



UNITED STATES
DEPARTMENT OF STATE



USAID
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ARMENIA

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

U.S. assistance to Armenia promotes democratic governance through increased citizen participation and more effective local institutions. Another priority for U.S. Government (USG) assistance is to support Armenia's efforts to be a constructive and peaceful neighbor by funding programs to improve Armenia-Turkish relations. The Armenian economy faces major challenges in recovering from the global financial crisis, and U.S. assistance is helping Armenia to increase private sector competitiveness, enable access to finance, and reduce administrative and regulatory constraints to enterprise growth. In the area of health and social protection services, U.S. – funded programs helped these institutions make more efficient use of financial resources, improved quality of services, and empowered citizens to exercise their health and social protection rights and responsibilities.

TOTAL FY 2009 FOREIGN OPERATIONS APPROPRIATED ASSISTANCE: \$52.36 MILLION*



FY 2009 Areas of Focus

EG: Economic Growth

P&S: Peace and Security

GJD: Governing Justly and Democratically

IIP: Investing in People

HA: Humanitarian Assistance

(*Foreign Operations funding appropriated for FY 2009, not including \$2.52 million in Peace Corps funding and centrally managed, regional Foreign Operations funding that is not budgeted for specific countries. Humanitarian Assistance total does not include the value of donated humanitarian commodities transported by the Department of State, estimated at \$7.82 million in FY 2009.)

HIGHLIGHTS OF FY 2009 PERFORMANCE BY AREA OF FOCUS

Peace and Security

In FY 2009, USG assistance:

- Funded the Strategic Defense Review (SDR) process to support Armenian defense reform efforts. The primary objectives of SDR are to improve democratic control of the Armenia's armed forces, to strengthen the civilianization of the Ministry of Defense (MOD) structure, and to better align functions and responsibilities between the MOD and its general staff. SDR also assisted the MOD's efforts to introduce accurate and realistic defense budgeting and analysis.
- Supported redirection of former weapons scientists to non-weapons research with grants from the Moscow-based International Science and Technology Center (ISTC). This included an Innovation Forum where 10 former weapons researchers participating in a business grant competition pitched their technologies to local businesses and a panel of U.S. technology commercialization experts, which granted four researchers \$40,000, funded in equal part by the USG and the Armenian Ministry of Economy.
- Underwrote Armenia's efforts to revamp its munitions export control licensing system to bring it up to international standards through extensive expert legal advice and consultations.
- Improved dual-use export control licensing process by providing Armenian officials an advanced DOE course on end-user/end-use checks and an orientation on how to use Wisconsin Project's on-line Risk Report to assess end-users.
- Enhanced Armenia's border control capabilities by providing Customs and Border Guard training on air cargo interdiction, interdicting nuclear and radioactive materials, responding to WMD incidents at the border, targeting risky cargo shipments for closer inspection, and responding to ground sensor detection events.
- Strengthened the ability of the Central Bank's Financial Monitoring Center (FMC) to detect, trace and document suspicious transactions. FMC personnel now have computer hardware that will allow them to link to the databases of other agencies, banks and other reporting entities in order to receive and analyze suspicious transactions reports. Armenia recorded its first successful money laundering prosecutions in 2009.
- Contributed to a significant increase in Armenian Government efforts against trafficking in persons, progress that earned Armenia a promotion from the Tier 2 Watch List to Tier 2 in the State Department's 2009 Trafficking in Persons Report. The improvements occurred in a number of areas including more effective prosecutions and sentencing, better treatment of trafficked victims by Armenian law enforcement, better education and public awareness efforts, the Armenian Government's first budgeting specifically for anti-trafficking efforts, and the reopening of investigations into high profile corruption cases.

- Funded 14 town hall meetings with participation from over 1,400 citizens and decision makers throughout Armenia concerning potential developments between Armenia and Turkey.

Governing Justly and Democratically

In FY 2009, USG assistance:

