

ARMENIA FUND USA In ACTION

AFUSA IN ACTION *Premiere Issue Volume 1, Issue 1*

REOPENING THE DOORS TO OPPORTUNITY

VANADZOR SCHOOL RECONSTRUCTION PROJECT

Famed throughout Armenia from almost the moment it was built in 1931, the “Number One” Vanadzor School – located in the Lori Marz province of Armenia – boasts among its graduates many of Armenia’s most notable artists and scientists, politicians and writers.

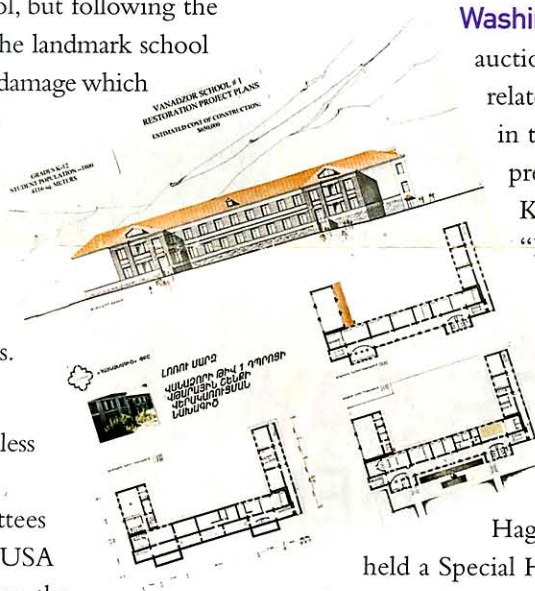
At its peak, more than 1100 students attended the school, but following the 1988 Earthquake, the landmark school sustained extensive damage which left it in shambles and in its wake, students are forced to attend classes in makeshift, unheated shipping containers.

But thanks to the generosity and tireless efforts of all the Regional Committees of Armenia Fund USA in the last year alone, the Vanadzor Reconstruction project now has the necessary funding to begin a major rehabilitation this Spring.

Upon completion, the reconstructed building will accommodate 1800 students, grades 1-12.



AFUSA went into action as soon as the campaign was launched.



Washington DC: a silent auction of Armenian-related books and coins in tandem with a special presentation by Jim Keshishian on “Inscribed Armenian Rugs” was chaired by Arpi Simonian, Karine Sahakian and Harvey Bazarian.

Detroit: Edgar Hagopian’s committee held a Special Holiday Party Fashion Show and Boutique featuring the unique style of Nina Hovnanian Couture raised significant pledges to fund the acquisition of computers and textbooks.

Boston: 100 guests attended a dinner party organized by Raffi Yeghiayan’s committee and hosted by Noubar and Anna Afeyan of Lexington MA, generating \$175,000 in gifts. When the school is reconstructed, one wing will be designated “The Greater Boston Wing.”

New York: The Young Benefactors Committee raised almost \$75,000 at a Gala that drew guests from as far as Boston and Philadelphia.

A Study in Grassroots Leadership.

The Vanadzor project would not have had the timely success it did without the generous support of the AFUSA Regional Committees. The “extended family of

Estimated Cost of Project	\$650,000
Funds Raised to Date	\$650,000

CHAIRMAN’S MESSAGE



Welcome to the premiere issue of AFUSA In Action.

The purpose of this newsletter is to report to our indispensable contributors what AFUSA has done, is doing and plans to do to help Armenia and Karabagh build a solid foundation for economic, social and national stability.

The past year has been a highly productive one, thanks to the generous support of all our donors. We are most pleased by the overwhelming support for the Vanadzor School Reconstruction project which will give generations of worthy Armenians the chance to compete in a global economy and contribute to national progress, if not world progress.

Last year’s Thanksgiving Day Telethon generated the funds necessary to begin construction of the North-South Highway so essential to the economic survival of the people of Karabagh.

Throughout these pages, I hope you recognize a common theme: the efforts of our regional committees in delivering results. Time and again, the success of AFUSA’s fundraising campaigns are owed to the energy, enthusiasm and ingenuity of our grassroots members in all communities. In fact, we are listing in this issue the names of almost 2000 donors who have made this year such a success.

If you haven’t yet joined the AFUSA family of donors, please consider doing so now, using the enclosed donation form.

