



# ANALYSIS

## FINANCIAL AID PROVIDED TO THE REPUBLIC OF ARMENIA AND ITS REGIME IN THE OCCUPIED TERRITORIES OF AZERBAIJAN BY THE ARMENIAN DIASPORA AFTER THE SO-CALLED “VELVET REVOLUTION”

The rise to power of the My Step Alliance, led by Nikol Pashinyan, following the events dubbed the “velvet revolution” that took place from April 13 to May 8, 2018, in the Republic of Armenia led to an increase in the interest shown towards Armenia by both foreign countries and the Armenian diaspora. As a result, the amount of financial support allocated to Armenia and its regime in the occupied territories of Azerbaijan has also increased. Armenian organizations in different countries constantly allocate financial aid themselves, as well as calling on government representatives of the states in which they reside to make donations, arguing that “the newly created democracy needs assistance.” Unsurprisingly, such calls do not remain unanswered: the financial aid to Armenia and its regime in the occupied territories of Azerbaijan is directed towards different areas, such as healthcare, energy, infrastructure, education, political programs, agriculture, and so on.

It is no secret that the Armenian diaspora is one of the most powerful in the world. Year by year, its representatives make huge donations and maintain the sustainability of Armenia and its regime in the occupied territories of Azerbaijan. This report, therefore, presents the most important allocations made by the diaspora since the so-called “velvet revolution.”

The Armenian diaspora is now paying special attention to the development of the IT sector in Armenia and its regime in the occupied territories of Azerbaijan. Armenian organizations in the US frequently arrange internships for Armenian students at companies in Silicon Valley, provide Armenian pupils and students with necessary equipment, and invest in their education. Thus, in 2019 the Armenian Educational Foundation, jointly with the Union of Advanced Technology Enterprises, invested in the construction of four new Armath Engineering Laboratories in Armenia and its regime in the occupied territories of Azerbaijan. These provide students with basic knowledge of programming and robotics, and plans have been announced to start construction of three more such laboratories. Furthermore, Armenian Educational Foundation (AEF)-funded educational programs in the IT field provide students of the so-called “state university” in the occupied territories of Azerbaijan with full scholarships; donate computers and printers to rural schools; and organize special courses for teachers.<sup>1</sup> The Children of Armenia Fund (COAF) started the SMART initiative, launched on May 27, 2018, in the Lori district with the aim of reforming Armenia’s country schools and promoting the development of the IT field in the region.<sup>2</sup> In November 2018, Ucom and the Teach for Armenia fund started cooperating under the slogan “Technology for Education” in order to develop the IT sector in Armenia.<sup>3</sup> Because of the economic barriers that the Armenia–Azerbaijan conflict has created for Armenia, IT is one of the main sources of economic growth for the country. At the same time, for the Armenia-established regime

<sup>1</sup> “AEF Opens 4 Engineering Labs in Armenia and Artsakh,” 04.02.2019 <https://bit.ly/3dWba3c>

<sup>2</sup> “Press Release | Cutting Edge COAF SMART Center Set to Transform Lori Region of Armenia,” 17.05.2018 <https://bit.ly/2lesgvp>

<sup>3</sup> “Усом и образовательный фонд Teach for Armenia подписали меморандум о сотрудничестве,” 23.11.2018 <https://bit.ly/3cGyFgB>

in the occupied territories of Azerbaijan, these allocations and programs are the main source of money, which is why diasporic organizations are doing their best to maintain the development of the IT sector.

Another area the diaspora is interested in improving in Armenia and its regime in the occupied territories of Azerbaijan is education. Diasporic organizations constantly provide Armenian students with scholarships, donate new equipment to schools and universities, invest in the construction of colleges, and so on. After the so-called “velvet revolution,” the amount of allocations to the development of this area also increased. Thus, in March 2019, the chairman of the Union of Armenians in Russia (*Союз армян России*), Ara Abramyan, granted scholarships of 50,000 AMD (≈\$104) per month to 10 Armenian students.<sup>4</sup> In the same year, the French-Armenian Blue Cross organization (*Croix Bleue des Arméniens*) granted scholarships of €14,000 to students showing special distinction.<sup>5</sup> The Fund for Armenian Relief (FAR) operating in the USA also granted scholarships to 10 Armenian students from Yerevan and, during 2019 overall, FAR allocated \$400,000 to scholarship programs for Armenians.<sup>6</sup> In 2018, the AEF sponsored the construction of a new school in Arevadasht village, Armavir province, and the representatives of the organization also participated in the opening ceremony of the school.<sup>7</sup> In 2018, representatives of the Armenian diaspora in the US and Canada allocated financial aid to teachers of the schools named after Vahan Tekeyan in Armenia and its regime in the occupied territories of Azerbaijan.<sup>8</sup> As a result of a meeting between representatives of the Anushavan Abrahamyan company and the so-called representatives of the ministry of education of the Armenia-established regime in the occupied territories of Azerbaijan, it was agreed to start construction of a new agricultural college in the occupied city of Lachin. The opening of the college is scheduled for September 2020.<sup>9</sup>

