

ANNUAL REPORT FISCAL YEAR 2013
July 1 2012-June 30 2013

**WHY WE BUILD SAFE, DECENT AND
AFFORDABLE HOMES**

OUR VISION

A world where everyone has a decent place to live.

OUR MISSION

Seeking to put God's love into action, Habitat for Humanity Armenia (HFH Armenia) brings people together to build homes, communities and hope.

OUR MISSION PRINCIPLES

- Demonstrate the love of Jesus Christ
- Focus on shelter
- Advocate for affordable housing
- Promote dignity and hope
- Support sustainable and transformational development

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A YEAR TO REMEMBER



I welcome you with great pleasure and would like to present the annual report of HFH Armenia foundation for fiscal year (FY) 2013.

The fiscal year 2013 was a very successful one for HFH Armenia. This report will let you know that we have made an impact on the lives of 1,413 families in FY 2013 by 46% more than projected. Four groups of international volunteers joined us from abroad to support and partner with 1,400 Armenian families to improve their housing conditions.

Local volunteering partnerships were also a success as Coca-Cola Hellenic Armenia joined HFH Armenia as part of a two-day corporate build that brought employees of the corporation together with our partner family to have improved living conditions. We are also proud of the launch of our housing support brochures that contain an array of construction advice for the most common housing deficiencies in the country. Additionally, as a member of Disaster Management Team (DMT) HFH Armenia is positioned in such a way that we can play a serious role in the local platform of Disaster Risk Reduction and Response moving forward. Lastly, we are proud of the partnerships that we have forged; for example the Residential Energy Efficiency (EE) for Low-Income Households Project in partnership with USAID and HFHI. We look forward to making a dramatic impact in the energy market in years to come through our learning and coalition building.

Housing problems in Armenia are varying and complex. Our mission is to eliminate poverty housing in Armenia and for this to be possible more than just construction must take place. It is important to create new partnerships, cooperate with volunteers, engage allies, mobilize increased funding and develop, as well as implement new and innovative projects. With this in mind we look forward to the next year and continue to believe that our mission will succeed.

The staff of HFH Armenia and me are very happy that more than 1,400 Armenian families live in improved shelters this year and that their children are healthier and live more comfortably. There is still much to do but as leaders in the housing field we are devoted to our work so that each Armenian family can have a safe, affordable and decent place to call home.

I am grateful to our Partners, Volunteers, Donors, Habitat missionaries, Partner families and Staff.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Luiza Vardanyan'.

Luiza Vardanyan
HFH Armenia Executive Director

THE ROAD AHEAD



When HFH Armenia began work in 2008 we partnered with 67 families to improve the quality of their shelters. Now, four years later, we celebrate serving over 1,400 families in a single year. This growth could never have been achieved without a committed staff, new ideas, new partners, new approaches and a steadfast commitment to creating as much impact as possible. Our impact must keep up with the steadily increasing numbers of people living in substandard housing if we have any chance of making the ultimate difference – our future vision in Armenia has never been stronger.

Of course, we have achieved this growth through new approaches but it must be said that future vision is easier to see when you know where you come from, when you know what came before you and when you are able to build upon the solid foundations that have been laid underneath you. This organization becomes more impactful every year in the poverty housing sector in Armenia largely due to its established values and staff that is committed to the organization and the country.

I feel it is important to especially acknowledge the work of my predecessor and the founder of the Organization, Don Haszczyń. His vision and leadership shines through in the success of the organization to this day and it is with that confidence that we will continue to grow and impact more lives in Armenia.

Whether we reflect on our past or point our ability towards greater achievements I want to thank all those that have been a part of the work that we have done, past and present. We believe in a world where everyone has a decent place to live – we march into tomorrow with that belief – here we come.

A blue ink handwritten signature, appearing to read 'Greg Foster', written in a cursive style.

Greg Foster
HFH Armenia Board Chair
Habitat for Humanity International (HFHI) Area Vice President
Europe, Middle East and Africa

In the fiscal year 2013 (July 1, 2012 - June 30, 2013), Habitat for Humanity Armenia served **1,413 families**.

