

BRINGING THE ARMENIAN DREAM TO RURAL FAMILIES



Armenia Fund's 2008 fundraising drive in support of Armenia and Karabakh has raised a record amount. Armenians across the globe answered the call of history to bring economic and social transformation to struggling rural Armenian families. Thousands of

pledges were collected, in amounts as little as one dollar to as much as 15 million from one individual donor. At a time of such economic uncertainty around the world, Armenia Fund managed to inspire Armenians everywhere to help bring the Armenian *continued on page 3*

First Armenia Fund USA Phonathon \$80,000 raised in pre-Telethon donations.

When it comes to raising funds for rural Armenia and Karabakh, it may all come down to hearing a smile at the other end of the phone. That's what the organizers of the 2008 inaugural Phonathon concluded when final results were tallied one week prior to the Armenia Fund Telethon 2008 Thanksgiving broadcast.

By every account, the first-ever Armenia Fund USA Phonathon surpassed all expectations. From

TABLE OF CONTENTS

Chairman's Message	. Page 1
Bringing the Armenian Dream to Rural Families	. Page 1
First Armenia Fund USA Phonathon	. Page 1
Telethon Breaks the Record	. Page 2
Detroit Armenians Celebrate Armenia Fest 2008	Page 4
"Meds and Meals" Program for TB patients	. Page 4
Rural Development Program: Back to Life	. Page 5
Small Projects that Make a Big Difference	. Page 6
Projects Already Funded in 2008	. Page 7
New Board Members	. Page 8
Donors	. Page 9

November 20-23, 2008, close to \$80,000 in pledges and over-the-phone credit card donations was generated by a corps of 45 community volunteers. This new fundraising venture also created an unprecedented pre-Telethon buzz in the Eastern Region community.

The four-day outbound telephone campaign was conducted at a professional call center in midtown Manhattan, attracting volunteers from the tri-state area, as well as Boston and Washington, DC. A smaller call center was also set up at St. John's Armenian Church of Greater Detroit. These budding fundraisers worked the phones in day, evening and weekend shifts, dialing over 3,000 phone numbers of Armenian households east of the Mississippi.

It's fair to wonder why an organization would conduct a phone campaign to support a nationally televised all-day fundraiser scheduled for just two weeks later. Irina Lazarian, Executive Director of Armenia Fund USA, explains: "We wanted to give those donors traveling or hosting dinners on Thanksgiving a chance to participate even if they can't watch or call in their pledges during the live show, broadcast in L.A."

Ms. Lazarian goes on to say: "It also gives us the lead time to ensure that donor names appear on screen during the show. And due to limited broadcast hours, our Eastern Region constituents have access to only half the show. This limits how much our affiliate can raise on a single day."

continued on page 3

CHAIRMAN'S MESSAGE

Dear Friends:

As this year draws to a close, hit is with deep gratitude that I write to inform you of the new milestones that Armenia Fund USA achieved in 2008.



Our mission to rebuild rural Armenia through vital infrastructure, social and economic development projects is now under way in some of the most underserved communities of our homeland. Now it is their turn to pursue the Armenian Dream—which is exactly what our Diaspora had in mind when it began its history-making mission to rebuild a nation 16 years ago. Our ancestral ideals of hard work and enterprise, family

Our ancestral ideals of hard work and enterprise, family and community are bound to turn present-day Armenia into a great place to live, work, raise a family and cultivate the Armenian identity. Thanks to your steadfast support, we are ever closer to fulfilling that Dream. This year, we broke ground with important projects

This year, we broke ground with important project designed to close the gap in living standards between urban and rural Armenia and Karabakh.

First, we completed the successful *Telemedicine Partnership* with Yerevan State Medical University and its Department of Postgraduate/Continuing Education. This future-forward program disseminates comprehensive medical knowledge and best practices more efficiently through technology. Since its launch, we have electronically transferred medical intelligence to remote areas of Armenia in addition to hosting numerous teleconferences focusing on pediatrics, reproductive health and infectious diseases. The Tehmedicine program has heavient the letert

The Telemedicine program has brought the latest knowledge and innovative diagnostic tools to hundreds of medical professionals practicing in Armenia and Karabakh. Our solid partnership with Karabakh Telecom provides the broadband connections that allow easy access for those who seek to keep up with world-class medical standards that improve and save lives.

We also are pleased to announce the unprecedented success of our *Agriculture Initiative* in the regions of Hadrut and Mardakert in Karabakh. The project expanded to more than 26 villages, generating new jobs and modernizing agricultural practices to benefit more than 815 farming families. We also have transferred new agricultural equipment and technology designed to increase farming productivity, which in turn, can accelerate income generation. The program has been hailed by the Armenian government, which plans to duplicate and expand our model in border villages of Armenia.

In addition, Armenia Fund USA, along with its affiliates, has completed work on water and gas pipeline construction in Hadrut, Vank and Spitakashen. Plus, we are currently rebuilding and renovating schools in the villages of Aknaghbyur, Khndzoresk, Lusahovit and Verin Horatagh. The impact on the lives of hundreds of thousands of Armenians is dramatic and measurable.

Looking ahead, our focus will remain on eradicating the social and economic deprivation that still plague rural Armenia and Karabakh. But it's no secret that uprooting hard-core poverty and social decay takes tough persistence. That's why we need your continued support. Knowing you're part of the largest Diaspora-wide

Knowing you're part of the largest Diaspora-wide movement in Armenian history to rebuild a nation is gratifying in itself. But seeing this tiny, landlocked country transformed into a prosperous, secure and respected nation is the ultimate prize. With the hope and resources you bring to the people of

With the hope and resources you bring to the people of Armenia and Karabakh, our Homeland has the potential to become a groundswell of national pride and inspiration to every last Armenian in the world.

