

U.S. Ambassador to Armenia John Ordway and USAID/Armenia Mission Director Keith Simmons Embark on a Mid-Atlantic Coast Diaspora Tour

Ambassador Ordway and Mission Director Keith Simmons visited the Armenian communities in Philadelphia, New Jersey and New York City in January 2004 in order to discuss the range of assistance the United States has provided Armenia since independence, and answer questions and concerns expressed by those communities. In each community a Town Hall meeting allowed members to ask questions directly to the Ambassador and Mr. Simmons, as well as watch two documentaries produced by the U.S. Embassy in Armenia. The first documentary featured the development and humanitarian work that has been done in Armenia since 1992, while the second focused on successful businesses in Armenia, both local and foreign owned. The business video was designed to demonstrate that there is an improving investment climate and solid business and investment opportunities in Armenia. The questions the audiences posed about development and humanitarian work, as well as regional geopolitics illustrated their advanced knowledge of the situation in Armenia, and their deep concern for the Republic's future. The large audiences also illustrated the high level of community interest.

During the tour, the Ambassador and Mr. Simmons visited different community groups, schools and churches, always receiving a warm welcome. These smaller roundtable discussions allowed for more
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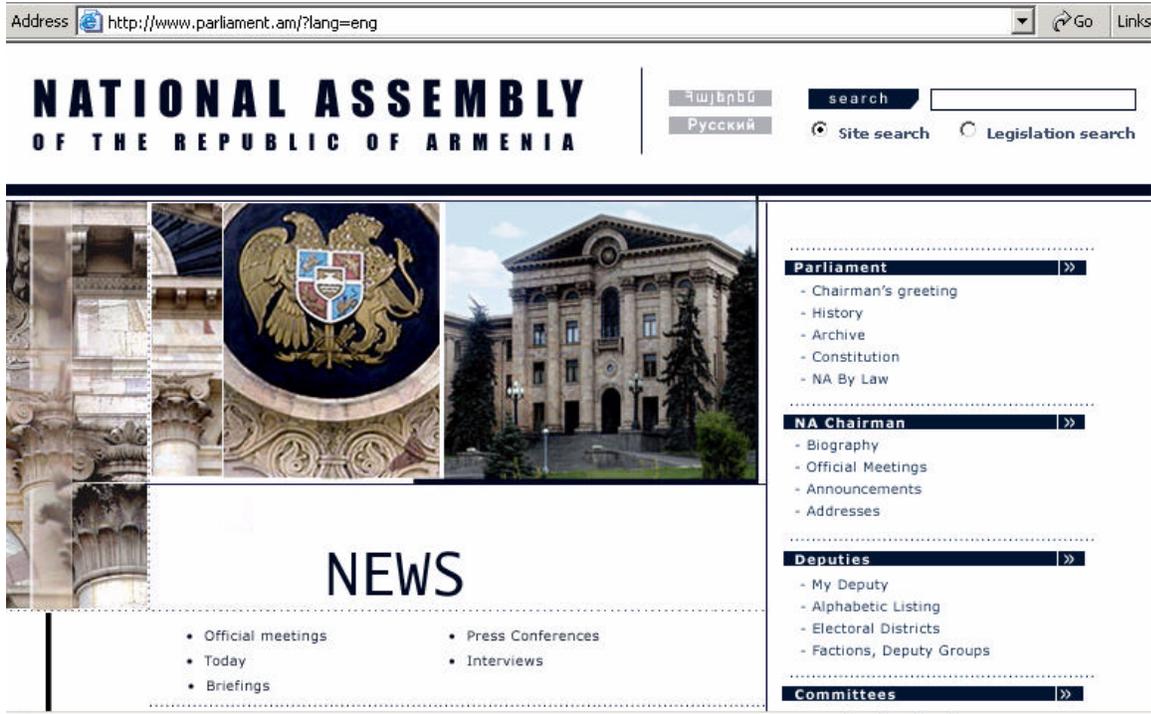


News Briefs –

USAID/Armenia has a fresh **website** design, with new content being added each week. The design incorporates traditional Armenian elements and a functional menu providing quick access to information and news on the USAID programs in Armenia. Visit us at www.usaid.gov/am/

USAID/Armenia will hold a second round of meetings with the United Nations Development Program (UNDP) and local businessmen this March in an effort to begin **public-private cooperative projects** in Armenia.