In addition to the schemes mentioned above, the Armenian diaspora also sponsors construction and restoration works in Armenia and its regime in the occupied territories of Azerbaijan. In October 2018, Zohrab Ghalbourjian, the chairman of the Ghalbourjian Group, with the support of Business Armenia, allocated several million dollars to the construction of vegetable oil and machine tools factories in the city of Masis. In the first stage of the project it is planned that the area occupied by the development will be 6,000 m<sup>2</sup> and 40 new workplaces will be created; in the second stage, sesame seeds produced by local farmers will be used for the production of sesame oil; and in the third stage, the machine tool factory would be ready for use. In December 2018, the Armenian-Lebanese-Syrian company IMG allocated \$4.5 million to the construction of a new home appliance factory in Armenia. According to the plan, 126,000 units of household appliances, including televisions, washing machines, air conditioners, refrigerators, and so on, will be produced every year.<sup>10</sup> The Armenian Blue Cross organization, with the support of the Dashnaktsutyun Armenian Revolutionary Federation (*FRA Dachnaksoutioun*), financed the construction of a center named after Aram Manoukian, the opening ceremony of which took place on January 14, 2019. In 2019, the Tashir company, led by Samvel Karapetyan, allocated financial support to the restoration of the “second government building” in the occupied city of Khankendi in the Armenia-established regime in the occupied territories of

<sup>4</sup> “10 именных ежемесячных стипендий, учреждённых президентом САР Ара Абрамяном, будут получать студенты вузов Армении,” 05.03.2020 <http://sarinfo.org/sarnews/05-03-19-2.shtml>

<sup>5</sup> “Comme chaque année, fidèle à sa mission pour l’éducation, la Croix Bleue des Arméniens de France a accordé en janvier 2019 près de 14 000€ de bourses à des étudiants méritants et prometteurs,” 10.03.2020 <https://bit.ly/3cK9edZ>

<sup>6</sup> “FAR’s Scholarship Program in Armenia: A Lifeline to the Future,” 31.07.2019 <https://bit.ly/3cLMGJP>

<sup>7</sup> “Arevadasht Village in Armavir Region Has a New School,” 19.10.2018 <https://bit.ly/2LEOPeh>

<sup>8</sup> “Педагоги школ, носящих имя Ваана Текеяна, и в этом году получили подарки, собранные по программе «Спонсор учителя»,” 12.06.2018 <https://bit.ly/38eSOqR>

<sup>9</sup> “15 ноября в Министерстве образования, науки и спорта Республики Арцах состоялось рабочее совещание по созданию сельскохозяйственного колледжа в Бердзоре,” 15.11.2020 <https://bit.ly/2Yg2ILx>

<sup>10</sup> [https://vk.com/artsakh?w=wall-29786184\\_388756](https://vk.com/artsakh?w=wall-29786184_388756)

Azerbaijan.<sup>11</sup> In April 2019, the Vardanian family allocated 400 million AMD (≈\$832,000) to the construction of a cathedral in occupied Khankendi. In 2018, American-Armenian philanthropist Hovhannes Oyunjyan decided to sponsor the foundation of a symphony orchestra in Gyumri. Overall, during the last 20 years, Hovhannes Oyunjyan allocated financial aid in the amount of \$7 million to different ongoing programs in the city of Gyumri.<sup>12</sup> In 2018, the Armenian Prelacy of Canada, supported by the Manouk Djoukhadjian Family Foundation, sponsored the construction of a playground in Vahan village, Armenia.<sup>13</sup> The company Artsakh Roots Investment (ARI) initiated the construction of 12 new houses in occupied Lachin district and 15 more in the occupied Kalbajar district in August 2019. Furthermore, the company financed the building of a new school in Zabukh village in the occupied Lachin district. On June 6, 2019, Greg and Kelley Badishkanian, representatives of the Paros Fund, held a charity banquet in support of the restoration of the Varagavan kindergarten in Tavush district. Thus, the amount of donations allocated by Armenians to construction works in the region has also increased significantly.