- Established a network of 11 Advocacy and Assistance Centers (AACs) which provided legal advice to over 2000 citizens in FY 2009. The Government of Armenia's (GOAM) acceptance and cooperation with these centers has been laudable. The Prosecutor General has visited a number of the AACs and has stressed the importance of working with the AACs to all of his regional prosecutors. During FY 2009 the centers responded to nearly 2,000 requests for assistance.
- Trained more than 100 judges in precedential case law application based on the decisions made by the European Court of Human Rights (ECHR). The Court of Cassation in Armenia has begun to cite ECHR decisions in laying out the grounds for its decisions related to human rights.
- Trained members of the Chamber of Advocates in human rights and trial advocacy, contributing to the Public Defenders' Office ability to defend the legal rights of oppositionists facing charges that appeared politically motivated arising from the post-election events in 2008. Public defenders and private advocates achieved 23 legal acquittals after full trials and more than four pre-trial withdrawals of criminal charges despite the hostile political environment facing the defendants.
- Helped increase municipalities' local revenue through public-private partnerships, and spearheaded a municipal loan policy paper laying out the foundation for the municipalities' access to commercial credit. Analysis indicates that 17 of the 38 cities in this USG program are creditworthy, and 12 of the 18 cities analyzed have reached the breakeven point for their solid waste management services as a direct result of USG assistance. In addition, a customer satisfaction survey in seven program cities showed a 20% increase in satisfaction with the quality of municipal services since the inception of the U.S. local governance program.
- Strengthened the capacity of Armenian NGOs to influence public policy through advocacy, to build constructive relationships with government entities, and to address community concerns. For instance, when the GOAM introduced draft amendments putting additional burdens on NGOs, USG-assisted NGOs effectively lobbied the Prime Minister to withhold the amendments and schedule public hearings to debate their provisions. In addition, with USG assistance, nine cities adopted social partnership frameworks to more effectively collaborate with NGOs and provide funding to public sector organizations for social service provision. Similarly, the grassroots activism of more than 2,000 volunteers participating in a community mobilization program in 80 rural communities resulted in 597 civic actions in such areas as sanitation, local transportation, government transparency, and school renovation.
- Supported civil society in holding officials to greater levels of accountability. For example, USG assistance enabled volunteer monitors to be deployed in every precinct in city council

elections in Yerevan in 2009. While the election was significantly flawed, the presence of monitors pressured authorities to invalidate the results in several precincts and arrest, temporarily, several violators of election rules. There was also tangible improvement in information provided by public officials. For example, in a landmark case brought by a USG-assisted organization, the judge imposed an administrative fine on a public official for having refused access to information that was required by law to be shared.

- Financed an anti-corruption television series called, “Witness: the Real Stories.” This citizen journalism project provides victims of corruption with cameras and technical assistance to record their stories. It was a breakthrough for Armenia Public Television to broadcast the series, which also featured opposition-minded activists. The series was also widely disseminated via two major internet social networking and media websites.

Investing in People

In FY 2009, USG assistance:

- Refined the legal framework and procedures for open enrollment (OE) where every Armenian registers with a health care provider of choice as part of an effort to move Armenia from a “catchment area” model of health care provision to a “population enrollment” based model. The OE database was upgraded and is now functional in all 345 primary health care facilities that are contracted for provision of state guaranteed health services in Armenia. As of September 2009, 88% of the Armenian population was enrolled in the new system.
- Established seven schools of motherhood (in addition to four existing) to improve the quality of birth preparedness, healthy lifestyles during pregnancy and after delivery, breastfeeding, and newborn care. Surveys from sites receiving USG Maternal Child Health (MCH) assistance, including clinic renovations, showed an increase in women’s satisfaction with antenatal care from 45.7% in 2006 to 60.9% in 2009, and an increase in the proportion of pregnant women with at least four antenatal care visits during pregnancy from 77% to 87%.
- Introduced obstetrical care certificates at MCH sites, contributing to the reduction of under the table payments for obstetrical services from 91% in 2006 to 21.5% in 2009.
- Supported the expansion of family planning and reproductive health (FP/RH) services in the 10 Armenian Marzes (regions). Results from project interventions showed that the number of healthcare workers informing women on postpartum family planning increased from 12% to 47%, and the proportion of women reporting that they received information on FP options during the postpartum period increased from 24.2% in 2006 to 74.4% in 2009. Moreover, the proportion of women using a method of family planning increased from 44.2% in 2006 to 67.7% in 2009. These results contributed to a significant increase in the use of modern contraception methods and a reduction of abortions at project-supported regional maternity centers. (FY 2008: 11 abortions/100 live births vs. FY 2009: seven abortions/100 live births).
- Established Quality Improvement Boards nationwide in collaboration with the Ministry of Health (MOH). A Facility Self-Assessment Tool was implemented in 139 larger facilities covering more than 70% of primary health care clinics in the country. USG technical

support to Quality Assurance (QA) Teams at five hospitals resulted in improved Composite Quality indexes of MCH services from 84% in 2007 to 94% in 2009 and decreased number of stillbirths and early neonatal deaths in the five target sites. The introduction of Active Management of the Third Stage of Labor – an intervention proven to significantly reduce postpartum hemorrhage – decreased the proportion of women suffering from postpartum hemorrhage in project target sites from 3.9% in 2007 to 1.1% in 2009.