On behalf of our Board of Directors and our Executive Staff, we look forward to your commitment to Armenia Fund USA in 2009 and will keep you updated on our progress and opportunities.

Gratefully yours,

Raffi Festekjian Chairman of the Board of Directors Armenia Fund USA

Armenia Fund Telethon Breaks Records, Raises More Than \$35 Million to Revive Armenia's Rural Economy



Armenia Fund volunteers take phone calls as Telethon host Hrant Tokhatyan appeals to audiences around the globe.

Even the global financial crisis did not break the resilience and unity of Armenia Fund's supporters. Armenia Fund is pleased to announce another record-breaking year for its annual Thanksgiving Telethon which raised more than \$35 million in pledges on Thanksgiving Day. The 12-hour live broadcast originating from Los Angeles and televised throughout the world brought together millions of Armenians in support of the economic awakening of rural Armenia and



Karabakh President Bako Sahakyan (L) and Telethon host Artak Herikyan (R) at Telethon 2008.

Karabakh. Proceeds will go toward Armenia Fund's Rural Development Program – a comprehensive plan launched in 2007 to revitalize border villages through social and economic development projects.

In the days leading up to the Telethon, fundraising activities were organized around the world, including phonathons held in France, New York and Argentina, a fundraising bikeride, a radiothon, galas and charity concerts. This generated unprecedented awareness of the upcoming fundraiser on Thanksgiving Day.

Telethon 2008 broke records with significant increases in small and medium-sized donations along with major contributions Russia-based businessman Mr. Samvel Karapetyan pledged \$15 million toward the construction of the regional hospital in Stepanakert. Other major donors include Mikael Vardanyan, Samvel Aleksanyan, Eduardo Eurnekian, Gagik Adibekvan, Varujan Grigoryan, Gagik Zakaryan, Norik Petrosyan, Barsegh

Beglaryan, Aram Kocharyan, Khachik Manukyan, Karapet Aleksanyan, and VivaCell-MTS, a leading telecommunications provider in Armenia.

Back in the states, volunteers took calls from both the Telethon production studio in LA and a professional call center in NYC, which was set up especially for Armenia Fund USA Eastern Region donors to account for the 3-hour time lag. "It's just amazing to hear such an outpouring of support from Armenians of all persuasions. Solidarity like this is so inspiring and makes me feel so good to know that my contribution of time makes a difference," remarked Ruth Bedevian while phones were ringing off the hook.

Armen and Mary Boyajian of Ardsley, NY, longtime supporters of Armenia Fund USA, joined the volunteers as first-time call takers. "It was really fantastic talking to other donors like us who are voting for Armenia's success with their wallets," stated Mr. Boyajian. His wife Mary added, "I'm glad we could experience firsthand how millions of dollars are raised one call and one pledge at a time. Before you know it, you've raised enough money to change someone's life forever."

As results show, Telethon 2008 drew groundbreaking participation from Armenia's people. They gave their vote of confidence to their nation's future. Donations were made through fund transfers into Armenia Fund accounts, through local post offices or by visiting Armenia Fund headquarters on Republic Square.

Among these donors was the Hovsepian family from Yerevan who visited the Fund Executive Board office before midnight with young sons Armen 4, Vache 11, Arman 11 and Ara 13 – each contributing several dollars. They participated in last year's Telethon as well. Their New Year wish was that Armenia Fund builds more schools and kindergartens in villages.

Over the past 11 years, this annual event has become an honored tradition attracting thousands of viewers during the 12 hours of live airtime. This year, Armenians worldwide were able to tune in via TV, satellite, cable, and Internet. Thousands were able to bring change and hope to rural families. These communities—some ravaged by war, others by economic turmoil face many complex issues that now seem less



Shushi Dance Ensemble presents \$2,000 check for Telethon.

daunting due to the overwhelming support of Armenians everywhere.

"Telethon 2008 is a testament to the strength and unity of our nation," says Ara Vardanyan, Acting Executive Director of All-Armenia Fund in Yerevan. It's a day on which one should be especially proud to be Armenian—part of a nation that never gives up and is ready to shape its own destiny."



Date_

The Vartan & Siranush Dance Company perform the Berd Armenian Dance.

Please accept my donation to Arme message to Armenia's rural families			1 1	YES. I care about Armenia every day.
Name				
Street Address				City, State, Zip
Day Tel	Cell Phone	Em	ail Address _	
Please check your donation amoun	ıt: \$250 * \$365	\$500 \$1000	\$1500	Other \$
Method of Payment Please chec	k one: Donation by Credit (Card OMaster C	ard OV	isa OAmerican Express ODiscover
Credit Card #				

Account Holder's Name_____ Account Holder's Signature_____ Donation by Check. Please make checks payable to Armenia Fund USA, 80 Maiden Lane, Suite 301, New York, NY 10038.

I am not able to donate at this time, but please send me your newsletter and other updates about Armenia Fund and its mission.

All contributions are tax-deductible to the full extent of the US tax code.

Bringing the Armenian Dream to Rural Families from page 1



Children celebrate their newly built school established by Armenia Fund.

Dream home to the impoverished border communities of Armenia and Karabakh.

Making the Armenian Dream real for rural Armenians.

The Armenian Dream is all about having a good place to live, work, raise a family, and ultimately contribute to the greater good of the nation. But making this lofty ideal a reality starts with practical solutions on the ground. To this end, Armenia Fund has first addressed infrastructure as step one to economic and social development.

Priorities for Economic and Rural Development.

With infrastructure as the springboard for economic and social change, clean water has been our top priority for 2008, followed by bringing modern methods of land cultivation. Other priorities include a gas pipeline, as an alternative to deforestation, as well as hospitals and clinics to meet the immediate healthcare needs of a rural population. Construction of new roads also ranks high to ensure secure movement of goods and services among villages. Finally, upgrading schools is essential to the future of these border communities.

