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band goes  
forth



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Seeing the  
world in red,  
blue and  
orange



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Celebrating St.  
Sarkis with salty  
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# the armenian reporter



Construction on the Arzni-Shamiram waterway, Jan. 29, 2009. Photo: Armen Hakobyan for the Armenian Reporter.

## U.S. Millennium Challenge program is rebuilding Armenia's waterways

Five-year infrastructure program is at halfway mark

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## Community

### Armenian artists to join Global Soul 2009

Storyteller Alidz Agbabian and musician Arto Tunçboyacıyan will join artists from around the world on February 26, when Jewish World Watch will host Global Soul, an evening of music, culture, and genocide awareness at the Skirball Cultural Center in Los Angeles. The event will honor Rabbi M. Schulweis, co-founder of JWW, for

his lifetime of activism and innovation, and will celebrate the accomplishments of JWW during its first five years.

"I am very happy to be presenting stories and songs from the Armenian oral tradition at Global Soul 2009," said Ms. Agbabian.

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## Community

### AMAA has raised over \$9 million in capital campaign

The Armenian Missionary Association of America has been celebrating its 90th anniversary over the past year. Founded in 1918, the AMAA was created to serve the physical and spiritual needs of people everywhere, both in the United States and abroad. Last October 18, during the 90th Anniversary Banquet, Executive Director **Andrew Torigian** announced

the public launch of the "Together, we can build miracles" multiyear capital campaign. Since fundraising commenced for this endeavor in August 2007, over \$9 million, approximately two-thirds of the total goal, has already been committed by leading supporters of the AMAA.

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## Commentary

### Erdogan's verbal assault pits Turkey against Israel

Turkish prime minister Recep Tayyip Erdogan's public squabble with Israeli president Shimon Peres was welcomed in Turkey and the rest of the Middle East, but created anxiety in Israel and the United States.

Turkey has been warned that "next time" Jews and Israelis "might not come to Turkey's aid or equivocate quite so much on the issue" of

congressional resolutions on the Armenian Genocide.

But Abraham Foxman of the Anti-Defamation League told the *New York Times* that the league had not changed its opposition to the Armenian Genocide bill in Congress.

*Emil Sanamyan reports.*

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## Community



In conjunction with Army Day, which is celebrated every year in Armenia on January 28, a three-day photo exhibit-competition titled, "The Tricolor in My Eyes," was held in Yerevan. Photo: Babken Arzumanyan.

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## Community

### Armenia and regional energy projects

With the recent Russian-Ukrainian row over natural gas, the Nabucco gas pipeline once again came to the top of the agenda, with the European Union continuing to support the project as a way to diversify its energy sources. Over the last several years, pipelines extending from the Caspian Sea toward Europe have bypassed the shortest possible route – through Armenia and

Nagorno-Karabakh – because both Azerbaijan and Turkey have been opposed to Armenia's participation in regional projects.

Tatul Hakobyan takes an in-depth look at the complexities surrounding the Nabucco gas pipeline scheme, speaking to four leading Armenian experts.

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## Armenia

### Hovhannes Toumanian, "Paregentan"

One of Hovhannes Toumanian's best known tales, "Paregentan," written in 1911 has been enchanting Armenian children for generations. In this week's issue, Betty

*Panossian-Ter Sarkissian* adapts this classic Toumanian tale for the *Armenian Reporter*.

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## U.S.-funded construction of Armenia's waterways proceeds

### Five-year infrastructure program is at halfway mark

by Armen Hakobyan

YEREVAN – Winter is not an optimal time for construction. However, the seasonal slowdown in construction doesn't apply to Millennium Challenge Account-Armenia, which continues with a hectic work schedule. "For us 2009 is a very important year. Up until now we have been taking all the preparatory steps: studying the projects, designing them, checking everything. And now we have started the construction work full force. In 2010–11, according to the project, we must be entirely engaged in construction," chief executive officer **Ara Hovsepian** said in an interview with the *Armenian Reporter*.

Mr. Hovsepian noted that the U.S.-sponsored five-year project began its tenth trimester in January, which means it has reached its halfway mark. Even in difficult weather, then, the renovation and rehabilitation of a 4.2-kilometer section of the main Arzni-Shamiram water canal, which began on January 19, continues. (See story on page 16.)