Whether you want to support our general fund or a specific project, rest assured that your money will be spent wisely and responsibly.

The challenges besetting Armenia and Karabagh are many. It will take years to surmount them. But surmounted they must be – and will be – with your continued generosity.

Hagop Kouyoumdjian
Chairman, AFUSA



WHAT PEOPLE ARE ASKING ABOUT ARMENIA FUND USA

Between our churches, cultural/social organizations and political groups, do we really need another Armenian organization?

While there are a number of highly effective organizations focused on urgent humanitarian efforts, Armenia Fund USA is the only non-government organization set up solely to fund large-scale, long-term development and infrastructure projects in Armenia and Karabagh.

Who decides which projects to undertake?

Through needs assessments made by the various government agencies of Armenia and Karabagh, projects are proposed and priorities are established by the Hayastan All-Armenian Fund, the umbrella for all national organizations, including AFUSA. These projects are offered to the global Armenia Fund committees by HAAF with no demand or obligation imposed by either government or HAAF as to which project affiliates undertake.

What happens to the money AFUSA raises? Does it stay in the right hands?

It cannot be overstated that all funds contributed to AFUSA stay with AFUSA until proposed financial responsibility, bidding transparency, and project supervision have met the highest Western standards. Only

until all criteria are met to the Board's total satisfaction does AFUSA disburse funds. No monies are ever released to any government or government agency.

Does AFUSA ultimately answer to the Armenian Government?

Though a branch of the Hayastan All-Armenian Fund, itself a non-government organization, AFUSA is independent of it and, as a registered U.S. 501(C)3 charity, has its own operating procedures. The projects that AFUSA undertakes are selected by its Board of Directors. There is no mandate by HAAF nor the governments of Armenia or Karabagh.

Who oversees all AFUSA projects?

We are confident in stating that AFUSA is unique among fundraising organizations, especially in that we take a hands-on approach to supervision. We owe it to our donors to ensure that there is no waste in spending. To that end, our Board is involved in every phase of project development and execution – from design and engineering to tender announcement and evaluation, contract awards, engineering supervision and disbursements.

Not only do our qualified Board members visit Armenia and Karabagh to check firsthand and report on work in progress, but also AFUSA has its own on-site engineer responsible for day-to-day evaluation.

Does AFUSA accept special purpose contributions?

Donors are invited to support our general fund or to finance specific projects, such as reconstructing the Vanadzor School and building state-of-the-art highways in Armenia and Karabagh.

On occasion, an individual contributor will enlist AFUSA to assist with a personal project. In this case, we agree to oversee that individual's largess with the same attention to strict standards as we do our own projects.

How many projects have been undertaken and how much money has it spent to date?

Since its beginning, the Hayastan All-Armenian Fund (HAAF) has been responsible for 163 projects with expenditures totaling \$72,248,075.18. In turn, AFUSA has been responsible for a dozen projects totaling \$7,000,000 in expenditures.

WHAT PEOPLE ARE SAYING ABOUT ARMENIA FUND USA

The Hayastan All-Armenian Fund (HAAF) is the most efficient and most productive agency delivering infrastructure development in Armenia today. I hope that the Diaspora will continue to stay involved and remain supportive of Armenia.

Robert Kocharian

President of the Republic of Armenia

In the young Republic of Armenia, we have a precious opportunity to realize our highest aspirations as a people and nation. Almost since the Republic's foundation, Armenia Fund USA has worked to help our people seize this opportunity. It remains a vital way for Armenians around the world to contribute to the great project of this new era: securing a strong, vibrant and decent homeland for future generations of Armenians.

Archbishop Khajag Barsamian

Primate of the Diocese of the Armenian Church of America

Armenia Fund USA is one of the most effective channels for the establishment of a close relationship and mutual cooperation between Armenia and the Diaspora. Armenia Fund is and should always be a miraculous means through which diasporan Armenians look towards their Motherland with complete devotion and sacrifice. What we give to Armenia is a moral obligation, an expression of our genuine concern, not mercy. Love for the Motherland must be based on active devotion, not just an emotional expression.