Healthcare is another area that the diaspora is interested in improving, especially since the so-called “velvet revolution.” Thus, in April, 2019, Anna Hakobyan, the spouse of new prime-minister of the Republic of Armenia, Nikol Pashinyan, and the chair of the City of Smile fund, “created to support people with oncological and hematological diseases,”<sup>14</sup> traveled to the USA to participate in events organized by the Armenian diaspora. During her visit, on April 6, Anna Hakobyan participated in a charity gala held at the Sheraton Universal Hotel by the Armenian American Medical Society (AAMS). All the money raised during this evening was allocated to the City of Smile fund’s work.<sup>15</sup> It is worth noting that, during the same journey, the spouse of the Armenian prime minister also participated in another charity event held at the Westin Hotel, Waltham, MA, by Armenians of Greater Boston. This time, financial aid of \$150,000 was donated for the activities carried out by the City of Smile fund.<sup>16</sup> The Armenian diaspora in Australia also makes donations for improving the standard of healthcare in the Republic of Armenia. In 2018, Harutiun and Dzovinar Mateossian, members of the Armenian diaspora of Australia, allocated \$153,000 USD to the Armenian Relief Society’s (ARS) health center in Arpachay. According to a board member of ARS, Nora Sevagian, the Mateossian family constantly finances the programs and projects realized by this organization. In January–May 2019, the Armenia Artsakh Fund collected \$4.1 million in medical supplies from Americares and Direct Relief and delivered \$4.5 million in humanitarian aid to Armenia and its regime in the occupied territories of Azerbaijan.<sup>17</sup>

After the so-called “velvet revolution,” Armenians around the world began promoting the “newly established democracy” in Armenia and called for the governments of the countries in which they reside to allocate financial aid to the “new government.” In October 2018, the 17<sup>th</sup> Francophonie Summit was held in Yerevan, Armenia. The summit heightened the interest of the diaspora and foreign sponsors in Armenia. Thus, the Association for the Research and Archiving of Armenian Memory donated 700 books in French to a library named after A. Isahakyan in Yerevan. The Montreal and France chapters of the Armenian General Benevolent Union (AGBU) prepared special programs to support French-speaking Armenian students. On October 12, 2018, the AGBU Montreal chapter signed a deal with the Francophone University Agency (*Agence universitaire de la Francophonie*) with the purpose of developing new educational opportunities for

<sup>11</sup> “Завершены работы по реконструкции 2-го здания Правительства Республики Арцах,” 18.01.2019 <https://bit.ly/3c0MGED>

<sup>12</sup> “Армянский филантроп из Нью-Йорка построит филармонию в Гюмри,” 04.06.2018 <https://bit.ly/3cqTyN6>

<sup>13</sup> “Armenian Prelacy of Canada sponsors a playground for the community of Vahan border Village in Armenia,” 16.09.2018 <https://bit.ly/2TzHeBs>

<sup>14</sup> <https://cityofsmile.org/about-us/>

<sup>15</sup> “AAMS Gala Raises Funds For Pediatric Cancer Patients In Armenia,” 11.04.2020 <https://bit.ly/2Tjulw1>

<sup>16</sup> “Gala raises nearly \$150,000 for City of Smile foundation to help treat young cancer patients in Armenia,” 07.04.2020 <https://bit.ly/2ACet12>

<sup>17</sup> “Harutiun and Dzovinar Mateossian Bequeath \$150,000 to the ARS Health Center in Akhourian,” 09.07.2018 <https://bit.ly/2x7MAML>

Armenian youth, while the AGBU France chapter conducted a short story competition on the topic “Armenia of My Dreams in 2050” with the support of the French Embassy in Armenia.<sup>18</sup> In 2018, TUMO studios introduced an online store selling products made in Armenia. The profits from the sales are allocated to the development and design of handicrafts in Armenia.<sup>19</sup> Also in 2018, a project named Build Armenia was launched. The project was targeted at enhancing the interest of diaspora members in repatriation to Armenia by creating favorable socio-economic conditions.<sup>20</sup> However, the success of this repatriation program remains very limited.

