

U.S. DEPARTMENT OF STATE

SPECIAL POINTS OF INTEREST:

- USAID Hosts First Conference for Women in Politics
- USDA Opens New Agribusiness Teaching Center
- Microsoft Innovation Center Opens in Yerevan
- Humanitarian Assistance Saves Lives

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SPRING 2011

QUARTERLY SUCCESS STORIES

INL Development Project - Financial Monitoring Center (FMC) of the Republic of Armenia

“One of the most effective ways to combat crime is to prevent criminals from enjoying their illegal profits, and a developed and efficient Financial Monitoring Centre plays a crucial preventive role.” – stated former US Ambassador to Armenia, Marie L. Yovanovitch in her speech delivered during a donation ceremony of software and hardware to Armenia’s FMC (also referred to as Financial Intelligence Unit), held in March 2011.

The Armenian FMC (established in 2004) plays a crucial role

in the fight against money laundering and terrorism financing (ML/TF) in Armenia. It is the main authorized body of Armenian Government in this field, and it tracks and analyzes transactions that may be linked to ML/TF, as well as monitors relevant activities of commercial banks and



INL Officer John Maher congratulates the FMC

investment, credit, auditing and other financial and non-financial reporting entities - stakeholders in the field. The Center cooperates with national law enforcement bodies (including the National Interpol Bureau) on filing and investigating suspicious cases, as well as with their counterparts in other countries. Going beyond cooperation, they are also invited to help other countries set up systems for combating ML/TF. The Center is well represented in international organizations – Egmont Group, MONEY-

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Armenia Nuclear Power Plant (ANPP) Donor Coordination Yields Results

Supported by the US Department of Energy’s International Nuclear Cooperation Program (INCP), Ms. Alla Khachanyan, Deputy Training Manager of Armenia Nuclear Power Plant (ANPP), will visit Khmelnytsky Nuclear Power Plant (KhNPP) July 11-15, 2011 as part of a technology exchange

with her counterparts at the Training Center at KhNPP in Ukraine. Ms. Khachanyan is responsible for coordination, set up, and installation of the ANPP full-scope simulator (FSS) obtained from Slovakia and being funded by the European Union. It is hoped that Ms. Khachanyan can benefit from the experi-



Classes in the ANPP's new training center

ence and learn from the
(Continued on page 2)

ODC Renovates Vedi Maternity Ward



Construction in Vedi

The US European Command Office of Defense Cooperation Humanitarian Assistance program is conducting a

renovation of the Vedi Maternity Hospital. The project includes installation of windows, heating, electrical wiring and a back-up generator to provide emergency power. The hospital serves 13,000 women in Ararat District with 800 annual deliveries. The facility has 20 gynecological beds, 30 obstetric beds and an out-patient Women's Consultation Center.

The U.S. Army Corps of Engineers oversees all aspects of the project from initial development through contract negotiations to quality assurance inspections. This allows Armenian counterparts to better understand US construction methods and enables US military members to engage with local contractors.

The project will be completed in October 2011.

“There is ample evidence from throughout the world that political systems in which women take leadership roles in politics and government have lower levels of corruption. And lower levels of corruption are directly linked to higher rates of investment and increased economic growth, increased levels of legitimacy and trust in the political process, and greater access to higher quality government services. Armenia needs to draw on all of its talents — including its talented women.” - *Former Ambassador to Armenia, Marie Yovanovitch*

USAID AND PARTNERS HOST YOUTH CAREER FAIR IN YEREVAN

About 3,500 young people from the capital came to Armenia's Marriott Hotel Sunday afternoon, May 22, to participate in the “Build Your Future Today: Education, Employment, Economy” youth career fair, hosted by the USAID Pension and Labor Market Reform (PALM) Project, the State Employment Service

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USAID Armenia Deputy Mission Director John Seong at the event's opening ceremony.

ANPP Coordination and Training Cont'd

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experts at KhNPP who have over 10 years experience of installation and operation of their FSS as part of the INCP.

