



COUNTRY PROFILE

NOVEMBER 2007



“USAID helped me unlock new opportunities to expand my business. Now, I can benefit my community by providing my product at a discount to local orphanages. This is only the beginning. I am confident that one day I will have a much larger factory and a diverse product line,” says Karine, a small business owner in Armenia.

ARMENIA SNAPSHOT

Date of independence:
September 21, 1991
Capital: Yerevan
Population: 3 million
GDP per person: \$1,983 (2006)

For more information,
see www.usaid.gov
Keyword: Armenia

OVERVIEW

Since 1992, USAID has worked in partnership with Armenians to build a prosperous, stable country that offers equal opportunity to all citizens. Armenia’s location on the strategic seam between Europe and Asia, as well as strong ties between the American and Armenian people, make the country’s stability and prosperity an important U.S. interest.



Yerevan

Armenia’s development progress since independence has been uneven. Although the country has achieved high scores in overall economic liberalization, the people of Armenia have expressed disappointment with the slow pace of many government reforms. Armenia’s borders are closed with Turkey and Azerbaijan due to the conflict over Nagorno-Karabakh, making it more difficult for businesses to thrive. In response, the USAID program in Armenia is working to create jobs, improve access to energy and water, increase citizens’ ability to dialogue

with the government, expand access to quality healthcare, and protect the country’s most vulnerable citizens from poverty.

PROGRAMS

IMPROVING ARMENIA’S BUSINESS CLIMATE TO CREATE JOBS

Although Armenia’s economy continues to grow steadily, the benefits of economic growth are not reaching many citizens who continue to live in extreme poverty. To address this problem, USAID works with the government on improving Armenia’s business environment by adopting laws and policies that encourage business growth. USAID is also growing the number of small and medium enterprises to create jobs by increasing access to capital and new market opportunities. Agribusinesses are receiving assistance to improve their ability to manage, produce, and market goods.

STRENGTHENING DEMOCRATIC GOVERNANCE

Armenia’s road to democracy has been hampered by a dominant executive branch, citizens who are still learning their roles and responsibilities in a democratic system, and corruption. USAID works to strengthen democracy and transparency in all levels of government while increasing people’s participation in civic life. Specifically, USAID is training nongovernmental organizations (NGOs) and youth in advocacy, helping the me-

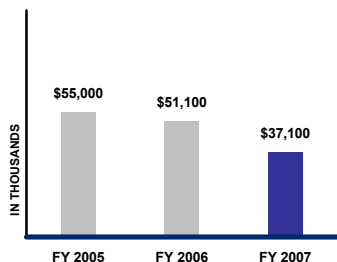


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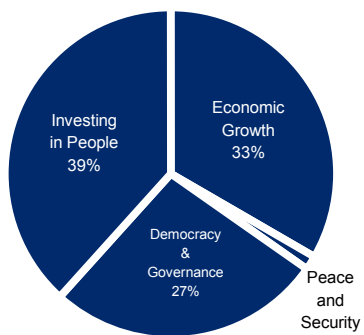
ARMENIA

COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO ARMENIA



FY 2007 Funding by Program Area



Peace and Security: \$500,000
 Governing Justly and Democratically: \$9,907,000
 Economic Growth: \$12,171,000
 Investing in People: \$13,976,000

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dia become more professional and less reliant upon political sponsorship, and encouraging local government to take on more responsibility and engage citizens in decision-making. With presidential elections scheduled for February 2008, USAID is also assisting Armenia to prepare for free and fair elections.

ENSURING ACCESS TO SAFE ENERGY SOURCES

Armenia’s power supply has become more reliable in recent years, yet its energy sector remains weak. Armenia depends on imported gas and nuclear fuel to meet 75 percent of its energy needs, and its own nuclear power plant is considered unsafe. Decrepit heating systems in homes, businesses, and public buildings place further, unsustainable demand on the power supply. USAID works with the government to privatize energy companies, improve commercial operations, improve energy efficiency, and identify new energy sources, and helps schools, hospitals, and orphanages install energy-efficient heating systems.

IMPROVING PRIMARY HEALTH CARE

The Armenian government is committed to improving primary health care for all citizens. USAID supports the government’s efforts to transform Armenia’s system from an emphasis on highly specialized care to greater reliance upon doctors trained in family medicine. Such primary care physicians would be able to treat up to 80 percent of community health problems, relieving pressure on hospitals and specialists. Other reforms focus on improving quality of care, patient education, and reducing corruption.

PROTECTING THE SOCIALLY VULNERABLE

Since the collapse of the Soviet Union, Armenia has had difficulty providing social benefits to its most vulnerable citizens. More than one in six Armenians lives in extreme poverty. The situation is worsened because the private sector remains unable to create enough jobs to relieve high unemployment. USAID is working with Armenia’s Ministry of Social Security to set up a benefit program to assist families living in poverty. With assistance from USAID, Yerevan State University has created a social work program that trains students in outreach, counseling, and benefits administration. The Armenian government is relying on USAID’s help to draft laws that will allow nongovernmental organizations to provide more social services, as well as protect the rights of children and the disabled. USAID is addressing the immediate needs of the poor by supporting mobile medical teams to deliver basic health care in remote areas, feeding the poor and elderly at soup kitchens, and creating job opportunities for the unemployed.