A simple tangible example of progress: today in the village of Vank in northwest Karabakh, residents take about 45 minutes to commute by bus for work to other parts of the capital city of Stepanakert. Only four years ago, it took two to three hours for the same commute. Armenia Fund's successful completion of the "Backbone" of Karabakh—the North-South Highway—has made a drastic improvement in the daily life of the villagers. Nevertheless, there is still much work ahead if rural Armenia and Karabakh are to have their chance to pursue their own Armenian Dream.



Setting up the connection and distribution of water systems to the village.

Priorities for the region of LORI.

The region of Lori in northern Armenia spans seven villages with some 10,000 residents who hosted refugees from Shahumian in Karabakh during the 1990's war. These communities are struggling to rebuild their infrastructure and agricultural base.

Agriculture is the centerpiece of the Lori economy. This means that modern equipment and affordable fuel costs are essential to allow farmers to harvest hay by machine. Access to animal feed is also necessary to enhance cattle breeding for milk, cheese and meat production.

The large village of Metzavan, for example, needs new roads, drinkable clean water and resources for animal husbandry. In addition, a gas pipeline, a new school, community center and clinic are part of Metzavan's blueprint for economic revival.

Priorities for the region of MARTUNI.

This province suffered immensely during the Karabakh conflict, when its villages were looted, destroyed and depopulated. Armenia Fund has completed many projects in the region (please refer to www.armeniafundusa.org) but still faces sobering challenges.

Today, Martuni depends on agriculture, with its vines, fruit trees, and growing production of cereal grains. But like everywhere in rural Karabakh, the infrastructure is deficient and clean water is unavailable to communities that rely heavily on irrigation. Armenia Fund has responded with four water projects under way: in Spitakashen, to be completed in early 2009, and three others in Taghavard, Sargsashen and Berdashen.

Located in southeastern Karabakh, nearly 25% of Martuni's population of 23,000 is school aged children. Based on our preliminary assessment, the region needs four schools to provide adequate



Armenia Fund in Mardakert.

primary and secondary education to the student population. Armenia Fund Canada is financing the school in Spitkashen, a village of 500 inhabitants. Armenia Fund Netherlands has taken on the renovation of the hospital in Martuni. Also, Armenia Fund USA plans to provide a new clinic to the village of Berdashen, with its 1,500 inhabitants on the northern border.

Priorities for the region of TAVUSH.

Armenia Fund launched its Rural Development Project in Tavush, Armenia in 2008. In Khashtarak, the largest and most populated village of the region, Armenia Fund's affiliates in Germany, Switzerland and France have undertaken the reconstruction and expansion of the secondary school for adolescents. Our Dutch affiliate has started renovating the region's clinic. The project to bring drinking water to the village is awaiting financing. In Lusadzor, the Italian government has launched initiatives to provide water and natural gas plus transfer agricultural best practices to increase arable land for planting fruit trees. Two ongoing projects for Tavush include the installation of a milk collection center to increase milk production and a veterinary services center, under the auspices of the Swiss affiliate.

Karabakh 2004-2008: A winning development strategy.

Armenia Fund has been involved in Karabakh since the first day when this tiny population, locked in the mountains of what was once known as the "bread basket" of the Soviet Union, called for help. To locals, Armenia Fund is known as the organization that has brought new life to Karabakh, particularly with the North-South Highway project and the Goris-Stepanakert Highway project that connects Armenia to Karabakh.

Inspired by these successes, Armenia Fund shifted its focus to the everyday socio-economic challenges faced by these courageous people. Since 2005, Armenia Fund has been developing and expanding Karabakh's Agricultural Development initiative.

Mardakert, the first region chosen for this

program, sparked a sense of urgency among our donors because of the great sacrifices that this tiny town made during the Karabakh conflict. Since 2005, Armenia Fund has invested more than \$5 million in Mardakert. A large allocation went toward providing more than 18 villages with improved agro equipment and best practices. Armenia Fund USA



Armenia Fund delivers new equipment, fundamentally improving agricultural practices in rural areas of Armenia and Karabakh.

has spearheaded these projects, aided by the French affiliate, which invested more than 1.75 million Euros in the project to date. At the same time, the region of Hadrout was identified as the second priority.

Since 2007, Armenia Fund has injected more than \$8 million into Hadrut and Mardakert to provide farm families with necessary equipment and fertilizers at affordable rates. Improved agricultural practices have changed the lives of rural communities, giving them hope that one day they too will fulfill their Armenian Dream.

First Phonathon *from page 1* The anatomy of success: people, technology and expertise.

Jean-Jacques Hajjar, Phonathon Sub-Committee Chair and Armenia Fund USA Board Member, further describes what set the stage for success. "Everything fell into place: a convergence of truly dedicated volunteers who believe in our mission; a state-of-the-art telecommunications system; and the know-how of our French affiliate."

In fact, the spark of inspiration and model for the U.S. initiative is the Armenia Fund France Phonathon. Due to time zone and distance issues, France is unable to participate live in the broadcast. Finding the next best alternative, the French affiliate had made the Phonathon the centerpiece of its annual fundraising drive. This year, it collected over one million euro in support of Armenia Fund projects, giving Telethon 2008 major momentum, right out of the gate.

The power behind the phone: dedicated volunteers.

Taking time out from their studies, jobs, and family obligations, volunteers of all stripes took part in what many initially viewed as an experiment.

"Many were rookies and understandably shy about calling strangers to solicit donations," explained Armenia Fund USA Development Associate and volunteer coordinator, Karine Manukyan. "But with some basic training, a core script, a user-friendly database and personal interest in our cause, they quickly found their own voices. After the first few calls, they were connecting with donors like seasoned pros."

One such performer was Shaunte Baboumian, a student at Columbia University. "It didn't feel like you were interrupting someone's TV show or dinner, because the response was overwhelmingly so positive," Ms. Baboumian reported. "Many households we called commended us young people for getting involved in support of Armenia. It generated lots of good will. And, more donations, of course."