The INC Program's international team of experts, led by Pacific Northwest National Laboratories (PNNL), is assisting the ANPP to design and

construct a facility to house the FSS which is part of the long term assistance program to improve the training infrastructure at ANPP. The ANPP Training Support Project has included such activities as construction of a training center (see photo), revisions to the training center organ-

izational structure, instructor training, upgrades to the multi-function simulator, implementation of a systematic approach to training (SAT), design and implementation of a training library and training records data base, and mentoring the development and

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The ANPP Training Center

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implementation of training programs for key job posi-

tions at ANPP, such as the reactor operators. Another example of training programs that will result in

safer operation of ANPP is the General Employee Training Program (GET) developed and implemented by Ms. Naira Galstian.

The long term goal and objective of the ANPP Training Support Project is to assist the Plant with maintaining a Training Center that meets or exceeds all nuclear industry standards. Improving training at ANPP is just one of the aging management activities the INC Program hopes to support in the coming years as ANPP continues to operate past its expected shutdown date. It is only through proper training that retiring staff can be replaced with young qualified, skilled experts to ensure the continued safe operation of ANPP until a new nuclear facility can be constructed.

YEREVAN HOSTS THE FIRST NATIONAL CONFERENCE OF WOMEN IN POLITICS

Over 200 women leaders from civil society, government, academia, and political parties convened in Yerevan on May 18 for a two-day conference organized by the National Democratic Institute (NDI) and USAID, with support from the British Embassy and the United Nations Development Programme (UNDP). The conference on "Supporting Women's Political Participation in Armenia: A Nationwide Women's Conference and Women's Platform" aimed to bring greater attention to women's issues and increase women's political representation and participation in Armenia.

The conference opened with inspirational speeches and a panel discussion by prominent US and European govern-

ment officials. Keynote speakers and panelists included US Ambassador Marie L. Yovanovitch, Ambassador Meryl Frank (US Representative, UN Commission on the Status of Women), Swedish Ambassador to Armenia Diana Janse (based in Tbilisi), former Macedonian MP and the Macedonian Ambassador to Austria Blagorodna Mingova Krepieva, UNDP Resident Coordinator in Armenia Dafina Gercheva, Missouri Secretary of State Robin Carnahan, and British Ambassador to Armenia Charles Lonsdale. Invitees included senior officials from the Armenian government and representatives of local and international organizations.

During the conference, the women participants broke into smaller, cross-sector working

groups to formulate policy solutions to issues of concern to Armenian women. Panel discussions addressed topics such as coalition building, working within parties and

across sectors to support gender equality, and encouraging male political leaders and the public at large to support greater political rights for women. Participants reached a consensus on a draft set of initial policy recommendations focused on four critical issue areas: (1) increasing women's access to health care, (2) increasing women's access to economic opportunity, (3) increasing women's political participation, and (4) decreasing domestic and gender based violence.



Ambassador Yovanovitch addresses the conference.

USDA Opens New Agribusiness Teaching Center Facility in Yerevan

On May 13, 2011, the USDA-supported Agribusiness Teaching Center (ATC) celebrated the opening of their newly renovated facility at the Armenian State Agrarian University in Yerevan. The new space includes additional classrooms, an expanded library, a computer center, and additional faculty offices. Representatives from Texas A&M University and USDA/Washington attended the ceremony.

The ATC provides bachelors and masters degrees in agribusiness to achieve sustainable entre-

preneurial activities in the food and agriculture sector in Armenia and Georgia. It prepares agribusiness specialists by arming them with broad economic, marketing, and managerial skills, up-to-date communication abilities and a good knowledge of English. These skills make the ATC graduates competitive in the growing regional agribusiness sector. The curriculum is western-structured, based on the agricultural economics curriculum of Texas A&M University. Courses are taught in English by US and Armenian instructors.



Fred Johnston (center) at the grand opening.

Since 1995, USDA has provided assistance to thousands of people from every Marz in Armenia working in the agricultural sector including producers, processors, lenders, and policymakers.

FMC Center Cont'd

(Continued from page 1)

VAL, etc. The Armenian FMC has highly-trained, dedicated staff. From 2006 to 2010, based on their analysis, the FMC referred 56 cases to law enforcement bodies for investigation. The law enforcement bodies instigated 38 criminal cases and so far have won ten convictions. There were registered 85 requests from foreign FMCs to the Armenian FMC and 81 requests from Armenian FMC to foreign ones.