USAID/Armenia is **looking for project proposals** that increase civic participation in Armenia, and support local media. More information on this can be found at: www.usaid.gov/am/solicitations.html



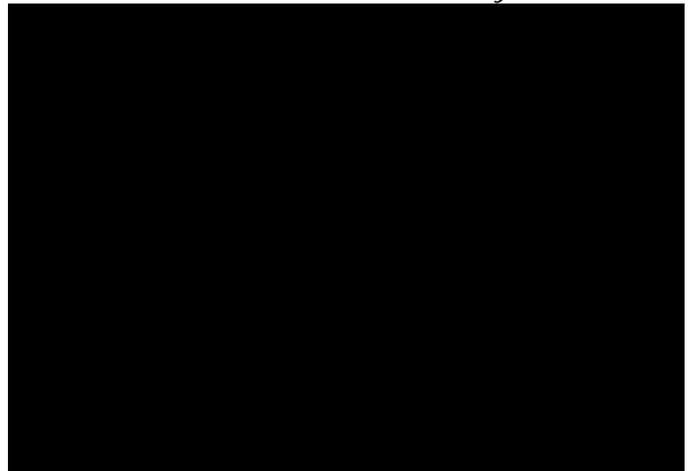
National Assembly Website Improved with USAID Assistance

Just six weeks after its unveiling, the National Assembly (NA) website (www.parliament.am) -- was named Armenia's "Best Official Internet Site." The award ceremony was a project of the Armenian Civil Initiative on Freedom of Information, a coalition of civil society organizations, including the Center of Freedom of Information, Civil Society Institute and the Institute of Information Rights. The event was held at the United Nations offices in Armenia. The December 11, 2003 ceremony marked the International Day of Human Rights and also commemorated the adoption of the law on Freedom of Information by the Armenian legislature.

The National Assembly website redesign was supported by USAID/Armenia's Armenia Legislative Strengthening Program. The redesign began in early 2003 and the technical redesign was completed in October by the National

Assembly Web Division and an Armenian internet design company selected in a public tender. Along with a new design, the website boasts new features to make legislation and the NA more accessible to Armenian citizens. A fully searchable database allows the public to access draft legislation and adopted laws in Armenia. A constituency communication mechanism and an address-based search engine for all district-based deputies (as opposed to those elected from party lists) of the National
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Web Division of National Assembly with award



Mission Announces its new Global Development Alliance Initiative

USAID/Armenia has made a special commitment to form public-private alliances with private sector partners, both within and outside of Armenia. The program is, in part, recognition that governments, international organizations, and multilateral development banks are no longer the only assistance donors. Private foundations, non-governmental organizations (NGOs)/private voluntary organizations (PVOs), cooperatives, corporations, the higher education community, and individuals now provide resources that contribute to development. As a result, USAID sees an exciting opportunity to enhance the impact of development assistance by improving and extending its collaboration with other partners.

USAID/Armenia has long worked with other donors in an extensive array of partnerships. In 2001, USAID launched the Global Development Alliance (GDA) which extends this concept of increasing the number of prospective partners to include private-sector organizations. USAID/Armenia is now better able to form alliances with private businesses, as well as foundations. GDA mobilizes the ideas, efforts and resources of governments, businesses and civil society by forging public-private alliances to stimulate economic growth, develop businesses and workforces, address health and environmental issues, and expand access to education and technology.

USAID/Armenia created more such alliances than any other USAID mission within its geographic bureau in both Fiscal Years 2002 and 2003. In an effort to institutionalize the GDA as a method of doing business at USAID/Armenia, the Mission began courting the local business

community in Fall 2003. The Mission first identified a cadre of local firms interested in corporate social responsibility and corporate philanthropy. A luncheon was then held with the heads of ten local firms at the residence of the U.S. Ambassador, together with the United Nations Resident Coordinator. That luncheon was a successful and vital first step in engaging the local private sector in the development of Armenia.

On March 4 of this year, the Mission will co-sponsor a local business forum with the UN to discuss corporate social responsibility, the GDA and the UN's Global Compact, as well as the local business environment. Representatives from over 45 local firms are expected to attend. The anticipated results of the forum are wider local private sector interest in the development challenges facing Armenia and support for meeting those challenges.

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Diaspora Tour - *continued from page 1...* intimate one-on-one conversations. As the Ambassador learned the concerns of the Diaspora, so too was the Diaspora able to learn of current conditions in Armenia, and ways in which to help Armenia progress.

One of the highlights of the visit to New York City was an opportunity to visit the Whitney Museum of American Art (www.whitney.org), with a special exhibition entitled: "Arshile Gorky: A Retrospective of Drawings". This exhibit showed the formative stages of some of Gorky's most famous paintings, as well as the evolution of his style. Arshile Gorky is the most influential and well known Armenian-American painter to date, a leader of the Abstract Expressionist movement in America, and was one of the characters in the award winning 2002 Atom Egoyan Movie entitled Ararat.