"From January to March we are going to work on the main Arzni-Shamiram canal, plus, we are going to restore the engineering structures of the other canals," Mr. Hovsepian said.

The U.S. Millennium Challenge Corporation's compact with Armenia is conditional on Armenia's continued eligibility in three major categories, one of which is demo-



A construction crew renovates the badly damaged Arzni-Shamiram canal. Photo: Armen Hakobyan for the Armenian Reporter.

cratic governance. After Armenia's presidential election last February, and the suspension of civil liberties during a 20-day state of emergency in March, the corporation signaled that the program may be suspended or canceled.

In fact, the corporation in June halted funding for a major 273 kilometer roads work contract. The Armenian government responded by allocating \$16.8 million of its own resources to proceed with the initial phase of the road program. But the corporation has continued to disburse funds for other parts of the Armenia compact. Thus, on December 12, 2008, MCA-Armenia requested approximately \$6.8 million to cover its expenses for the first three months of 2009. The corporation in Washington has disbursed the funds.

"We are engaged in the technical implementation of the project and the technical implementation must be separated from the political activities, which are taking place in parallel," Mr. Hovsepian said. MCA-Armenia has "a set daily plan

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## Report Card

The MCC funded the complete restoration of a 24.5-kilometer section of the Armavir-Isahakian-Gyumri road at a cost of \$4.5 million. The project began in November, 2007 and the road was put into operation at the end of December 2008.

Six kilometers of inter-community irrigation networks were renovated and restored in four communities in the Ararat and Armavir provinces at a cost of \$300 thousand.

As part of the "From Water to Market" project, 135 agricultural loans amounting to \$1.5 million were disbursed. In the second phase of the project, which is to be launched shortly, \$5.5 million in loans will be made. For the third phase, another \$1.5 million in loans is planned. To date about 20,000 farmers have received training through the "From Water to Market" project.

## Armenian advocacy efforts in Europe and Mideast get \$5 million boost

### Funds raised in Dubai for ARF activities

### Leaders of other parties among donors

by Tatul Hakobyan

YEREVAN – Benefactors from a range of organizations joined traditional constituents in pledging \$5 million in support of the Armenian Revolutionary Federation's political activities in Europe (including Russia), in the Middle East, and in international organizations, at a gala benefit held February 2 at the Intercontinental Hotel-Festival City Hotel in Dubai. Funds raised at the event, presided over by **Aram I**, Catholicos of the Great House of



Dubai is the venue for ARF advocacy fund raising.

Cilcia, and attended by hundreds of supporters, surpassing the proceeds from previous quadrennial fundraising banquets held in Geneva in 2001 and in Paris in 2005.

The Armenian Cause is the shared agenda of Armenians regardless of country of residence and political affiliation, Catholicos Aram said.

He welcomed the decision of the Armenian government to continue pursuing the universal affirmation of the Armenian Genocide as part of its foreign policy agenda.

Participants and donors included **Gagik Tsarukian**, who heads the

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# Armenia

## MCC focused on Arzni-Shamiram waterway

by Armen Hakobyan

YEREVAN – For thousands of years people in Armenia have blessed those who offer them water by saying, “May your life be as eternal as water.” **Armen Ayvazian**, who is a 37-year-old laborer and who participated in the renovation of the main Arzni-Shamiram canal, hopes that the supply of irrigation water will improve as a result of their labor and farmers will bless the work of the constructors and organizers.

Armen is from Sasunik village, which is adjacent to Ashtarak. Even though he currently works quite far from his home in the small city of Yeghvard, he says that he is satisfied with the working conditions and payment. He is one of 20 workers of the French Sade company who, since mid-January, have been implementing the rehabilitation of the problematic sections of the 4.2-kilometer-long Arzni-Shamiram main irrigation canal funded by the Millennium Challenge Corporation.

On January 29 the *Armenian Reporter* had the opportunity to become acquainted with the renovation work together with **Ara Hovsepiyan**, the chief executive officer of the Millennium Challenge Account Armenia and members of the team working on the irrigation project.



Gevorg Gevorgian (l.) and Ara Hovsepiyan.

The 4.2-kilometer-long section of the Arzni-Shamiram canal is included in the first phase of the project for the renovation of six main canals. The contractors of the renovation work are the French Sade and Armenian SHMSH-23 companies, with which MCA-Armenia signed a contract on December 2008.