Archbishop Oshagan Choloyan

Prelate – Eastern United States and Canada

We the Diaspora contribute financially from the comfort of our homes in the best economic environment of the century. The people of Artsakh and Armenia have the hardest tasks. They have to survive with the uncertainty of military activity on their borders,

miniscule incomes, devastated infrastructure, blockade, unemployment...I support the Armenia Fund USA because it efficiently builds large-scale projects, creates jobs and contributes to the GDP of the country and enriches the over-all well-being of the people.

Antranig Berberian, CT

Major Donor – Physics-Math School, Vanadzor School, North-South Highway Projects

HAAF has demonstrated its ability to raise funds efficiently and use them effectively. It runs its operations in a transparent and reliable manner, in accordance with NGO (non-government organization) standards. The concrete results of its programs have proven that it has the capacity to implement a variety of projects.

The World Bank

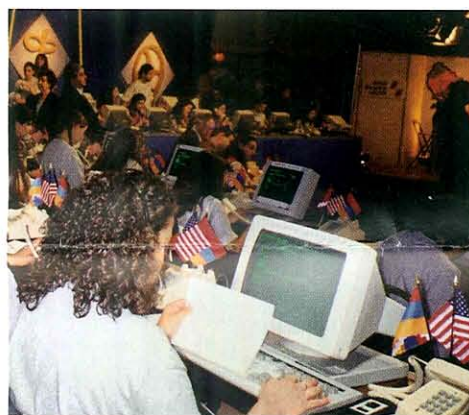
Cultural Heritage Grant

ECONOMIC MOBILITY FOR KARABAGH

THE NORTH-SOUTH HIGHWAY PROJECT

For scores of Karabagh communities, lack of a modern highway infrastructure has made travelling between north and south an all-day journey via a circuitous route through perilous Azerbaijan rather than the few hours that will be possible upon the completion of the direct 169 km. North-South Highway.

With internal travel nearly impossible as a result of the Azeri policy to isolate the Armenian communities, the North-South Highway when completed, will connect with the now completed 70 km. East-West Goris to Stepanakert Humanitarian Highway—another AFUSA project facilitating travel between Armenia and Karabagh.



Telethon – Thanksgiving Day, 1999

Five Million Raised in Eleven Hours

A preliminary three-day intensive fundraising effort organized by AFUSA, generated \$1.7 million in pledges from more than a dozen major donors, in support of the 1999 Thanksgiving Day Telethon. During the 11-hour national TV campaign, organized by Armenia Fund, Inc., the West Coast branch of the Hayastan All-Armenian Fund (HAAF), more than \$5 million in pledges were received.

Construction Contracts Signed

On the strength of the telethon's success, Yerevan has announced the signing of contracts for the design of three high-priority sections of the highway: Stepanakert to Karmir Shouka, 39 km.; Karmir Shouka to Hadrut, 35 km., and Dashbulagh to Kichan, 22 km.; Stepanakert to Dashbuulagh, 16 km.; KIchanchan to Drmbon, 22 km.; and Drmbon to Mardakert, 35 km.

The Presidential Presence

Arkady Ghoukasian, President of Karabagh accompanied by Vahan Ter-Ghevondian, HAAF Executive Director; Vardkes Baghrian, Presidential staffer; and noted actress and fedayee Janna Galstian, Presidential Advisor, embarked on a fundraising tour



starting in New York, as guests of honor at a private reception for major donors. In Boston, they attended a luncheon and public forum; and in Detroit, a luncheon at the home of Karl and Emma Sogioian and a banquet and Q&A forum held later that evening.

AFUSA Chairman Hagop Kouyoumdjian remarked that “once again, the leaders of the community have shown their support for Armenia and Karabagh. It is now up to the rest of the community to follow in their footsteps and bring this project to a quick completion.”

Cost of Project	\$25,000,000
Funds Raised to Date	\$5,700,000

AFUSA'S NEW BOARD OF DIRECTORS

A portrait of diversity and specialty.

In 1999, four new distinguished individuals were appointed to AFUSA's Board of Directors, each bringing an expertise relevant to the multi-faceted activities of the organization.