Housing Certificate Program Extended

In December 1988, northern Armenia suffered a devastating earthquake that killed more than 25,000 people, and left more than 100,000 families homeless. After an initial massive response from across the globe, efforts to rebuild faltered as the Soviet Union collapsed. The newly independent Republic of Armenia did not have the resources to address the massive housing needs, and it was estimated in 2000 that 12,000 families were still living in "temporary" shelters called *domiks*.

USAID/Armenia launched a pilot program in the city of Gyumri, implemented by The Urban Institute, in 2000 with a very innovative approach. Due to high emigration from Armenia, numerous apartments were unoccupied, but were not put up for sale due to lack of buyers. Meanwhile, the cost of constructing a new apartment was much greater than purchasing an existing unit. The pilot program addressed both of these issues by giving residents of *domiks* a certificate to buy the apartment of their choice, rather than build apartments from scratch. The side effect was that the real estate market sprung to life, and money was put into circulation in the local economy. The pilot program was a success, and a much larger program covering several cities and towns in Shirak, Lori and Aragotsotn Marzes was launched in 2001. By the end of this program in July 2004, approximately 5,500 families will have purchased new homes due to this voucher program, and 3,600 others will have received newly built apartments thanks to the work of the Lincy Foundation.

It is estimated that after the completion of the existing project, approximately 600 families that lost homes in the 1988 earthquake will remain in *domiks* in the city of Gyumri. USAID/Armenia has decided that it will make funds available to extend

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Mseryan family in their new 4-room home thanks to voucher



Gnel Ajamyán (left) receives housing voucher

Family receives housing voucher



Providing Heat to Schools In Armenia

For most Armenian public schools centralized heating is a memory of the past. For many years, schools have had to survive the winter on their own using either expensive electric heaters or wood stoves, with classrooms temperatures rarely exceeding 50F degrees on a cold day. Electric heaters have proven to be ineffective and expensive, but schools cannot rehabilitate their old heating systems due to their financial constraints. This has led to many schools closing during cold periods, thereby extending the school year into the summer.

As part of the USAID-funded Energy Efficiency, Demand-Side Management and Renewable Energy Program, an energy efficiency demonstration project has been built at Pushkin School #8 in Yerevan. The project allowed the school to undergo a total rehabilitation of its internal and external heating systems. Heat is supplied from the new onsite boiler-house equipped with two high-efficiency gas-fired boilers. A new natural gas line connects the school boiler house to the city gas supply. Each radiator has its own thermo regulating valve, which enables occupants to regulate temperatures in each classroom and optimize overall gas consumption.

One of the largest in Armenia, Pushkin school has nearly 1,800 students. Now they study in warm and comfortable classrooms and can continue numerous other activities such as indoor athletics, drama and band practice in winter.

The demonstration project managed by Advanced Engineering Associates International provided the school with energy efficient, safe and more affordable heating system. In addition to increasing the comfort level in the building, the new system helps to save energy.



"We highly value the assistance of USAID to our school which was very timely. This is the first winter that our children study in normal conditions. It really became a wonderful Christmas gift for us,"

School Principal Marietta Matkhashyan.

Donor Coordination Extends USAID Assistance Results

International donor cooperation will allow software for Armenia's National Statistical Service (NSS) to be adopted by other Armenian agencies. USAID/Armenia financed the Human Resource Information Management System (HRIMS) for the NSS as part of the Armenian Social Transition Project. HRIMS is a custom Armenian-language software package written to allow the NSS to maintain staff data and perform staff reporting.

Last year the NSS presented this software to the State Commission on Reforms of State Management Systems (Reform Commission), a specially-created unit of the government. The Reform Commission was very pleased with HRIMS, with the official representative of the Civil Service Council stating that the Commission also assesses the reporting capacity of NSS's staff as the most effective among state bodies. "Now I understand where it is coming from," the official representative for the Reforms of State Management Systems stated in reference to HRIMS. The head of the Commission has made an official request to the NSS Head of Staff asking that the software be made available to other state bodies. The NSS sought, and received, permission from USAID/Armenia to allow other agencies to use the software.

The United Kingdom's principal development assistance agency, the Department for International Development (DFID), is supporting civil service reform through its Armenian Public Sector Reform Project (APSREP). As part of that effort, DFID will help Armenian government agencies extend usage of this software to other agencies, providing the hardware

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USAID/Armenia Proceeds with its New Five-Year Strategy

USAID/Armenia has a new strategy to guide programs for the next five years. The new strategy emphasizes employment generation, improved democratic and economic governance, and an expanded social safety system as central themes. These emphases reflect support for Armenia's continuing development, and a decreasing need for the humanitarian assistance that dominated USAID's early experience in Armenia. Under the new strategy, USAID will assist with implementation of reforms that support a market-oriented economy, an open, pluralistic democracy, and assistance with the social stresses that come with these transitions.