**Gevorg Gevorgian**, a representative of the Sade company and the assistant to the project told the *Armenian Reporter*: “This is a big project for our company and we have taken on these works with great responsibility. We are currently clean-

ing the walls of the aqueduct, the sides, and the bottom. All together there are 17 sections that have been included in the first phase of this year’s works.”

**Haroutun Sarkissian**, an engineer with Sade adds that dismantling works are being carried out at the damaged sections of the canal. “After cleaning the bottom and removing the waste, we will start the concrete work. We are going to try to finish 1.7 kilometers and put it into operation by the beginning of the irrigation season. We will start working on

the remaining section this autumn and we will continue working until spring 2010.”

**Tigran Kalantarian**, head of Millennium Challenge Account Armenia’s Irrigated Agriculture Project (IAP) notes that the most damaged sections of the canals have been included in the first phase of the renovation works of the six main canals. Parallel to this, the emphasis of the works being carried out is on the restoration of those sections of canals where there are 30 percent losses of water. The overall length of the

Arzni-Shamiram canal is 82 kilometers and in Mr. Kalantarian’s words, the renovation and restoration of the sections totaling 4.2 kilometers in length will increase the effectiveness of the supply of irrigation water at the end of the canal and allow the expansion of irrigation lands. The Arzni-Shamiram system irrigates around 25,000 hectares of land at the foothills of Mount Aragats. The six main water canals that MCC is renovating will cost \$5.7 million, of which \$3.65 million is earmarked for the Arzni-Shamiram canal.



Manual labor on the waterway. Photos: Armen Hakobyan for the *Armenian Reporter*.

## Forced sale of business belonging to opposition activist fails

by Ruben Meloyan

YEREVAN (RFE/RL) – The first auction for an Armenian company owned by an opposition businessperson and effectively confiscated by the government ended in failure Monday with no bids submitted by local or foreign investors.

Still, government officials said they will make more attempts to auction off the Bjni mineral water plant in payment for taxes that it allegedly evaded.

Bjni was raided by law-enforcement officers and put up for sale late last year after failing to pay 4.2 billion drams (\$13.5 million) in fines imposed by tax authorities.

The auction began on January 23 after being briefly suspended by a Yerevan court in late December.

“We have received no proposals,” a spokesperson for Armenia’s Service for the Mandatory Execution of Judicial Acts (SMEJA), **Ruben Grdzelian**, told RFE/RL as the 10-day period for the submission of bids, set by Armenian law, expired on Monday evening.

“In accordance with the law, a repeat auction will be called on February 5,” Mr. Grdzelian said, adding that the government’s asking price of about 5 billion drams will be lowered by 10 percent. The price will be cut further if the second auction also attracts no bids, he said. “There is nothing unusual about

this,” added the official.

But a Bjni lawyer, **Ara Zohrabian**, suggested that investors are reluctant to buy a company that many believe was penalized for its owner **Khachatur Sukiasian**’s political activities. “I think potential buyers had the prudence to understand that an auction held with violations of the law could get them in trouble in the future,” he told RFE/RL.

[Meanwhile, Mr. Sukiasian’s father had threatened any buyer with bodily harm.]

Bjni is one of a dozen companies making up Sukiasian’s SIL Concern group. Most of them were inspected by tax officials and charged with evading millions of dollars in taxes

shortly after Mr. Sukiasian publicly welcomed former President **Levon Ter-Petrosian**’s September 2007 return to active politics. The tycoon was among several Ter-Petrosian associates who went into hiding to escape arrest following the February 2008 presidential election.

Mr. Sukiasian and his extended family claim to have been the victims of a “political vendetta” waged against them by the Armenian authorities. But the latter deny any political motives behind the crack-down.



With Bjni and Noy off the shelves, the market share of other brands is growing.

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A segment of the Armavir-Isahakian-Gyumri road, completed Dec. 2008.

## U.S. Millennium Challenge program is rebuilding Armenia’s waterways

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for five years, and we must clearly carry out our work. We have to implement what has been planned, independent of political processes.” Only if there is a political decision to suspend or cancel the compact would the work be impacted, he said, adding that no such decision has been taken.

As for the road program, the Millennium Challenge Corporation indicated in a statement that it “hopes to see signs that the government of Armenia is committed to improving the performance criteria central to MCC eligibility. At the moment, the \$16.8 million provided by the government of Armenia has not been fully exhausted.”