Starting from 2007, the Department of State's International Law Enforcement and Narcotics (INL) Bureau launched an assistance project to the Center to help it develop and fill existing gaps as it moves toward gaining full capacity and complying with international requirements. INL, through cooperation with Office of Technical Assistance of the Department of Treasury, provided much needed trainings and technical assistance. As a result of this assistance,



New software on display.

the staff of the Center and at institutions working with the FMC in the field received several trainings in case analysis and reporting skills, participated in on-the-job trainings held in FinCEN in New York (2009), Kazakhstan (2009) and Bulgaria (2010), and a recent study visit to Washington on combating insurance fraud (2011).

One other notable element of INL assistance to the Center was the procurement of specialized hardware and software to analyze, process, and maintain a vast array of cases, data and documentation through an Automated Case Management System (ACMS). The software resulted from several months of collaboration between the developer, AI Partnership, and FMC staff to make this product a finely-tuned, state-of-the-art solution to the needs of the Center and the Government of Armenia.

INL is continuing its assistance to the Center vis-a-vis another project to develop a network that will integrate information flows between stakeholder agencies in the national government.



SRC Deputy Chairman Alaverdyan (right) thanks USAID.

USAID-FUNDED TAX PROJECT SUCCESSFULLY COMPLETED

On April 26, 2011, the USAID-funded Technical Assistance to Support Tax Administration Reforms (TASTAR) project marked its successful completion at the ceremony held in the State Revenue Committee (SRC) of Armenia.

Launched in September 2009, the 1.5-year USAID/TASTAR project supported the reform of the SRC to improve the efficiency and transparency of Armenia's tax administration, increase tax revenues, and make relevant processes more business friendly and more responsive to the needs of taxpayers. TASTAR's assistance areas included improvement of audit, VAT refunds system, and taxpayer services.

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Peace Corps Volunteer Establishes Dilijan Community Arts Center

Dilijan, in the northern Armenian region of Tavush Marz, known for its lush forests, has a proud creative tradition. There is an artistic spirit alive there in the community, despite the lack of resources and cohesion.

US Peace Corps Volunteer, Katie Peckham, was placed in Dilijan in 2009 to serve as an Environmental Educator. During her time posted at the local Children's Art School she quickly became friends with many talented and aspiring artists. She made a powerful connection between art and environmental awareness efforts. To develop a carefully planned space for artists of all ages, Katie and her counterparts saw the Small Project Assistance grant as an opportunity to create the Dilijan

Community Art Center.

In October 2010 the project was awarded 3600 USD to bring the space to life with a white board, art supplies, a projector, a desktop computer, a laptop computer, and a copier/printer.

Director, Hrehghren Gasparyan and Activities Coordinator, Aida Atabekyan at the Center, both worked closely with Katie in the process of applying for the grant. When funds arrived they were prepared to proudly take the reins and independently execute the agreed upon project timeline.

There has been a very positive response in the artisan community. The Center and its enthusiastic art teachers have already seen 500 eager participants benefit from trainings and exhibits. The Pi-

casa trainings in particular have been popular. (Picassa is a Google based photo sharing/storage website.) Skills acquired in these classes are being successfully used in organizations in Dilijan and the surrounding area. All offerings have seen steady attendance; participants are excited and grateful to expand their skills.

Even though the grant period ended in May 2011, the Dilijan Community Art Center has a promising future. It exists within the Children's Art

S c h o o l , which is partially funded by the municipality, so there will be space and basic operating expenses covered for years to come.



The new Arts Center

YOUTH CAREER FAIR CONT'D

(Continued from page 2)

Agency (SESA) of Armenia, and the Youth Career Orientation Center of the Ministry of Labor and Social Issues. The career fair was the first in Yerevan to address youth unemployment.

100 employers, 7 university career centers, and representatives from the event's 10 partner organizations were on hand to provide career advising and help students structure their university curriculum to make them competitive job applicants. During workshops, participants were instructed on job search techniques, resume writing, interviewing, how to stay competitive in the labor market, and presenting themselves professionally to employers. "I got very useful insights on how to develop my resume to better highlight my skills and potential," said Armine Avoyan from the Yerevan State University.