Ms. Azatuhi Ayrikyan, a graduate student of Boston University, personally clocked in over 15 continued on page 7

....

Detroit Armenians Celebrate Armenia Fest 2008 to Support Armenia Fund USA



Co-Chair Edgar Hagopian presents a \$10,000 check to Executive Director Irina Lazarian.

The Armenia Fest committee succeeded once again in bringing the Metro Detroit Armenians together to enjoy all things HYE.

Armenia Fest 2008, organized by the Metro Detroit Armenian community, raised more than \$10,000 to support Odzun cultural center in Lori. The event took place on July 23 in Birmingham, Michigan and brought together the Armenian and non-Armenian communities to share Armenian culture on a beautiful summer evening. The event was conceived in 2007, when a small group of committee members headed by Edgar Hagopian and Corinne Khederian decided to organize an Armenian Festival in downtown Birmingham. With their commitment and dedication, together with vendors and talented artists, Armenia Fest 2007 was a great success, drawing more than 2500 Armenians and non-Armenian from all over Metro Detroit. With the success of 2007, the City of Birmingham invited the committee to host Armenia Fest 2008.

To make the Fest more meaningful, the committee decided to combine the event with a worthy Armenian cause — joining forces with Armenia Fund USA. Proceeds are earmarked for the Lori cultural center, which will house community gatherings, cultural events and weekend activities for youth. Lori is home to many artists and musicians, among them Armenia's most renowned poet Hovhannes Toumanian. Thus, the Fest is symbolic for celebrating the richness of the Armenian heritage. It also serves as a platform for building cultural infrastructure in this vital region.

Armenia Fest featured a collage of Armenian culture with local Armenian vendors throughout the park offering home-baked Armenian breads, pastries, kebabs and other delicacies. In addition, beautiful artwork, crafts and jewelry created by talented Armenian artisans were available for purchase. The festival featured opening introductions by Co-Chairs Edgar Hagopian and Corinne Khederian, followed by a presentation of the flags by the Knights of Vartan. American and Armenian anthems were performed acappella by St. John Armenian Church Deacon Rubik Mailian. His inspiring voice was met with rousing applause.



Armenian and non-Armenian communities line up for an Armenian dance.

Highlights of the evening include an outstanding performance by the Hamaskayin Dance Troupe comprised of talented Armenian youth from Metro Detroit dedicated to maintaining their heritage. They were led by Director Nayiri Karapetian and outfitted in brilliant costumes partially funded by donations received from Armenia Fest 2008. The Dance Troupe performed flawlessly to an exuberant crowd.

Talented musicians Ara Topouzian and Ensemble performed exquisite Armenian music. Nationally known Armenian artist Mal Barsamian entertained the crowd with clarinet solos. The guests were so moved by the sweet melodic tones that both Armenians and non-Armenians were line dancing at the foot of the stage.

Edgar Hagopian and Corinne Khederian were assisted by a group of talented and deeply committed committee members, including Hagop Alexanian, Ed Bedikian, Ray Boujoulian, Ken Khezarjian, Paul Kulhanjian, Shirley Sarkisian, David Terzibashian, Madeline Thomasian, Gregory Vartanian and Pam Coultis, as well as the support of all the metro Detroit Armenian churches, organizations and generous

sponsors. A donation by the co-chairs and committee members of \$10,000 for the Lori was presented to Irina Lazarian, Executive Director of Armenia Fund USA. Ms. Lazarian, who made a special effort to come to the festival from New York City, thanked the committee and donors for making the event one that would live on in Armenia. In addition, Armenian youth Henry and Victoria who sold beverages in an effort to donate their proceeds to Armenia Fund USA, presented Ms. Lazarian with \$150.

Armenia Fest 2008 closed with attendees asking for the date of Armenia Fest 2009.

Meline Tufenkjian's "Meds and Meals" Program for TB patients in Gyumri

According to a report by *New York Times* journalist Nicolas Kristof, only 15 percent of Armenia's TB victims are able to receive appropriate treatment for a growing drug-resistant, life-threatening strain of tuberculosis. Mr. Kristof was reporting from Yerevan, Armenia, which is among the hotspots around the world with incidence of this deadly strain of TB.



Adequate nutrition is critical to treating TB patients.

Back in New York, Meline Tufenkjian already had been on the case since 2007, when she first learned about the TB Hospital in Gyumri and its struggle to provide adequate nourishment and medical treatment to its increasing patient population. She was determined to make a difference.

Raised by a single mother herself, Meline's heart went out not only to the patients, but also their children, whose lives suddenly were uprooted by the separation of a parent. Reason enough why, in December 2007, Ms. Tufenkjian donated \$15,000 to Armenia Fund USA to help cover the cost of medications and nutritious meals for those in isolation.

Director of the TB hospital in Gyumri Karine Tonoyan was very happy to learn about Ms. Tufenkjian's initiative. "We are grateful to Ms. Tufenkjian for her initiative and unique way of helping by supplementing nutrition and medications for our patients in addition to the bare minimum our hospital receives from the government. Patients are very thankful to the donor for her generous gift."

This special allocation also frees up other funds that the hospital has received from other sources, including international agencies, NGOs and the Armenian government, to meet such vital necessities as a state-of-the-art portable ultrasound machine, hospital-room renovations, potable



TB patients enjoy their lunch, compliments of Meline Tufenkjian.

water systems and infrastructure repairs. Ms. Tufenkjian has committed to continuing with her "Meds and Meals" program as needed, raising the quality of treatment as well as the spirits of patients and their families. This year, she called Armenia Fund with good news. "Knowing that my money was designated just the way I wanted and served the purpose of helping patients who needed it badly, I will continue my support for the TB hospital in Gyumri in 2009," declared Ms. Tufenkjian.