Board visiting Vartan Gregorian. Members of HAAF Executive Committee, left to right: Hagop Kouyoumdjian, Mary Ann Kibarian, Hilda Melconian, Vartan Gregorian, Vahan Ter Ghevondian, Kevork Toroyan, Noubar Afeyan, Tro Piliguian

Hagop Kouyoumdjian, Chairman

Founder & President, Supplies & Services Inc., an engineering firm specializing in air-conditioning and heating systems. Hagop provides over-all guidance to all AFUSA activities.

Kevork Toroyan, Co-Chairman

With a lifelong career in the international construction industry, Kevork is responsible for overseeing the construction projects in Armenia and Karabagh.

Joseph Basralian, Secretary

As a lawyer with the New Jersey firm, Winne, Banta, Rizzi, Hetherington & Basralian, Joseph handles all legal matters for AFUSA.

Dr. Noubar Afeyan, Strategic Planning

A scientist by profession, Dr. Afeyan is currently President and CEO of the NewcoGen Group. He serves as an advisor for business and strategic affairs of AFUSA.

Hilda B. Melconian, Community Relations

Having served with United Nations Diplomatic Missions for more than 14 years, and as former executive assistant to two ambassadors, Hilda is responsible for community relations and auxiliary fundraising.

Tro Piliguian, Communications

As CEO, North America, of advertising giant Ogilvy & Mather, Tro directs AFUSA's communications efforts.

DRAWING BOARD

Health Care Initiative

Following visits to Karabagh by members of the AFUSA Board, the project for Year 2000 fundraising will be to upgrade the health-care delivery system for Karabagh. AFUSA is currently in discussions with the Ministry of Health to evaluate the various findings and determine which facilities are in greatest immediate need. Watch for updates and further details in the coming months.

Cost of Project **\$1,000,000**

Funds Raised to Date **\$0**



Goris-Stepanakert Highway

SPRINGBOARD

Goris-Stepanakert Highway

The magnificent 70 km. highway connecting Armenia with Karabagh has been completed. The journey which used to take 6-7 hours now takes less than 2 hours. Vehicles no longer have to endure the treacherous former road that often demolished them. The road is now used to transport patients in need of special care in Yerevan and provides the flow of goods to and from Karabagh.

Cost of Project **\$10,290,000**

Funds Raised to Date **\$10,290,000**

SAVE THE DATE!

Saturday September 16, 2000

Spectacular reception honoring U.S. Ambassador Michael Lemmon and Armenian Ambassador Arman Kirakossian.

WATCH FOR DETAILS

WILL ARMENIA BE THERE AFTER WE ARE GONE?

Our forefathers left a legacy of their time – the dream of a free Armenia. For those of us fortunate to see that dream realized, we can leave a legacy of our own: a strong, secure Armenia.

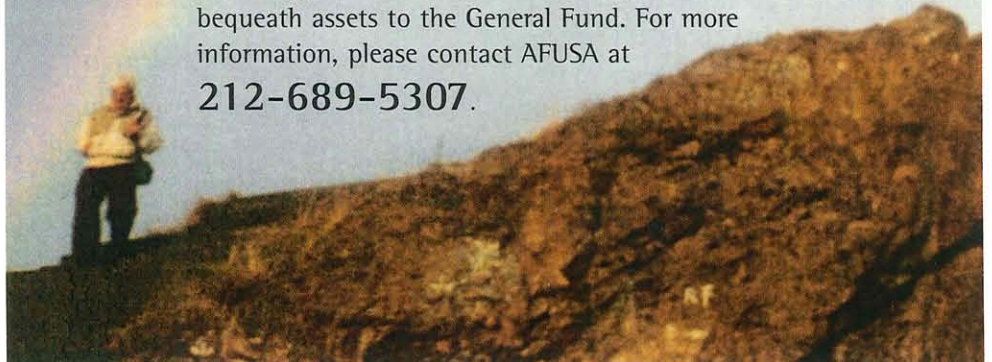
If you would like to make an indelible mark on the future of your Homeland, consider naming AFUSA in your will or as a charity of choice in lieu of flowers or a bequest.

That was the decision of the late Lucy Parsek, who left a bequest of \$50,000 to AFUSA for the specific purpose of funding the Vanadzor School's proposed Performing Arts Center, which, upon completion, will bear her name. It won't be long before countless children in Armenia will receive quality training in music, dance and theatre, thanks to Lucy's foresight and generosity.