Since its establishment in the year 2000, HFH Armenia have served **2,728 families**. With an average family size of four, that's more than **10,900 people** whose living conditions have been improved through Habitat's work.



ACHIEVEMENTS BY NUMBERS

1,350

The number of families that have been served through partnership between HFH Armenia and microfinance institutions (“Kamurj” Universal Credit Organization CJSC, “Nor Horizon” Universal Credit Organization LLC).

150

The number of people who received housing support services including financial education and construction technical advice.

67

The number of people who volunteered with HFH Armenia through Global Village and One Day Build volunteer projects.

63

The number of families that live in renovated multi-apartment residential buildings managed by Condominiums. That change has been introduced through partnership between HFH Armenia “Incobank” CJSC and Vanadzor Municipality.

37

The number of individual donors that have supported HFH Armenia.

13

The number of U.S. and Canada affiliates tied to HFH Armenia programs benefitting 57 families in Armenia.

5

The number of projects HFH Armenia has implemented: Apartment Buildings Renovation; Building Hope in Female Headed Households; Housing Microfinance Project; Home Improvement Microfinance for Low-Income Families in Armenia, Residential Energy Efficiency for Low-Income Households.

1

Building homes, communities and hope

HFH Armenia's working principles, directions, projects and major accomplishments in FY 2013. Plans for FY 2014.

HFH Armenia is the National Office of Habitat for Humanity International (HFHI) in Armenia and the vision, mission, principles and strategy are in alignment with HFHI. Since the year 2000, HFH Armenia has been building on the concept of partnership housing. Individual donors, financial institutions, corporations, volunteers, communities and people in need of decent shelter become partners in creating affordable housing solutions in their own communities. In the self-help housing model prospective homeowners invest hundreds of hours of 'sweat equity' into building their houses. The mortgage payments they make on affordable loans go towards Revolving Fund giving other families a hand up. HFH Armenia works in all regions of Armenia and by its newest strategy builds Community Impact, Sector Impact and Societal Impact.

Build Community Impact

In order to achieve impact, HFH

Armenia delivers Housing Support Services (HSS) to families focused on solutions for vulnerable groups and for Disaster Risk Reduction & Response (DRR&R).

Build Sector Impact

To achieve maximum impact HFH Armenia supports and scales up current partnerships with local organizations, local authorities, Home Owner Associations (HOA), microfinance and financial institutions, as well as facilitates the connection between them. HFH Armenia supports market approaches that increase products services and financing for affordable housing.

Build Societal Impact

Towards this direction HFH Armenia serves as a leading voice in growing awareness of housing as a critical foundation of breaking the cycle of poverty. HFH Armenia engages volunteers through Global Village and One Day Corporate Build projects and transforms volunteers to become advocates.

In FY 2013 HFH Armenia worked towards these main directions:

- 1) Housing Microfinance;
- 2) Meta Finance towards Residential Buildings' Renovation and Energy

Efficiency;

- 3) Housing Support Services; and
- 4) Disaster Risk Reduction and Response.

Housing Microfinance

Home Improvement Projects

HFH Armenia tackles poverty housing through implementation of several housing microfinance projects in partnership with "Kamur" UCO CJSC and "Nor Horizon" UCO LLC. These projects aim at helping low-income families to renovate and repair; to complete their half-built homes; to improve energy efficiency, water & sanitation conditions. The projects are similarly focused on revitalization of the war-affected communities.

Building Hope in Female Headed Households Project

Lack of access to safe, decent and affordable housing has detrimental effects on women's health. Low-income women have acute housing needs and are at greater risk of living in unsafe and unhealthy environment. They are vulnerable to homelessness and are being forced to live in substandard private-market units being unable to afford proper housing.

Through this project low-income and meantime economically active women headed families those living in sub-standard housing both in urban and rural areas receive CTA and FE, with the latter fostering financial stability for individuals and for communities at large and helping them build financial capacity as well. The technical assistance resulting in improved financial management

skills and practices thus compliments household savings that can be used for different purposes including housing improvements.