Rural Development Program Bringing Villages Back to Life.



Newly opened hospital in Hadrut, Karabakh.

Armenia Fund and its worldwide affiliates launched the Rural Development Program in the fall of 2007 to revitalize rural Armenia and Karabakh and to turn impoverished villages into self-sufficient economies. We view rural families as the bedrock of all of our efforts, and have designed a program to put the most at-risk villages on an accelerated five-year track with quick start projects that can yield tangible results in less than one year. Our rural development initiatives maximize efficiency in time and costs because we implement projects that can impact a cluster of villages.

What is the Rural Development Program?

This Program is a full complement of capital and human development projects that address border villages of Armenia and Karabakh. Working in parallel, a variety of infrastructure, economic and social development projects intersect to create one comprehensive framework for social and economic revival.

A full range of infrastructure projects designed for the Rural Development Program include construction of **roads**, **irrigation and drinking water systems**, **natural gas pipelines**, as well as **Internet access**. Armenia Fund believes that, today, Internet access is a prerequisite to economic and social development even in rural areas. Under our development program, rural schools and community centers will be connected to the Internet, and computers will be provided, along with computer-skill training for students and adults.



Cultivating and modernizing the Agriculture industry.

Our social development initiatives are designed to promote the human capital necessary to benefit fully from the material resources provided through infrastructure development. Five areas are in focus: **Economic Development** that aims at revitalizing agro-industries, creating jobs, and generating new small business enterprises; **Social Development** that reunites families and organizes communities; and **Healthcare** to provide basic emergency, and preventive care as well as maternity and hygiene education to multiple communities.



Providing family cows is a quick start to economic stability.

If we want to create stable communities and retain human capital, good schools are paramount. **Education** is the fourth focus in our social development framework. Armenia Fund will rebuild school facilities that not only provide proper lighting, heating and hygiene facilities but also furnish the supplies and resources that allow students to develop their unique strengths and talents. This includes books and audio-visual materials, computer skills training and Internet access, as well as musical instruments, sports equipment and art supplies. Building roads to transport students from remote locations in surrounding villages also equalizes educational

opportunity for rural youth and helps attract quality teaching staff to the villages.

Agriculture is our fifth focus within the Rural Development Program. Providing families with automated farming equipment and large machinery will increase production and enable farm families to compete. Roads, irrigation and a variety of fast-track projects are also critical to helping farmers stay close to their lands. Training in modern farming techniques, such as use of fertilizers, seeding, warehousing, and operation of heavy machinery, enables farmers to meet the new demands of a market-based economy.

Building on the success of its Agricultural Initiative in Karabakh, Armenia Fund also will promote the concept of associations, in which farmers pool their funds and resources to purchase, rent and repair machinery, as well as exchange knowledge in farming techniques and small business management strategies. These associations can be expanded to include a cluster of villages, thereby strengthening the association's buying power and leverage. Just as important,



Poverty is business as usual for many rural families.

however, is creating mechanisms for microfinancing which will allow farmers to make advance purchases of fertilizers and seeds, hire skilled machinery operators and pay for truck delivers to markets.

Regions that will benefit from RDP initiatives include Tavush and Lori in Armenia, bordering the republics of Georgia and Azerbaijan. In Karabakh, the focus will be the Martuni province bordering Azerbaijan.

Putting Rural Families Back to Work.

Our priority is creating jobs – through agricultural associations, small business enterprises and a variety of social services in healthcare education, public safety and community life. This is the only way we can help stabilize families and develop the human capital so critical for the revival of the region. As the community begins to flourish, the people can enjoy the "hometown" support mechanisms that will help them pursue their talents and dreams – in business, education, government, sports, arts and more.

Leveraging the Cluster Village Model.

The cluster village approach allows communities to pool resources for greater efficiency, such as schools and healthcare hubs, libraries, administration centers and venues for social events. These clusters also present ready-made local markets for small businesses and farmers.



The new drinking water network gives Berdashen village a fresh start.

Small Projects that Make a Big Difference

Clean Water for Spitakashen

August, 2008 - The gravity-run water system in Spitakashen is now in progress. It will provide the community of 470 households with 24/7 clean water. During the opening ceremony, villagers expressed their gratitude to Armenians in Argentina for their generous support. The project is funded by our Argentina affiliate.

In addition, this project will bring safe drinking water to the new schools under construction in Spitakashen, a project funded by Toronto, Canadian affiliate. Designed for 130 students, the school will open its doors to students in the new academic year in 2009.

A Sweeter Home for Orphans

July, 2008 – Armenia Fund helped furnish an orphanage named after Mary Izmirlyan. The project, which included donation of rugs and other decorative furniture, as well as a photo camera for the children, was funded by a group of Armenian–American benefactors who donated in memory of Tamitza Boyadjian. "We have to give this place the feel of a real home for children, many of whom lack motherly love and care. This small project makes such a great difference," says Director Hasmik Mkrtchian.

Armenia Fund also has funded numerous recreational trips for children to the Netherlands and Tsakhkadzor in Armenia. We hope that the cameras will capture the best of those memories!

New School Opens in Karabakh

September, 2008 - The new academic year started in a newly reconstructed school in Togh village of Hadrut region. The official opening of the school took place on September 23. It reopened its doors to students who marched down the hallways dressed in black and white.

The two-story school building, severely damaged in the 1988-1992 conflict, is now standing anew. Today, some 100 students attend the school. Years from now, today's first-graders' lasting memory of their school will be a modern place in which to study and make friends. "I believe the improved conditions of the school will be a stimulus both for the students and the teachers to do even better," says the director of the school.

