018 antigovernment demonstrations or the subsequent power transfer, which is one reason that Pashinyan pledged to maintain close ties with Russia. But Moscow can ratchet up pressure and instability through different mediums if Putin believes his interests are threatened. Armenia has a deep relationship with Russia, which has many economic, energy, and security sources of leverage.

PM Pashinyan has been careful to maintain good relations with Russia and desire for greater engagement with the West. In a recent Pashinyan post on Facebook following a meeting of the Eurasian Economic Union, he hosted in Yerevan, he posted that: "Armenia-Russia relations are on a reliable and positive track."

China is an emerging external actor that could impact Armenia reform efforts present and future. Beijing has a growing political, economic, and technological relationship with Armenia. Positive relations with China have become a top foreign policy priority for Yerevan. In turn, China has expanded its diplomatic and soft power footprint in Yerevan, including a face to face meeting between Pashinyan and Chinese President Xi Jinping in May focused on Belt and Road and development cooperation.

United States-Armenia Bilateral Relations

The United States continues to be an important partner for Armenia. This connection has taken on added significance recently after twenty-eight years of support, given the new government's focus on democracy, rule of law, and countering corruption. The bilateral relationship is deeper than it has been in years. However, there is opportunity for greater U.S.-Armenia cooperation.

The Pashinyan government's democratic reform efforts align closely with the values of the United States, European Union and other Western partners in supporting rule of law, human rights, and a transparent market-oriented economy. U.S. and EU officials have been quick to point out important reform progress carried out by the Armenian government. The European Union, through the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA), matches Washington in assistance support for democracy reforms, economic growth, and other issues.

The increased focus and appreciation of new political dynamics in Armenia have led to changes in the bilateral relationship. The U.S. has signaled an increased willingness through the U.S.-Armenia Strategic Dialogue (USASD) to discuss "cooperation on strategic reforms and promoting shared democratic values and deepening cooperation across all areas of the bilateral relationship."

Having served as a co-chair of the U.S.-Armenia Task Force in 2016 I can see an expanded, current level of engagement between the United States and Armenia. The U.S. government clearly now

has a whole of U.S. government approach and a widening of areas of potential cooperation compared to previous U.S.-Armenia bilateral dialogues. For example, two important USAID projects, focused on economic growth and good governance, totaling \$16 million dollars, were signed during the USASD in May 2019. This represents and supports increased cooperation of the United States with Armenians. The good governance program is funded with \$6 million dedicated for its first year of funding in 2019.

Beyond the USASD, however, the United States should continue to strengthen diplomatic and assistance coordination and make every effort to find opportunities for high-level engagement. The level of requested funding from the administration over the last several years, including \$6.8 million in Fiscal Year 2018 and \$6 million in Fiscal Year 2019 is not enough and sends the wrong message about the U.S. commitment to Armenia and its reform.

The role of Congress as mentioned earlier in my testimony remains essential to strengthening the bilateral relations between the United States and Armenia. I agree with bipartisan calls from the Hill to strengthen and upgrade the strategic partnership with Yerevan and the Armenian people. This could include increasing funding levels, encouraging high level engagement between U.S.-Armenian leaders, advancing additional avenues of support, for example through the Millennium Challenge Corporation and the new U.S. Development Finance Corporation, and ensuring the sustainability of resources over multiple years.

Congress has repeatedly filled the gap ensuring that assistance levels remains appropriate. According to the Congressional Research Service, the U.S. Embassy in Armenia stated that FY2018 assistance would amount to more than \$26 million - despite the Administration's initial request of only \$6.8 million. Going forward, Congress has had to step in to ensure that funding levels remain sufficient.

Congress should also work with the State Department and USAID and other partners to expand U.S. support for civil society and independent media in Armenia. It is critical that both independent media and civil society remain robust to hold accountable the Armenian government as it moves forward on reforms, especially related to anti-corruption and rule of law efforts. In turn, it is critical that the Armenian government respond appropriately when civil society is attacked. The U.S. can help to support these principles.

Conclusion

There is an historic opportunity for Armenia to transform and become a deeper, more democratic partner for the United States and the West. The United States and Europe have a strong interest in supporting Armenia's democratic and rule of law reforms. The Armenian government has made important strides, but it needs time and support, both domestic and international, to root out the vestiges of an old, corrupt system that benefited a few at the expense of many.

Thank you again for the opportunity to testify at the U.S. Helsinki Commission. I look forward to answering your questions.

“Strengthening the U.S.-Armenia Strategic Partnership Key to
Supporting and Sustaining Armenia’s Progress on Democratic Reforms”

Statement of the Armenian National Committee of America
Tereza Yerimyan, Government Affairs Director

Submitted to the

Commission on Security and Cooperation in Europe

Hearing on Reform in Armenia:
Assessing Progress and Opportunities for U.S. Policy

Tuesday, October 22, 2019 - 2:00 p.m. – 4:00 p.m.
Cannon House Office Building, Room 210

Armenia – the world’s first Christian nation, a resilient genocide-survivor state – having overcome decades of Soviet tyranny, the legacy of the Artsakh war, dual blockades on its eastern and western borders, and ongoing Azerbaijani cross-border attacks, stands today as a modern democratic republic, deeply rooted in Western democratic values, and a proud partner of the United States on a broad array of regional and international challenges.