The project is implemented in partnership with “Nor Horizon” UCO LLC.

HFH Armenia served 1,350 families in FY 2013 and intends to serve 1,200 families (entailing approximately

4,800 people) in FY 2014 through Housing Microfinance Projects. (See Table 1)

HFH Armenia takes also responsibility relating to basic strategic directions such as water, sanitation, energy efficiency and disaster risk reduction & response (when necessary).

In FY 2013, our projects significantly

increased the positive impact, mainly as regards energy efficiency, water and sanitation issues. (See Table 2)

In FY 2014, HFH Armenia will continue to actively engage in the measuring of impacts on livelihoods and will deploy mechanisms in order to increase impacts in various fields.

Table 1: Families served (dynamics)

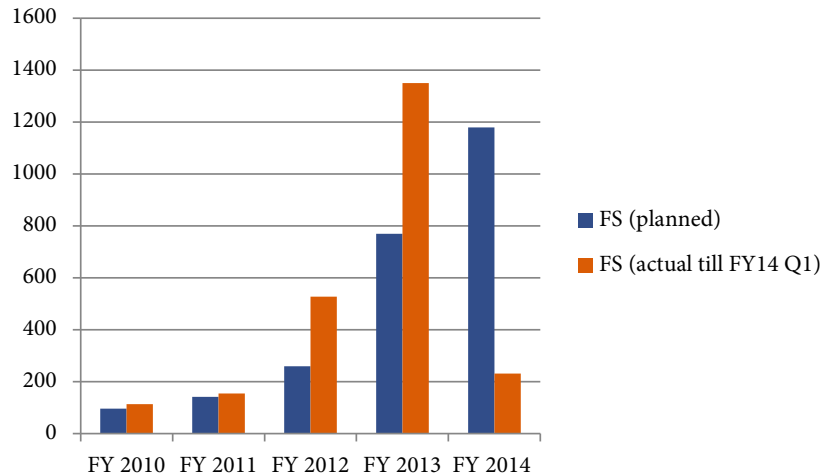


Table 2: Impact on families served

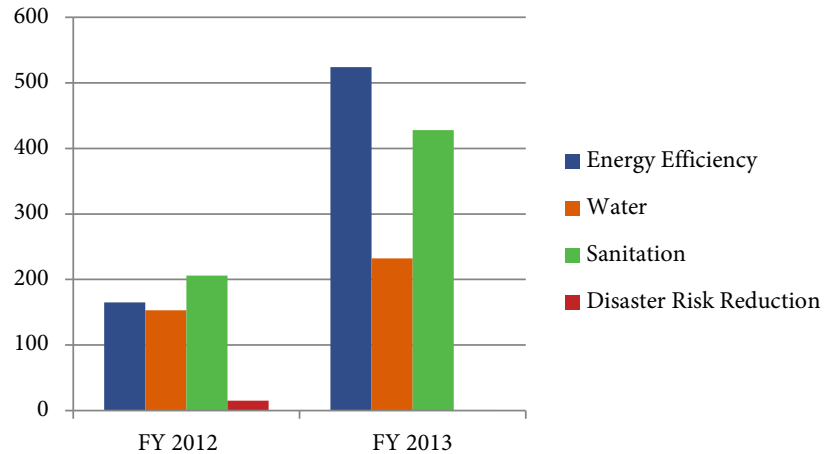


Table 3: Families served by region FY13

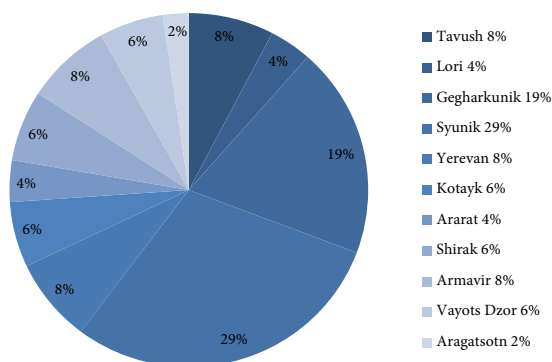
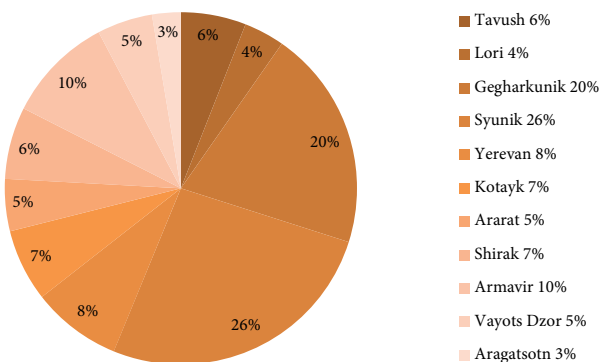


Table 4: Allocation of funds by region FY13



Meta finance

A significant part of the housing stock in Armenia is in deplorable condition and continues to deteriorate. The drop in household income accompanying economic transition limited investment in housing repairs and maintenance as did a lack of household experience and information in regard to ownership responsibilities. Maintenance fees are too low to cover even current repair costs. As a result, building deterioration continues and utilities are provided only at low levels. Residential heating accounts for more than 30% of energy use in most countries of the region as previous construction and heating methods did not focus on EE: a highly inefficient energy use intensifies the impact of rising energy prices on low-income households.

HFH Armenia implements two projects focused on renovation of common spaces and EE increase in residential buildings.

Apartment Building Renovation

The project started in 2011 and aims to renovate and/or increase EE of common spaces of the existing residential buildings (roofing windows & doors, pipes, entrances etc.). A financial model (combination of credit resources and municipality subsidies) has been developed. The project is implemented in partnership with “Inecobank” CJSC. The loan is given to HOAs, which play a major role in above mentioned improvements. By the end of FY 2013, 2 sub-projects were realized in Vanadzor city (Lori Region of Armenia): roofs of two residential buildings were fully renovated with support of 40% subsidy by the local Municipality and 60% of loan resources and served 63 families (252 people).