The upgraded section of the school has enough space and facilities to also accommodate children from the neighboring communities of Jrakuis, Mariamadzor, Taghut, Tsakuri, Hakaku, Mokhrenes, and Tumi. Not only are the classrooms now well-lit and clean, but also they are nicely furnished and will be heated during the winter. "Now when we are implementing reforms to integrate with the international educational system, our school undoubtedly will meet the necessary standards. The laboratories of physics, chemistry, and IT are sufficiently equipped. We couldn't even dream about it a few years ago," said the School Principal Vladimir Ghahryan.

The opening ceremony was attended by Karabakh Prime Minister Araik Harutyunyan, Head of the Hadrut Administration Valerik Gevorkyan, and All Armenian Fund Acting Executive Director Ara Vardanyan.

The school reconstruction was completed within the Rebirth of Artsakh Project through direct contributions by AGBU Manoogian-Demirdjian school students and parents to our Western affiliate of Armenia Fund.

Advancing Technology in Lusahovit

July, 2008 - Armenia Fund USA created a computer lab in the school of Lusahovit, a tiny community in the Tavush region. Our strategy for Lusahovit involves projects aimed at the younger residents. Until now, the local school had no computers and the teacher conducted the computer proficiency classes by drawing on the board. "This is a wonderful gift for our community," says Artak Arzumanian, the school principal. "Finally, our children will be able to use the computer and develop their skills just like their city peers."

The project is aimed at diversifying the educational process and updating the library resources in order to make it a place where students can both study and socialize. "Bringing advanced technology to underserved communities is constantly on the radar of our development efforts in rural Armenia," says Chairman Raffi Festekjian. "By doing this, we create more opportunities for people to become self-reliant and use their talents to benefit their communities.

Apart from the computers and printers, the school's library received a TV and a DVD player, all sponsored and funded by the Yaghjian Family from Massachusetts.

Bringing Clean Water to Hadrut

September, 2008 – Hadrut residents now have 24-hour clean water. The official opening of the water main took place on September 23 in Hadrut, Karabakh. The lack of clean of water has been plaguing these communities for more than 15 years. The opening ceremony was emotional for many residents who say a major burden has been lifted.

The opening ceremony of the Togh-Hadrut water main was attended by many. Within the project, a 22 km water pipe was installed from Arjaghbyur to Hadrut. Thanks to Armenia Fund USA, every household in the region is now supplied with clean drinking water.

The project also was funded by Armenia Fund, France.



New Roads to Success

May, 2008 - Armenian Fund resumed construction of the Kichan-Drmbon and Azokh-Tsakuri sections of the North-South Highway in Karabakh. Three contractors are responsible for construction. The asphalting of the 13.4 km of the Kichan-Drmbon is completed, as is the 2.6 km of the 8 km-long Azokh-Tsakuri road section. Currently, Armenia Fund is overseeing the marking of road sections and installation of road signs and protection barriers.

First Phonathon from page 3

phone hours and inspired many of her friends and other students from Massachusetts to join her. "It is a privilege to work with Armenia Fund on such a great cause. Armenia Fund is a truly unifying organization that can bring together not only Armenians from all over the world, but all people who care about Armenia's freedom and development as a symbol of hope to the rest of our planet." The call stations were constantly occupied by energetic volunteers, of various nationalities, working together. Some volunteers were so inspired that, after completing their lists, they contacted their friends and families for support.

Raffi Elchemmas, a key volunteer from Michigan State University, spearheaded the Phonathon in Detroit. Elchemmas had recently traveled to the Martuni region in Karabakh and was excited to join an effort that targeted the rural areas. His enthusiasm was shared by over a dozen volunteers, who, along with families and friends, came together at St. John's Armenian Church of Greater Detroit to help rural families.



Clockwise: Volunteers Stefan Dallakian, Lisa Vayvalako, Karen Dardarian at the Detroit call center.

A surprise visitor puts it all in perspective.

One afternoon, volunteers in NY were treated to an unexpected visit from none other than Karabakh President Bako Sahakyan, along with Primate of the Artsakh Diocese Archbishop Pargev Martirosyan. Mr. Sahakyan was in New York City en route to his annual pre-Telethon fundraising trip to the U.S. Observing rows of enthused volunteers making their appeals was a visibly poignant moment for Karabakh's head of state.



Volunteers starting the day at the NY call center. Front row L to R: Ani Esenyan, Azatuhi Ayrikyan, Shaunte Baboumian; second row: Nicole Saglamer, Asya Pikovsky, Karine Manukyan, Talar Keskinyan; back row: Gary Pikovsky, Mikhail Shraga, Joseph Chakola.

Most of the volunteers that day were dancers from the Shushi Dance Ensemble, which has a special connection to Karabakh. "During the tumultuous times in Karabakh, when Armenians all over the globe came together to aid our people and soldiers fighting courageously for our lands, the Shushi Dance Ensemble performed patriotic songs and dances at every fundraising event," explains Mrs. Seta Paskalian-Kantardjian, the ensemble's artistic director and choreographer.

That evening, at the President's reception, generously hosted by Andreas Roubian at his New Jersey residence, the Shushi Dance Ensemble surprised the guests with a beautiful performance. They also presented a special gift – a 2,000 check to Armenia Fund.

President Sahakyan expressed how genuinely



Phonathon Kickoff: Front row Azatuhi Ayrikyan, Alain Tchatalian, Shaunte Baboumian, Karine Manukyan, Seta Simonian: Back row: Raffi Elchemmas, Jean Jacques Hajjar, Jean Ter Boghossian, Frank Ohanessian, Pierre Plaindoux, Jérôme Ohanessian.

proud and touched he was by the diligence of all the Phonathon volunteers on behalf of rural families in Karabakh. He emphasized how rural villages on Karabakh's borders were important to national security. He explained how economic revival of these communities would enable families to remain on the land.