Similarly, donations totaling \$18,000 were received in memory of the late Ardashes Garnighian, in lieu of flowers. This sum will go a long way to support the AFUSA General Fund.

In consultation with an attorney, accountant, financial planner, banker or insurance agent, you can arrange a legacy of art, bonds, jewelry, real estate, as well as equity investments that may provide tax advantages and extra income during your lifetime.

You may select a specific AFUSA project or bequeath assets to the General Fund. For more information, please contact AFUSA at **212-689-5307**.



We now accept donations on-line through our own web site www.armeniasfundusa.org

WORLD BANK AWARDS ARMENIA FUND A GRANT FOR CULTURAL HERITAGE PROGRAM IN REPUBLIC OF ARMENIA.

The first time an Armenian non-government organization receives World Bank funding.

A grant of \$371,000 has been approved by the World Bank to assist Armenia in preserving and promoting its cultural heritage. The program designed under this initiative will be implemented by the Hayastan All-Armenian Fund.

The two-part grant, crafted under the aegis of Alexandre Marc,

Sector Manager for Environmentally and Socially Sustainable Development for Europe and Central Asia Region of the World Bank, and Marina Djabbarzade, Cultural Heritage Consultant, will be used for the improvement of Armenia's institutional and legal framework for the preservation and management of cultural heritage and also to expand its national cultural institutions.

Preserving heritage and promoting culture.

Additionally, Armenia will set up a Cultural Rehabilitation Fund to attract Diasporan and private-sector funds to further cultural preservation as well as to develop a cultural-tourism pilot project.

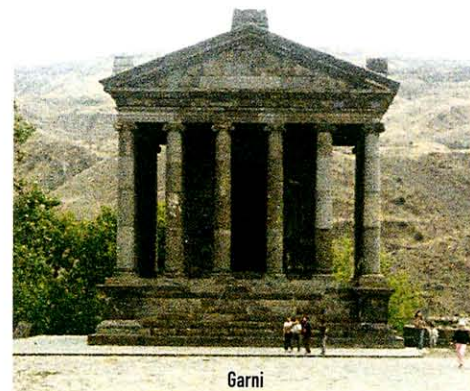
Among the components of the grant are plans to update existing inventories of cultural institutions, provide computers, set up a programs to train professional staff, review existing legislation and develop a cultural tourism project.



A vote of confidence for Armenia Fund.

Hagop Kouyoumdjian, Board Chairman of AFUSA, which served as liaison between the World Bank and HAAF in setting up the negotiations stated that, in compliance with the grant agreement, AFUSA "will continue to act as liaison with the Bank, thus facilitating logistics."

He went on to say, "What is so unusual about this grant is that usually World Bank grants are implemented by governments only. However, the Bank was particularly impressed by HAAF's



structure and its past achievements."

Mary Ann Kibarian, AFUSA Executive Director added, "This grant is a demonstration of the visionary administration of World Bank President James Wolfensohn, which understands that economic development in Armenia can be enhanced by supporting the restoration/conservation of landmarks.

"The preservation of the country's heritage will enrich the tourist industry and facilitate scholarly exchange. This is an uncommon commitment for a vast global organization and it manifests a willingness to provide more than the basics, but an environment that will deliver a higher quality of life."

THE ENTERPRISE NECESSITY BUILT

From housing products to commercial powerhouse.

Shortly after the devastating earthquake in Armenia, the Housing Component Manufacturing Complex in Maisian Industrial Park in the outskirts of Gumri began as a joint-venture between the Armenian Assembly of America and the government of Armenia.

Its mission was modest: to help rebuild the affected earthquake areas by producing building materials such as concrete blocks, paving stones, wooden doors, windows, wooden trusses, metallic slates for roofs, and other essential products.

Armenia Fund becomes sole owner and operator of manufacturing complex.

AFUSA has been instrumental in the Armenian Assembly's transferring its 60 percent share and the Armenian government's turning over its 40 percent share to the HAAF.

This new operation will now have a five-member board of overseers, including two from HAAF/AFUSA and three from the Armenian Assembly, who facilitated the transfer process.

In acknowledging the importance of this transfer, Vahan Ter-Ghevondian, Executive Director of HAAF, said that the factory, now called the Housing Component Manufacturing Complex, will be a commercial venture with sales targets outside of Armenia in addition to its original commitment to supply the materials needed to rebuild the earthquake zone.