The next location for project implementation is Yerevan. Agreement (this securing 30% of subsidy) with the Mayor of Yerevan has been initially achieved in terms of building cooperation with HFH Armenia towards Project implementation in the capital city.

Residential Energy Efficiency for Low-Income Households in Europe and Eurasia” Project (REELIH)

In FY 2013 USAID and HFHI have signed an agreement to jointly implement this project. Through this project the partners have the objective to address the impact of rising energy prices on collective low-income housing through increased EE measures including support for regional energy reform. Until June 2015 the project aims at improving living standards in multi-unit apartment buildings in the region. It will focus on developing resources and networks to address the impact of rising energy prices on collective housing at a regional level. It will do so through developing viable and sustainable models for selected multi-unit buildings in Armenia.

These projects will help us foster efficient collaboration among the HOAs tenants, local authorities and financial institutions (FIs); further resulting in sustainable impact on community life.

Furthermore, capacity building of FIs will lead to more competitive and attractive (affordable) loan products; and in future similar projects could be financed by FIs themselves guaranteeing sustainable models.

HFH Armenia has the ownership of creating and developing the financial model in Armenia. Nonetheless, the future of the Project lies with FIs; the latter generating such loan products. HOAs (with the newly acquired capacity and knowledge) in their turn, will be able to apply directly to FIs and get loans. The Project will also aim at developing financial models that

would further add to vitalizing the financial market; thus focusing on the banking sector now complemented by successfully planned housing finance schemes (bank loans for HOAs) that would further result in replicable and sustainable models of financing common-interest communities.

In FY 2014 HFH Armenia will support around 80-120 families approximately 320-480 people by renovating defective elements and non-structural components of at least 2-3 multi-apartment buildings.