Sona Harutyunyan, the head of SESA, noted that events such as this career fair were important and needed, as over one-fourth of Armenia's population are young people. Nare Petrosyan, a recent graduate of the Yerevan State Linguistic University, shared at the event that "This fair took all of us [youth] one step closer to employers, enabling us to directly communicate with them and better understand what they are looking for while also getting some handy advice on resume writing and other topics through training. I wish we had more opportunities like this."

USAID-SUPPORTED MICROSOFT INNOVATION CENTER OPENED IN YEREVAN



Ambassador Yovanovitch visits the Center and speaks with beneficiaries.

The newly established Microsoft Innovation Center (MIC) officially opened its doors at the State Engineering University of Armenia (SEUA) on May 11, 2011. A memorandum of understanding was signed at the ceremony by USAID Armenia Mission Director Jatinder Cheema, Minister of Economy Tigran Davtyan, Microsoft Armenia Country Director Grigor Barseghyan, and SEUA Rector Vostanik Marukhyan,

whereby the cooperating parties will share their experiences, technologies, methodologies, and resources to promote innovation, develop a qualified workforce, and assist in the creation of competitive businesses in Armenia.

The MIC in Yerevan is the first in the Caucasus region and was jointly established by the Armenian government, USAID Armenia, Microsoft RA (the Armenian branch of Microsoft Corporation), Enterprise Incu-

bator Foundation (EIF), and the State Engineering University of Armenia. The Center was created as part of the three-year Global Development Alliance between USAID and EIF.

MIC Armenia will deliver both short- and long-term IT and business trainings, as well as equip students, IT professionals, and Armenian businesses with the knowledge and skills to create innovative products and services, to bring products and services to market, and to build well-managed competitive businesses.

Since the project's inception in September 2009, the Center has provided assistance to over 600 employees and students and 70 IT companies (both existing and start-up ventures) through trainings, workshops and coaching. A number of other initiatives, including forums and contests, such as Microsoft's "Imagine Cup" student software development competition, were also organized.

USAID'S ECONOMIC GROWTH FLAGSHIP PROJECT MARKS COMPLETION



A man with visual impairment reads about the Zvartnots Temple thanks to the braille panels developed through USAID CAPS support.

**The United States
Foreign Assistance
Budget for
Armenia in FY2011
totals over \$44
million USD**

USAID marked the successful completion of its Competitive Armenian Private Sector (CAPS) project in February 2011. Implemented by Nathan Associates, Inc., the five year USAID CAPS project (www.caps.am) utilized a cluster approach that fostered cooperation among enterprises, business service providers, regulatory agencies, and training institutes to enhance the competitiveness of Armenian enterprises and strengthen the environment for private sector development in the ICT, tourism and pharmaceutical industries.

CAPS notable achievements include:

- Rapid growth of Internet broadband subscriptions and a decline in connection cost in Armenia as a result of regulatory ac-

tion to end monopoly pricing of Internet services;

- Increased tourism from Italy as a result of a target marketing campaign;

- Growth of IT software and service firms from strategic planning, networking, marketing, training, and business management;

- Growth of local and export sales by the pharmaceutical industry as a result of moving towards the adoption of Good Manufacturing Practices (GMP) certification; and

- Reduced cost of pension payments from introducing electronic transfers, as part of the e-governance program.

Since its launch in September 2005, CAPS assisted over 500 Armenian enterprises; developed national ICT, tourism, and e-

government strategies; prepared the Jermuk Town development strategy; established the replicable "Meeting Without Ties" public private forum; expanded international business and diaspora linkages; promoted the application of ICT solutions in other local industries; and introduced modern curricula and teaching methods in universities and vocational institutes. The project also worked with its local partner, the Economic Values and Research Center, to prepare and publish the first-ever Armenia National Competitiveness Report in 2008, and the successive annual reports in 2009 and 2010.

Tax Project Cont'd

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With project assistance, the SRC was able to design and launch a more streamlined and efficient system (a risk-based audit selection software) for tax audits, which will help automate the process and lead to fewer, but better, targeted audits. The project also helped develop and disseminate technical guides to improve the quality of audits in certain industries, which will result in cost saving to both taxpayers and tax authorities. TASTAR conducted specialized training for 190 SRC auditors to strengthen their understanding in sectoral audit specifics, especially in the areas of initial interviewing and auditing books and records.