Left to right: Armenia Fund USA Executive Director, Mary Ann Kibarian, President of World Bank, James Wolfensohn, World Bank Cultural Heritage Program Developers, Alexandre Marc and Marina Djabbarzade.

WHAT PEOPLE ARE DOING ABOUT ARMENIA FUND USA

8,000 ORPHANS BECOME PART OF THE ARMENIA FUND FAMILY

Anna and Hrair Hovnanian give big boost to Armenia's smallest treasures.

A \$200,000 donation – the first installment of a \$500,000 pledge has been made by



Armenian orphans in Shushi

Anna and Hrair Hovnanian in the name of his Holiness Karekin I, of blessed memory,

for the proposed \$1.5 million Orphan's Investment Fund of the Hayastan All-Armenian Fund. This special-purpose fund will help support approximately 8,000 orphans who are children of the soldiers who were killed or became severely handicapped in the war in Karabagh.

The second installment of \$200,000 will come this year, and \$100,000, in the year 2001.

A long-term, self-sustaining approach.

The Orphans Investment Fund will provide a minimum of \$5 per month for each orphan. AFUSA Board Chairman, Hagop Kouyoumdjian explained, "It

may not sound like much to support a child, but it is one way of showing them that the sacrifice of their parents was not

in vain. These children represent Armenia's future, and we owe it to them to establish a self-supporting fund to provide for them."

The Chairman indicated that a dedicated fund for the orphans would release HAAF's general and earmarked funds for the still-urgent work on the country's infrastructure projects. He said that HAAF's plan is to keep the principal intact and provide for the orphans through interest income until they reach 18 years old.

Ideally, the money would come from a single source, either an individual, a large foundation, several individuals or a group. For more information, call AFUSA at 212 689-5307.

Cost of Program	\$1,500,000
Funds Raised to Date	\$500,000

YOUNG PROFESSIONALS PROVE TO BE FORMIDABLE FUNDRAISERS.

When 32-year old Christopher Atamian, Chief Strategist for Ogilvy Interactive and film producer, heard of the Vanadzor School's plight, he decided to take the initiative. Atamian formed a Young Benefactor's Committee, comprising more than twenty Armenian professionals. Together, they organized a fundraiser event in the late Spring of 1999. A crowd of 400 gathered at the beautiful grand ballroom of the Lycee Francais de New York on Manhattan's Upper East Side for an evening of Armenian fare, Brazilian dancing, and a silent auction that raised more than \$70,000.

This is one more example of how a new generation is joining ranks to help transform Armenia Fund into the most prominent pan-Armenian fundraising organization to date. Fully integrated into American society, yet staunchly proud of their Armenian roots, these thirty-somethings are pooling their talents and money in order to help Armenia emerge confident and prosperous.

A cross-section of backgrounds and talents.

The Young Benefactors Committee included Carla Kapikian of Young & Rubicam; Zara Ingilizian of Kraft; Lori Garjian, Assistant Chairman of Rehabilitation at Beth Israel North Hospital; Jean-Marie Atamian, partner at Mayer, Brown, Platt; Tamar Manuelian of the Rockefeller Investment Group; and Felicia Swindels, an attorney. The event was co-chaired by Janice Garjian, VP of the Television Advertising Bureau.

Apart from their professional qualifications, the group represented this generation's diversity: every variation—Armenian,

non-Armenian, American born, Armenian born, married, single, young and old.

When saying "thank you" isn't quite enough.

In recognition of such inspired efforts, the same members of the Young Benefactors Committee were guests of honor at an appreciation luncheon hosted personally by AFUSA Board Chairman Hagop Kouyoumdjian and his wife Ica in November 1999.

In his remarks, the chairman noted that one of the shortcomings of the Armenian community is that it often fails to demonstrate its appreciation to its volunteers. He wanted this new generation of volunteers to know that their efforts are vital to the continued success of AFUSA efforts.

As an added expression of its thanks, AFUSA presented Atamian and Garjian with an original painting by children of Vanadzor. Each committee member received a reproduction of children's artwork.



Left to right: Lori Garjian, Mary Ann Kibrarian and Christopher Atamian.