Housing Support Services

In view of reducing housing poverty and providing access to decent housing for low income families as well as assisting those in acquiring access to finance, HFH Armenia supports the mentioned households in construction and organization of their house-improving activities delivers FE, CTA and EE trainings and consultancy. Providing FE empowers low-income families to manage their family budgets in more proper ways resulting in long run economic growth. The scheme also assists families to get familiar with existing financial products available in the market and to minimize risks. Construction technical guidelines provision through on-site trainings

and orientations and also distribution of technical manuals and leaflets helps families build their houses and shelters in a safe approach ensuring that the housing quality standards are met as well as making the structures more resistant and resilient to natural hazards, for example, earthquakes, landslides and floods.

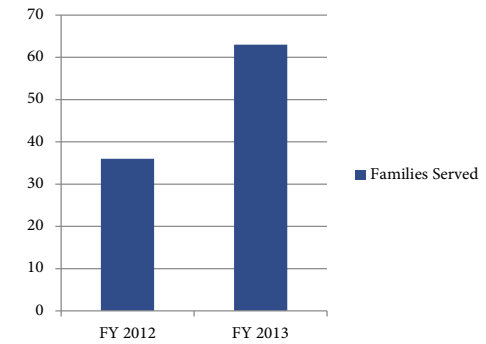
With regard to technical support services the housing stock which are being “built back better” are ensured to be durable and have longer lifespan in order to avoid additional interventions, money waste and poor quality construction approaches.

And finally, a well-built home and/or retrofits with EE upgrades means lower

utility bills for families making it a key part of our mission to build simple, decent and affordable homes. Lower utility bills mean an increase in disposable income and represent an opportunity for families to build wealth and break the cycle of poverty. Energy efficient building and living practices lessen our impact on the environment and on global warming and climate change.

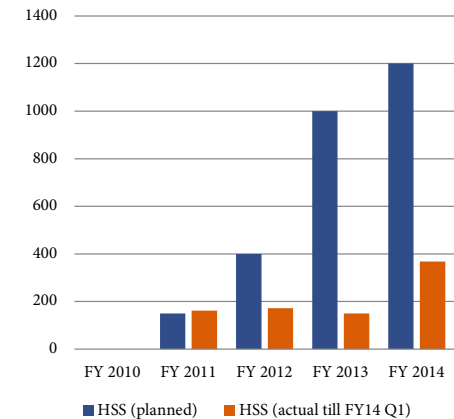
HFH Armenia also supports UCOs with technical assistance at institutional level as well as at individual client level in order to further build UCOs capacity (trainings for loan officers, project monitoring, market research, new housing loan product development, educational and promotional materials) to successfully deliver housing microfinance products and services to target groups.

Table 5: Families served through metafinance



In FY 2013, HFHA provided HSS to 150 individuals (see Table 6). The target number of HSS for FY 2014 is 1,200 individuals.

Table 6: Housing support services provision



Disaster Risk Reduction & Response (DRR & R)

HFH Armenia is a member of Disaster Management Team (UNDP Armenia) and National Platform (NP) and will get involved in joint action in case of major emergencies in support of the Armenian Government efforts to save lives and minimize losses.

The main DRR & R activities include Mitigation Preparedness and Response. HFH Armenia Disaster Preparedness and Response Strategy defines the basic principles, standards, as well as developmental and collaborative framework to be implemented by HFH Armenia in its disaster response program.

Mitigation

HFH Armenia currently develops a number of disaster mitigation strategies. These include provision of Disaster Risk Management DRM specific technical advice to families during site visits, the possible development of instructional posters to accompany microfinance upgrade projects and the targeting of specific sections of multi-storey condominium housing such as stairwells and exits in order to facilitate speedy and safe evacuation from buildings in case of disaster.

Other types of intervention will be developed where possible and in cooperation with local communities and with other partners.

HFH Armenia seeks opportunities for partnerships and donor opportunities on the national and local levels for community risk-mapping and community resilience-building projects.

Preparedness

HFH Armenia realizes the importance of effective disaster preparedness and strives to both strengthen its DR network and increase its organizational capacity to respond to disasters. HFH Armenia's DR program increases capacity through the training of staff in DRR & R.

Response

HFH Armenia has formulated a country specific DR Operational Plan. This Plan provides a response timeline accompanied by generic assessment forms, standard communications materials, sample budgets and technical solutions and it will be implemented upon the onset of a disaster event.