MCC Invests in Armenian Women



One of MCA-Armenia's many female beneficiaries

The Millennium Challenge Corporation's (MCC's) investment of nearly USD 180 million in the irrigation and agricultural sectors of Armenia is critical to the development of the country's agriculture, overall economy and the livelihoods of farmers and agribusinesses. When completed in September 2011, the Compact Program expects to have benefited over

420,000 rural residents in around 350 communities across Armenia by refurbishing major sections of the country's main canal systems, modernizing some of the most urgently needed pumping stations, introducing new gravity irrigation schemes, rebuilding tertiary canals and restoring sections of the Ararat Valley Drainage system. The Compact Program,

under its Water to Market activity, is also training nearly 45,000 farmers in improved agriculture practices, delivering technical assistance to water supply institutions and providing USD 8.5 million in credit to farmers and small agribusinesses in support of the program objectives.

Working with women is an integral part of the successful

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Save the Children Reconstructs Kindergartens and Brightens Childhoods

The preschools in Arpunk, Geghamasar, and Pokr Masrik villages in Gegharkunik province last opened their doors to children more than a decade ago. Since then, the children—mostly refugees—have had to go without early education opportunities.

To address these urgent education needs, Save the Children's Livelihoods Recovery and Social Support Program (LRSSP) established preschool classrooms in the

communities. The classrooms were fully renovated, furnished and outfitted with necessary equipment, supplies and literature. Teachers were also hired and trained on child-centered interactive teaching methodologies. The classrooms opened their doors to 5-6 year old children in June.

Kristine, mother of twin daughters enrolled in the preschool of Arpunk village, says she is very happy with the newly opened education center. "As a school teacher, I understand how important preschool education for children is. I can see that those children who get early childhood education opportunities are much more successful at

school both in terms of socializing and learning."

Kristine also mentioned her daughters are very happy to attend the preschool. "Every morning they hurry up to get to the preschool. When they are back home, they happily demonstrate their newly obtained knowledge and skills by reciting, singing and dancing," she says.

Save the Children's LRSSP strives to create improved well-being and livelihoods of vulnerable refugees in Armenia. Funded by the US State Department's Bureau of Population, Refugees and Migration, the program responds to the needs of refugees/former refugees including adequate shelter, living hardships, and access to health and education services.

Kristine with her daughters and other students



Kristine, her twin daughters, and some friends.

MCC Invests in Armenian Women Cont'd

(Continued from page 8)

implementation of the MCA-Armenia Program.

In the area of farmer training, staff managing the project has been provided with gender sensitivity training, which has led to inclusion of a broader range of farmers and agribusiness owners in the training activities. This has translated to an increase in women's participation in the training program under the Water-to-Market Activity. Out of the 45,639 participants in On-farm

Water Management training and 34,273 participants in the High Value Agriculture training, women represented 32% and 35% of all participants respectively. Overall, 24% of trained farmers have been women.

The gender distribution of the owners of the 216 demonstrations sites established under the Water-to-Market Activity is as follows – male-owned demo sites: 83%, and female owned demo sites: 17%.

Within Credit activity, women borrowers are pro-actively identified and offered increased opportunities to access credit. As of now, 95 loans have been provided to women-led households, which is 9% of the overall end-borrowers.

Women hold key management positions within MCA-Armenia (a State Non-Commercial Organization established by the Government of Arme-

nia responsible for overseeing the transparent implementation of the Compact) and represent almost half of MCA-Armenia's staff. As a result, women provide important contributions to the decision-making processes behind the program. With the successful implementation of the Compact it is expected that the MCA-Armenia Program will have a significant impact on increasing the opportunities for women in Armenia.

Science and Technology Entrepreneurship Program (STEP) Helps Make Pro-Biotics Better

In biotechnology, pro-biotic supplements are ubiquitous and can be found in many dairy products such as milk, yogurt, kefir etc. Current milk pro-biotics (fermented with pro-biotic lactobacillus starters) can be recognized by their odd flavor and unpleasant texture. Moreover, some ingredients in current pro-biotic formulas can interact negatively with "starters", causing the formula to become ineffective.