Our enduring partnership dates back to American solidarity with the Armenian people through the dark years of the Armenian Genocide, and the formal birth of our bilateral ties, a century ago next April 23rd, when Secretary of State Bainbridge Colby formally recognized the Republic of Armenia. Our abiding friendship continued, in the form of principled U.S. support for Armenia’s independence from the Soviet Union, and – over the past twenty-eight years – through broad-based American engagement with the reborn Republic of Armenia.

Americans of Armenian heritage joined with friends of Armenia from across the United States – including many members of the Commission on Security and Cooperation in Europe – in welcoming last year’s peaceful and constitutional political transition in Armenia, most notably, the December 9th parliamentary elections that were universally praised as both free and fair. As you recall, the OSCE monitoring mission concluded that the elections “were held with respect for

fundamental freedoms and enjoyed broad public trust that needs to be preserved through further electoral reforms.”

The ANCA holds that the surest way for the United States to support and sustain Armenia’s democratic progress is by further strengthening the U.S.-Armenia strategic partnership. In this spirit, we have been encouraged by the statements of President Donald Trump, Secretary of State Michael Pompeo, House Speaker Nancy Pelosi, and Senate Majority Leader Mitch McConnell, and by the material expression of their support in the form of H.Res.452, introduced by Congressman Pallone, and, of course, the Speier Amendment to the House version of the FY20 foreign aid bill, which called for an additional \$40 million in U.S. aid for democracy programs in Armenia. The Graham-Van Hollen Amendment to the Senate Appropriations Committee’s version of the FY20 bill echoes this call for increased U.S. aid for democracy and economic development. We support the spirit of both measures, and are asking State-Foreign Operations conferees to accede to the House version, setting a specific \$40 million funding level, as called for by the Speier Amendment.

Beyond our aid priorities, we share the broader policy aims set forth in H.Res.452, including its bipartisan call for: “continued United States leadership in helping empower the Armenian people to solidify their progress by strengthening United States-Armenia relations through bilateral visits, defense consultations to draw Armenia closer to the United States, increased cooperation on international peacekeeping operations, targeted trade and investment promotion, and support for political party development, transparency, rule of law, civil society development, and media freedom.”

It is in the spirit of H.Res.452 that we warmly welcomed the upgrade of the most recent annual U.S.-Armenia Economic Task Force meeting to a Strategic Dialogue, and that we encourage both U.S. and Armenian officials to make full use of the existing Trade and Investment Framework Agreement (TIFA).

Noting that the State Department’s 2019 Investment Climate Statement: Armenia confirms that “the government of Armenia has expressed interest in negotiating a new double taxation treaty with the United States,” we call upon the Treasury Department to immediately initiate long-overdue negotiations toward a modern U.S.-Armenia Double Tax Treaty.

We strongly support a new STEAM-focused Millennium Challenge Corporation compact with Armenia, which would represent a major investment in Armenia’s students and a meaningful contribution to U.S.-Armenia cooperation in the fields

of science, technology, engineering, arts, and math. In addition, we continue working toward a U.S.-Armenia Social Security Totalization Agreement, the launch of non-stop U.S. to Armenia flights, among other forward-leaning economic initiatives. Such accords, agreements, and increased commercial partnerships are needed to provide structure, substance, and sustainability to the long-term strategic upgrade of our bilateral ties.

In closing, we would like to remind the Commission that Armenia is determined to continue bringing its contribution to regional stability and international security. Armenia is a member of NATO's Partnership for Peace and has a record of deployments as part of United States-led peacekeeping operations in Afghanistan, Iraq, Lebanon, Kosovo, and Mali, – making Armenia one of the world's highest per capita providers of peacekeepers. Armenia has, as well, despite its limited resources and blockaded borders, welcomed over 25,000 refugees from Syria, with only modest levels of either U.S. or international relief or resettlement assistance. The President, in a statement last year on Armenian Independence Day, recognized these contributions, stating: "We thank you for your steadfast partnership on many fronts, including contributing to NATO operations and showing great generosity in welcoming Syrian refugees."

The ANCA, as always, thanks you for your leadership and looks forward to continue working with the Commission to further strengthen the U.S.-Armenia strategic partnership, foster additional democratic progress, and promote regional peace, security, and cooperation.

This is an official publication of the
**Commission on Security and
Cooperation in Europe.**

★ ★ ★

This publication is intended to document
developments and trends in participating
States of the Organization for Security
and Cooperation in Europe [OSCE].

★ ★ ★

All Commission publications may be freely
reproduced, in any form, with appropriate
credit. The Commission encourages
the widest possible dissemination
of its publications.

★ ★ ★

<http://www.csce.gov> @HelsinkiComm

The Commission's Web site provides
access to the latest press releases
and reports, as well as hearings and
briefings. Using the Commission's electronic
subscription service, readers are able
to receive press releases, articles,
and other materials by topic or countries
of particular interest.

Please subscribe today.