- Rehabilitated the water supply of Artashat town and 27 villages resulting in an improved water supply for close to 100,000 people. Before the assistance was given, water supply duration was 2-4 hours per day, whereas now it is available 8-12 hours per day for about 75,000 people and for 24 hours for 20,000 people.
- Strengthened State Employment Services Agency (SESA) capacity to develop strong links with employers and effectively serve job seekers. Three model local employment offices received self-service kiosks and other equipment to demonstrate efficient job brokering. As a result, use of public employment services increased from 117,000 to 145,800, or by 25% nationwide.
- Provided assistance to approximately 6,000 persons through 24 community kitchens and 29 community day care centers. Last year the GOAM adopted this service model as a government standard and licensed all the local registered NGO “Mission Armenia” facilities, clearing the way for state funding and greatly enhancing the sustainability of the social services to vulnerable populations.
- Promoted the growth of civil society in Armenia through professional exchanges that highlighted the role of associations and other non-governmental organizations in the United States. The exchanges gave more than 188 U.S. and 21 Armenian business and civil society representatives the opportunity to develop contacts with one another.

Economic Growth

In FY 2009, USG assistance:

- Trained companies in the pharmaceutical industry, related educational institutions and government institutions in Good Manufacturing Practices (GMP) to help them better understand and comply with international trade and investment agreements. As a result of the GMP training, a large segment of the pharmaceutical cluster was certified in basic GMP, including three universities and the Ministry of Health and the Drug Agency.
- Helped harmonize supervision of the securities market and the insurance industry by the Central Bank of Armenia (CBA) through improved licensing, supervision, enforcement and policy making procedures, resulting in improved International Association of Insurance Supervisors scores of 47.2% vs. 39.8% and International Organization of Securities Commission scores of 59.26% vs. 30.16%.
- Improved Credit Bureau operations by providing hardware and software and introducing scoring systems, resulting in a drastic increase in the number of borrowers in the Armenian Credit Reporting Agency’s database from zero to 910,455, while the number of loans increased from zero to 2,660,637. USG programs also supported institutionalization of risk management practices in five commercial banks and five universal credit organizations, resulting in risk management score improvement on average by 9%.

- Assisted Armenian banks in developing bankable energy efficiency projects, which resulted in the development of a portfolio of 32 bankable energy efficiency projects with a total estimated value of about \$20 million. Seven of the projects received \$1.17 million in financing from commercial banks. Completed nine socially oriented energy efficiency projects, resulting in improved energy services for about 7,500 people and will reduce carbon dioxide emissions by 1102 Mg (over one-thousand tons), multiple sulfur oxides (SOx) by 6kg and multiple nitrogen oxides (NOx) by 837 kg per year.
- Provided technical assistance to help 35 milk marketing cooperatives and collection centers generate \$800,000 in income for dairy farmers, despite a global slump in world milk prices and inexpensive Chinese powdered milk imports. Introduced improved genetics and advanced techniques from the United States to inseminate 5,000 cows. The new cross breeds are expected to produce up to 50% more milk, adding to dairy farmers' productivity and incomes.
- Helped 145 new rural small and medium enterprises and food processing companies to improve their production technologies, marketing practices, food safety and sanitary conditions, and upgrade equipment resulting in the creation of 243 new jobs and 20 new products.
- Helped nine target industry associations to become at least 50% self-funded, increase their membership by 10%, and increase revenues from non-government sources by 17%. The USG also worked with associations who placed 60 interns with companies. At the end of the internship period, 66% of interns in the IT sector, 30% in the tourism sector and 73% in the pharmaceutical sector were recruited by the participating companies.

Humanitarian Assistance

In FY 2009, USG assistance:

- Completed \$600,000 water supply renovation project in six remote villages (Aghavnavank, Antaramej, Karmir-Aghek, Sevkar, Ttou Jour, and Vaghashen), providing clean drinking water to over 9,000 residents. The project included disassembling, rehabilitating and constructing reservoirs, fences, catch basins, wells and roughly 14 miles of intercommunity pipelines.
- Completed small reconstruction projects at four kindergarten sanitary facilities, two boarding schools' sanitary facilities, and three rural clinics. Delivered and distributed 22 containers of humanitarian aid including medicines, medical supplies, equipment, clothing, household supplies, and hygiene and school kits.
- Provided supplementary food to 61 different boarding institutions, benefiting more than 7,250 people.
- Funded the continued operation of a mobile medical team to provide free of charge medical services in remote rural areas of the country. In FY 2009 the team served 23,130 patients in Lori region, and provided services to the population of the Tavush region.
- Provided 520,000 people with humanitarian provisions.