Supported by the STEP, Principle Investigator Hrachya Hovhannisyan and team from Center of Microbiology and Microbes Depository is working with company *Arzni Kat* to design an "Information Analytic System" which allows producers to select the best possible match between non-antagonistic symbiotic pro-biotic elements and dairy starters. Dairy products that were fermented with the new pro-biotic-starter formulas demonstrated improved flavor and texture, a much longer shelf-life, and noticeably higher therapeutic benefits. Dr. Hovhannisyan's business partner is company *Phitotech* that is producing capsules and tablet forms of their probiotic called 'Narine.' Dr. Hovhannisyan sells 1,000 of them per month; one cream tube costs \$1 and brings the company a revenue of five percent. Dr. Hovhannisyan also established a new partnership with *ArzniKat JSC*.

In 2011, a start-up company with *Arzni Kat* (Arzni pedigree-livestock OJSC) will be created to work on functional dairy starters creation, new technologies and control of end product. "We have developed a technology for the production of functional dairy foods, in the volume of 10 tons per year, with total revenues of \$250,000," says Hovhannisyan.

What Other STEP Grantees Are Saying:

"Our project's objective was to increase the yield of some principal crops of Armenian agriculture by means of application of new ecologically safe phytostimulator. [Due to the support of STEP] we have successfully augmented the yield of pepper plants by 30%."

- Yuri Popo, Yerevan, Armenia.



Dr. Tsatryan and a small patient

As the sole doctor in a town of 2,500 residents, Milada Tsatryan is always busy. On average, 20 patients visit the clinic per day. During busy periods like vaccination season, that number often approaches 40.

Very energetic, widely experienced and eager to learn, Dr. Tsatryan keeps up-to-date on modern innovations in contemporary medical science and seeks ways to apply new methods of treatment despite a lack of resources.

"Day to day medicine is becoming more progressive," Dr. Tsatryan says. "However, nowadays even essential pharmaceuticals are not always accessible for the villagers," she

complained.

This is where the US Department of State's Humanitarian Assistance Program is able to help. By providing funding to organizations like the United Methodist Committee of Relief (UMCOR) for the purchase and distribution of essential medicines, the US Government improves the health of Armenians in rural areas.

"Medicines and medical supplies [provided by UMCOR] help us to organize proper and timely medical treatment without any additional costs for our patients. Anti-hypertension drugs and diuretics are specially useful since the most prevalent diseases among elderly patients are cardiovascular ones, such as essential hypertension, myocardial ischemia, fibrillation, cardiovascular collapse, stroke and so on," she explained.

"It is significant to note that all pharmaceuticals we receive from UMCOR in the framework of the [U.S. Department of State] funded Pharmaceutical Distribution Program are of a high-quality and long-dated," she concluded.

USG Benefactor, Maya, Says "Thank You!"

Over the course of its work in Armenia, International Relief & Development (IRD) has received countless thank you letters from healthcare facilities, NGOs, kindergartens, individuals, and other beneficiaries. One that stands out in particular was written by a young beneficiary of the NGO "Armenian Alliance," an IRD partner.

She writes:

Hello, America, so far away from me. My name is Maya. I am Gyulizar's daughter. There are seven of us in the family. I am in first grade and doing well in my studies. Some time ago, my Mom went to ask for assistance from an organization where Ms. Nana worked. Ms. Nana said she could not help us with money, but she could help us with some other things: 1) clothes, 2) school items, and 3) shoes and other items.

On New Year's Day, we wrote a letter to the Winter Grandpa [Santa]. And we received presents. Several days ago we received some very nice shoes, and I showed my diary to Ms. Nana. She tells that when I grow up I will become an ambassador. With this letter of mine, I want to thank all the people in faraway America for helping us so much. When I become an ambassador I will come to see you in America.

Signed,

Maya,
who lives in the "Town of Hope"

IRD's work in Armenia supported by the US Department of State and is part of a larger effort to promote democratic change and provide critical relief in one of Europe's poorest countries.

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