"Being thanked in person by the President of Karabakh really brought home our purpose and the rewards of impacting the history and destiny of this struggling republic," remarked Zaven Tachdjian, Vice Chairman of Armenia Fund USA. Mr. Tachdjian, along with fellow board member Zara Inglizian, also worked the phones,



President Bako Sahakyan and Archbishop Martirosyan with volunteers at the New York call center. L-R Sossy Setrakian, Irina Lazarian, Hilda Hartounian, Maral Temiz, Anita Apanosian, Nairi Hartounian, Archbishop Martirosyan, Alain Tchatalian, President Sahakyan, Dolores Hambardzumyan, Lorig Setrakian, Raele Sabanjian, Edward Cassabian, Karine Manukyan.

reaching out to a special list of loyal Armenia Fund USA donors.

Speaking of rewards, thanks to the generosity of Aram and Anahid Krichians of Krichian's Food, NJ, each volunteer shift was amply accommodated with a continuing flow of meals and refreshments, including homemade Armenian delicacies. In addition, all volunteers received a T-shirt imprinted with the Phonathon logo— courtesy of Foto Image Inc.

"The spirit of teamwork was sky high," commented Lorig Setrakian, a freshman of Babson College. "We motivated and coached one another to connect, make our appeal and secure a donation as quickly as possible, while answering inquiries and overcoming any objections. There's an art to telephone fundraising."

The French Connection: a turnkey operation modeled for success.

This inaugural Phonathon began with a clear advantage—the longtime expertise of Alain Tchatalian, the mastermind of the Armenia Fund France Phonathon. Over the years, this *continued on page 8*

	Projec	cts Already	y Funded in 2008						
Water Networks	Budget	Region	Natural Gas	Budget	Region				
Maghavuz-Left Varnkatagh water network	\$184,672	Mardakert	Togh-Hadrut natural gas network	\$1,467,220	Hadrut				
Maghavuz-Right Varnkatagh water network	\$96,516	Mardakert	Ditavan natural gas network	\$159,341	Tavush				
Mets Shen-Maghavuz water system and network, 1	\$1,787,077	Mardakert	Khashtarak natural gas network	\$277,958	Tavush				
Mets Shen-Maghavuz water system and network, 2	\$1,781,413	Mardakert	Aknaghbyur natural gas network	\$64,208	Tavush				
Kaghartsin-Spitakashen water network	\$265,555	Martuni	Total	1 \$1,968,728					
Vank Village water network	\$564,239	Mardakert	Roads						
Hadrut town water network	\$1,490,063	Hadrut	Azokh-Tsakuri section of NSH	\$328,784	Hadrut				
Aknaghbyur village irrigation network	\$123,533	Tavush	Tsakuri-Hadrut Section of NSH	\$379,364	Hadrut				
Avaven village Irrigation water network – R&D	\$97,931	Lori	Kichan-Drmbon section of NSH, 6.4 km segment	\$753,100	Mardakert				
Total	\$6,391,000		Kichan-Drmbon section of NSH, 6.9 km segment	\$1,474,246	Mardakert				
Agricultural Development			Total	\$2,935,494					
Agricultural Equipment	\$132,450	Tavush	Health Care						
Livestock to villagers	\$16,560	Tavush	Khashtarak village healthpoint	\$104,582	Tavush				
To	tal \$149,010		Nork infectious disease hosp. Bldg A, roof reconstr.	\$39,405	Yerevan				
Educational			Nork infectious disease hosp., ICU and Bldg B ren.	\$209,562	Yerevan				
Aknaghbyur village school, extension project	\$76,920	Hadrut	Hadrut regional Hospital	\$936,007	Hadrut				
Togh village school, right wing renovation	\$492,015	Hadrut	Kanaker-Zeytin Health Center	\$27,448	Yerevan				
Madaghiz village kindergarten	\$71,822	Mardakert	Total	1 \$1,317,004					
Parakar village art school reconstruction	\$202,977	Armavir	Cultural and Social						
Parakar village art school furnishing	\$35,709	Armavir	Odzun Cultural Center	\$28,100	Lori				
Gyumri town school, computer lab renovation	\$14,550	Shirak	Pushkin Park	\$842,397	Yerevan				
Verin Horatagh village school construction	\$441,156	Mardakert	"Huys" Gyumri town orphanage	\$26,921	Shirak				
Total	\$1,335,150		Nrnadzor, Shvanidzor, Alvanq villages street lights	\$22,522	Syunik				
Grand Total for 2008 \$15,016,325									

Page 7 www.armeniafundusa.org

LEADERSHIP AND PLEDGE OF ACCOUNTABILITY

Trustees

H.H. Karekin II, Supreme Patriarch and Catholicos of All Armenians represented by:

H.E. Abp. Khajag Barsamian Primate of the Diocese of the Armenian Church of America (Eastern)

H.H. Aram I, Cath olicos of the Great House of Cilicia represented by:H.E. Abp. Oshagan Choloyan Prelate of the Eastern Prelacy of the Armenian Apostolic Church of America

Hon. Gagik G. Haroutiunian Trustee, Hayastan Himnadram

Hirair Hovnanian Trustee, Hayastan Himnadram

BOARD OF DIRECTORS Raffi Festekjian Chairman Zaven Tachdjian Vice-Chairman Hagon Kouvoumdiian Chairman Emeritus Kharen Musaelian Treasurer Khoren Bandazian, Esq. Secretary Gregory Amerkanian Linda Chirinian Arthur Gregorian Jean-Jacques Hajjar Zara Ingilizian Barkev Kalayjian Hilda Melconian Artemis Nazerian Tro Piliguian Margot Takian Kevork Toroyan Gevorg Yaghjyan

MANAGEMENT Irina Lazarian *Executive Director* Arpiné Kocharyan Karine Manukyan

Channels for Giving Donate Online: If you pre

Donate Online: If you prefer the convenience that the Internet affords, you can donate to Armenia Fund USA through our secure online server that www.armeniafundusa.org.