In November 2018, representatives of the Hayastan All-Armenian Fund held their annual telethon. During the program, Armenian-Russian philanthropist and head of the Tashir company, Samvel Karapetyan, donated \$2.8 million to help low-income people. Most of this donation was allocated to the regime in the occupied territories of Azerbaijan. In addition, money raised during the program was directed towards building of a youth center and providing aid for families with four or more children.<sup>21</sup> In 2018, the Tufenkian Charitable Foundation donated 21 million AMD (~\$44,000) to 54 families of the Armenian occupying regime in order to stimulate the birth rate, while the Artsakh Fund donated 16 million AMD (~\$33,000) to 107 families within the framework of the New Life, New Hope project. In 2019, the Tufenkian Fund sponsored reconstruction works in Bozlu village of the occupied Lachin district. In March 2019, the fund also sponsored the Housing for Wounded Soldiers project and financed the repair of 11 soldiers’ apartments.

In addition, the Armenian diaspora sponsors projects to support victims of domestic violence. Thus, on February 10, 2019, the Women’s Support Center held a charitable gala in San Francisco and donated the money raised during the event to addressing domestic violence in the Republic of Armenia.<sup>22</sup>

The Russian-Armenian businessman and head of the Tashir group of companies, Samvel Karapetyan, constantly provides financial aid to Armenia and its regime in the occupied territories of Azerbaijan. In June 2019, Tashir, with the support of Electric Networks of Armenia CJSC, donated five flats to homeless families in Gyumri and two more in Vanadzor.<sup>23</sup> In the same period, Tashir sponsored the reconstruction of the New Yerevan park complex and started the construction of three new medical centers in Armenia.<sup>24</sup> During the opening ceremony of the New Yerevan park complex, Samvel Karapetyan met with Prime Minister Nikol Pashinyan and discussed further cooperation.<sup>25</sup>

In July 2019, the Hayastan All-Armenian Fund held a telethon called Gyumri Celebration to provide homeless families in Gyumri with housing. According to the director of the fund, Haykak Arshamyan, financial support of \$400,000 raised by philanthropists in America, as well as \$700,000 raised by those in France, was contributed to the construction of new schools and kindergartens in the city. Overall, financial aid of \$1.44

<sup>18</sup> “AGBU Chapters Launch a New Scholarship Program and Writing Competition to Encourage Enhancement of French-Language Education in Armenia,” 16.10.2018 <https://bit.ly/37uvBSO>

<sup>19</sup> “TUMO Studios is pleased to announce the launch of its online shop of over seventy items designed and made in Armenia at <https://www.tumostudios.am/>” 22.11.2018 <https://bit.ly/2X7FFw9>

<sup>20</sup> “Проект «Строй, Армения» известных предпринимателей-армян обеспечит широкий поток инвестиций, стимулирующих репатриацию,” 12.07.2018 <https://bit.ly/2uOooOy>

<sup>21</sup> “Самвел Карапетян пожертвовал 2,8 миллиона долларов фонду «Армения»,” 14.12.2018 <https://bit.ly/3g1VrRQ>

<sup>22</sup> “San Francisco Community to Raise Funds to Combat Domestic Violence In Armenia,” 30.01.2020 <https://bit.ly/2LBGTuu>

<sup>23</sup> “В Гюмри пять семей, проживающих в домиках, получили квартиры: церемония вручения ключей стала символичной,” 01.06.2019 <https://news.am/rus/news/515929.html>

“Компания «Электрические сети Армении» и фонд «Ташир» подарили квартиры семьям из Ванадзора,” 20.06.2019 <https://news.am/rus/news/519522.html>

<sup>24</sup> “Ташир построит в Армении новый медицинский центр,” 30.06.2019 <https://bit.ly/2Zn8Nm3>

<sup>25</sup> “Парковый комплекс, расположенный на Главном проспекте Еревана, открылся после масштабной реконструкции,” 01.06.2019 <https://bit.ly/2WS2PIh>

million was raised within the framework of this telethon.<sup>26</sup> Thus, during its 27 years of activity, the Hayastan All-Armenian Fund has donated \$370 million to projects implemented in the Republic of Armenia and its regime in the occupied territories of Azerbaijan.<sup>27</sup>

In 2019, the Armenian General Benevolent Union (AGBU) launched a chapter in occupied Khankendi, which is presented as the capital of the Armenia-established regime in the occupied territories of Azerbaijan, and held a press conference on June 4 to announce its goals. The main purpose of establishing the new AGBU chapter was to maintain sustainable socio-economic development in the region by improving four main areas: education, culture, humanitarian aid, and socio-economic development.