The strategy is built on extensive review of earlier assistance and consultation with a broad range of stakeholders. USAID held discussions with Government of Armenia representatives, civil society groups, implementing organizations, individuals, and international organizations. The previous strategy, effective from 1999-2003, addressed institutional and legislative reforms. It was a bridge between the humanitarian focus of the original post-Soviet assistance, and the implementation focus which the new strategy will have for the next five years.

The new Mission Strategy includes five Strategic Objectives, and several cross-cutting initiatives. The Strategic Objectives are (1) increased employment in a competitive private sector, (2) secure and sustained access to energy and water resources, (3) improved democratic governance, (4) increased access to sustainable, high-quality primary healthcare services, and (5) improved social protection.

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Parliament.am - *continued from page 2...*

Assembly improves communication between constituents and members. Users also have access to the National Assembly Library database. The site is among the first in Armenia to have an integrated full-text search engine both on the entire site as well as in the legislative databank. USAID provided technical training for the Web Division staff as a means of sustaining the maintenance of the website within the National Assembly.

"The new website of the National Assembly will not only allow Armenian citizens to be more informed about their national legislature, but it will allow the staff of the National Assembly to play a central role in providing content and contributing to the ever-increasing quality of information on the site from their respective departments and divisions," explained Lusineh Hovhannesian, Chief of the Web Division of the National Assembly. She added, "In addition, the administrative interface of the site allows us and other staff to publish material and information in a fraction of the time, with greater detail and expanded accessibility for the National Assembly and the public."

One of the most important features of the website is not visible to end-users. The administrative interface, which serves as the control center for the database, allows site administrators to update information with ease, and an automated program allows the information to be disbursed throughout the site, in appropriate locations, after a single entry of the information. More importantly, the design of the administrative interface facilitates decentralized updates of the site. Authorized staff members can easily update information about their units, from

anywhere in the National Assembly, even with limited computing skills. The user-friendly administrative interface helps ensure that the site will remain current, and useful.

GDA - *continued from page 3...*

The Mission issued its Annual Program Statement for public-private alliances earlier this fiscal year. It is expected that U.S. Government funds will be significantly leveraged by private sector sources, from both within and outside of Armenia.

Read more online at:

www.usaid.gov/gda/

www.usaid.gov/am/

Housing Vouchers – *continued from page 4*

this program in order to offer these remaining families a housing certificate. With most earthquake victims finally rehoused, the communities can recover the sites where the *domiks* used to stand.

Donor Coordination – *continued from page 6*

and training needed along with the software to implement it in new locations.

DFID plans to install HRIMS at the three social ministries (Health, Education and Social Issues) as well as two regional government headquarters (Marzpetarans).

The extension of this software illustrates the advantages of donor coordination, leading to more effective use of assistance for both the donors and the host country. USAID and DFID use their resources more efficiently, and the Armenian government will have a human resource software package used consistently across many agencies.

USAID Support Leads to First Student Loan Program in Armenia

Higher education is essential for Armenia's development, but it must be both affordable and sustainable. Since its founding in 1991 with USAID, Diaspora and Local Government assistance, the American University of Armenia (AUA) has had to balance Armenia's need for accessible higher education with the need for sustainability. Student fees were first introduced several years after the university opened to make the institution more financially sustainable. The fees were a necessary complement to substantial private contributions, income from a USAID-funded endowment and other grants.

Through a USAID-funded grant program created by its implementing partner the Eurasia Foundation, AUA will establish a student loan program for second year students. Student fees at AUA, though still modest by U.S. standards, are prohibitive for many Armenian students. Over the course of seven years, fees increased from \$25 per year to \$1,038. As reasonable as this is for a U.S.-style graduate university, the expense is a burden for many students, and prevents some talented people from enrolling. 40% of AUA's students get merit scholarships to cover part of the expenses, and 25-30% request deferment that allows them to pay tuition over the course of the academic quarter.

AUA decided that a loan program would reduce financial obstacles to higher education without sacrificing sustainability. Private contributions will more than match the USAID-funded grant to make university education more accessible. In the future, the loan program can be replicated at other universities in Armenia. The student loan program provides another tool to help Armenia and its people.



American University of Armenia

USAID Strategy – continued from page 6

In addition to these objectives, cross-cutting initiatives include gender issues, human and institutional capacity building, education, and anti-corruption efforts.

With the adoption of the new strategy, USAID/Armenia will develop new programs which will address the challenges in their scope of work, and work with others in these fields to affect as great a gain as possible. Through donor coordination, cooperation with the government and through Global Development Alliances (GDA), USAID will work to avoid any overlap of programs, and instead extend the effectiveness of aid, while at the same time seek to attract private sector funds into development projects as well.

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