Corporate Matching Gifts: Would you like to see your donation doubled or even tripled? Over 9,000 companies and their subsidiaries have "Matching Gift Programs." Before you plan your next gift, check to see if your employer can help to increase the power of your donation.

Installment Gifts: Armenia Fund USA is making it easy for you to make your gift in periodic credit card installments that are manageable for you. You can support the projects that are dear to you without feeling the strain of large, up front donations.

Planned Giving: Consider a planned gift and its many financial benefits. Planned gifts can be in the form of a willed estate or asset, a bequest or the beneficiary status of a pension plan or insurance policy. Speak with your financial planner to learn more or contact us directly. **Pay Tribute to a Loved One:** Remember your loved ones with a "Memoriam Gift" or consider a

gesture such as "In Lieu of Flowers" to help others commemorate a passing.

"A stu niz stil hea An I tl effe An con ent An

"As a surgeon who has studied abroad, I recognize that Armenia is still behind the times in health care. By joining Armenia Fund USA, I think I can be an effective liaison between Armenia's medical community and the enterprising Diaspora. Armenia Fund USA understands the critical role health care plays

Karabakh will greatly contribute to Armenia Fund USA's mission.

in social development. This reflects my own quest to pioneer new models of medicine to benefit my country.'

Gevorg Yaghjyan, M.D., Ph.D., is a specialist practicing Plastic and Reconstructive Surgery. He also is a consulting surgeon to leading general and subspecialty surgeons in Armenia and Karabakh. Currently, Mr. Yaghjyan serves as Vice Rector of the Postgraduate and Continuing Medical Education Department at Yerevan State Medical University (YSMU), as well as Associate Professor at the university hospital's Division of Plastic and Reconstructive Surgery.

Dr. Yaghjyan received his medical degree from YSMU in 1992. While completing his clinical training and residency at the Mikaelyan Surgical Institute in Armenia, he consulted at the military hospitals in Karabakh and Yerevan, as well as the Children's Burn Center. In 1997, Dr. Yaghjyan earned his Ph.D. with a Certificate of the Candidate of Medical Sciences.

Over the past 10 years, Gevorg Yaghjyan has attended professional training programs abroad— The University of Pennsylvania, Yale University, Cornell University, University of Salzburg, among them. "We have always been impressed with Dr. Yaghjyan's generosity in sharing his knowledge and ideas with others upon his return from his travels," said Prof. Gohar Kalyan, Rector of YSMU. "He inspires and challenges us to change our thinking in many ways."

As a volunteer Medical Director for the U.S.based FAR's Continuing Medical Education (CME) program and as mentor to rural physicians, Dr. Yaghjyan is known across Armenia as the "teacher of teachers." He also has formed an extensive referral network and authored two handbooks in melanoma and hand surgery—the only such references in Armenia.

Dr. Yaghjyan is the President of Land and Culture Organization, Armenia, since 1989. In 2008, Dr. Yaghjyan was awarded a Fulbright Fellowship at Yale University, which he has postponed due to the demands of his practice.



WE WELCOME OUR NEW BOARD MEMBERS

Armenia Fund USA works closely with its Board Members to ensure the transparency and accountability in all projects. We are happy to announce the addition of our new Board Members - Gevorg

Yaghiyan and Margot Takian. Their professional talent and commitment to helping Armenia and

"I applaud Armenia Fund USA's inspiring mission and the efforts it has made to better the Armenian Homeland. I joined the Board to contribute and continue its impassioned work benefitting the great people of Armenia."

Since 2006, Margot Takian has been respon-

sible for marketing and property management for a family owned and operated real estate company focusing on commercial, multi-unit residential and hospitality properties in the greater New York area. Holding a BA from Tufts University and an MBA from NYU's Stern School of Business, she worked within the Institutional Sales and Marketing Group at Credit Suisse Asset Management, where she remained until 2006. Margot has volunteered for many Armenian organizations, including chairing multiple Armenia Fund Young Professionals events, and also sits on the board of the Highlands Business Partnership which fosters economic development and continued revitalization in Highlands, NJ. Margot resides in New York City with her husband and daughter.

First Phonathon from page 7

annual high-profile telephone campaign not only has won the official recognition of the French government, but also is considered the community event of the year in French-Armenian circles.

Monsieur Tchatalian, a software engineer by profession, has managed to assemble a vast network of community volunteers, including intergenerational families and entire clans. Each year, volunteers travel to Paris — the nerve center of the campaign. Most know the drill by now and are able to connect with Armenian prospects all across France, as well as in Switzerland and Germany.

"Given such an impressive track-record, the French affiliate's example was indispensable to our maiden effort," explained Sub-Committee Chairman Hajjar. "This was a huge undertaking with so many details involved. We just couldn't have pulled it off so well without Alain's guidance and hands-on assistance."

There's strength in phone numbers.

With one successful Phonathon to its credit, Armenia Fund USA is looking ahead to Phonathon 2009 with the goal of expanding its outreach to an even larger pool of donors and new prospects within its eastern territory. Thrilled with what they accomplished the first time out, with little or no experience, some volunteers have already committed to returning to their headsets and computer stations next year to spread the Armenia Fund USA message. They also are resolved to exceed last year's outstanding performance.

On a more practical note, Ms. Lazarian points out that without an accurate and up-to-date list of phone numbers, the effort would have been futile. "Back office database management is critical to making these Phonathons both cost-efficient and morale-building. Expansion of the existing donor base is the next step toward making this effort truly all-Armenian and getting as many supporters as possible on board."

Raffi Festekjian, Armenia Fund USA Chairman, sums it up this way: "A phone call is the next best thing to a face-to-face meeting. And when you hear the voice of sincere enthusiasm at the other end of the line, especially from an Armenian youth, you just can't hang up on idealism like that."