In August 2019, the representatives of the so-called “government” of the Armenia-established regime in the occupied territories of Azerbaijan met with David Yeremyan, the director of the Yeremyan Projects company. As a result of the meeting, the representatives of Yeremyan Projects decided to sponsor military units situated in the occupied territory with agricultural products, thus providing Armenian soldiers with healthy food.

In November 2019, the Union of Armenians of Ukraine (*Союз армян Украины*) started a social project in Armenia by establishing charging stations for electric vehicles. The official opening ceremony of the first charging station took place on November 23 in the city of Ijevan, Tavush region.<sup>28</sup> In November 2019, \$10 million were raised during the annual telethon held by the Hayastan All-Armenian Fund titled “To my beloved Armenia: Water and Sun for Communities.” This sum was raised to provide rural areas of Armenia with drinking water and to develop the use of solar energy in Armenia. Thus, the Armenian diaspora sponsors the development of the military complex and energy infrastructure in both Armenia and its regime in the occupied territories of Azerbaijan.<sup>29</sup>

As is evident, the representatives of the Armenian diaspora regularly provide financial support in order to ensure the development of various areas in the Republic of Armenia and its regime in the occupied territories of Azerbaijan. The Armenian government plays an important role in attracting these investments. Zareh Sinanyan, appointed to the position of the High Commissioner for Diaspora Affairs of the Republic of Armenia on June 14, 2019, constantly travels to foreign countries and holds meetings with representatives of major diasporic organizations, calling on them to provide financial support to Armenia and its regime in the occupied territories of Azerbaijan. In addition, the “repatriation program” of the new Armenian government has also been made a focus of the diaspora. Thus, during the so-called “velvet revolution,” the new government of the Republic of Armenia stated that its main purpose was to ensure the return of representatives of the Armenian diaspora to their homeland, and promised that it would create favorable conditions for this. This message triggered a rise in confidence in the government among diaspora representatives. However, on May 30, 2020, the High Commissioner for Diaspora Affairs of the Republic of Armenia stated that Armenia is not ready for large-scale repatriation; this was met with uproar from diaspora members, who felt that they were being used only for donations.<sup>30</sup> This event may cause a decrease in the amount of money allocated by the diaspora to Armenia and its regime in the occupied territories of Azerbaijan.

Despite all the above-mentioned financial aid, its effects on the Armenian economy as a whole remain limited. Since Armenia became an independent country in 1991, all governments in Yerevan have made their

<sup>26</sup> “Armenia Fund Gyumri Celebration Raises \$1.44 Million,” 19.07.2019 <https://bit.ly/3g9bwpe>

<sup>27</sup> “Всеармянский фонд «Айастан» за 27 лет деятельности вложил \$370 млн. в реализацию программ в Армении и Арцахе,” 20.06.2019 <https://bit.ly/36mpW0K>

<sup>28</sup> “В Армении открываются электрозаправочные станции по инициативе Союза армян Украины,” 24.11.2019 <https://bit.ly/2WNHAHw>

<sup>29</sup> “Almost \$10 Million Raised during Armenia Fund Telethon,” 02.12.2019 <https://bit.ly/3eArYNk>

<sup>30</sup> “Армянам, решившим вернуться, будет плевать на мнение Синяна,” 04.05.2020 <https://bit.ly/2zAuQLq>

best efforts to attract resources from the diaspora; these have included resorting to nationalist sentiment, especially in the context of Armenia's occupation of the territories of the Republic of Azerbaijan. However, the life of ordinary Armenians in Armenia and the occupied territories of Azerbaijan have not been significantly improved. The funds have been embezzled by corrupt bureaucrats and oligarchs. Though the new government of Nikol Pashinyan manifested some efforts to fight corruption and embezzlement, the trajectory of Armenian economic development proves that landlocked Armenia, with its policy of occupation, has very bleak prospects.

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