Cluster Approach

HFH Armenia also being a part of extended DMT in DRRNP agrees that in case of emergency the same

group composition will take on the Humanitarian Country Team (HCT).

Alongside with HFHI procedures and policies HFH Armenia in the event of a major emergency within the HCT in Armenia will adopt the 'cluster approach', which consists of assigning leading roles for the sectors/activities that emergency response most frequently entails. Agencies in-country (and when applicable from relevant regional delegations) will assume the cluster-led responsibilities accepted in the framework of the global humanitarian response review arrangement.

HFH Armenia is a member in Early Recovery, Shelter and Non Food Items, and Water, Sanitation & Hygiene Clusters.

Changing lives

Family of Artush Naghdalyan

For the family of Naghdalyans the partnership with HFH Armenia was the second greatest gift from God after Alina's (their granddaughter's) birth.

Everything turned upside down in the lives of the Naghdalyan family the day when Artush (48) and Alina's (47) elder son died from a car accident. A few days after his death his daughter Alina (5) was born. Their pain grew even deeper when little Alina's mother left them. The tragedy shocked the family. Days and nights Alina grieved for her dead son. To somehow relieve their pain Artush and Alina decided to sell their home and put a gravestone in their son's grave. The family became homeless and moved to an empty home of their relatives.



After a few years the family realized they needed their own home. Artush worked in the local electricity network and he was able to buy a house with his small savings from the previous house. The house was devoid of basic amenities and needed an interior renovation. They wanted to create safe living conditions for their only granddaughter but did not have any chance until they found out about HFH Armenia.

Artush says: ***"We did not have enough money to make our home a decent place to live in. We are so excited to have been selected to partner with Habitat. For so many years we have been dreaming to create decent housing for our son and for granddaughter the only successor of my elder son. This was all possible thanks to the support from HFH Armenia. Thank you for giving us a decent home and hope for a better future."***

For the family of Naghdalyans the partnership with HFH Armenia was the second greatest gift from God after Alina's (their granddaughter's) birth. When their son died life lost its meaning for the Naghdalyan family. But Alina's birth gave them strength to survive and they started to live for her and create a secure shelter for her to grow up in a healthy environment.



Family of Ishkhan Hakobyan

For the younger Hakobyan women these renovations mean better conditions within this region and greater peace of mind for the impending birth and safety for the newborn in a house that will have windows and doors that keep in the heat and the cold out.

It was amazing to see Ishkhan's home nestled within a beautiful mountain village. What was even more impressive was the level of hospitality and ingratiating welcome that we received from Mrs. Hakobyan, her 18yr old daughter Mary and pregnant 20yr old daughter-in-law. Although her husband, 49yr old Ishkhan and 19yr old son Aram who are in Russia doing migrant work to support their family weren't there to greet us, we were assured by the Hakobyan women that they equally expressed gratitude at the much needed and appreciated renovations to the interior windows and doors.

Mrs. Hakobyan suffers from respiratory issues that were intensified from the lack of proper insulation doors and windows; with the new renovations Mrs. Hakobyan indicated that she is both in better health and can't wait for the arrival her first grandchild. "With the renovations made to the interior rooms, doors and windows, we now have more heat that stays in and less humidity that used to cause more problems for me medically" For the younger Hakobyan women these renovations mean better conditions within this region and greater peace of mind for the impending birth and safety for the newborn in a house that will have windows and doors that keep in the heat and the cold out.

Satenik shares: ***"I can't express my gratitude to HFH Armenia for their invaluable support. We would hardly be able to do it by ourselves. We are really happy we had a chance to partner with such an organization as HFH Armenia. It makes a great difference here as I know that there are a number of other families who have been supported in community."***



2

Volunteering with HFH Armenia

Global Village

HFH Armenia implements Global Village program which offers short-term house-building trips that provide concerned volunteers the opportunity to get involved with Habitat's work firsthand. The volunteers from all over the world join Habitat's mission to improve housing conditions of low-income families. In partnership with HFH Armenia Global Village team members work alongside partner families and members of the host community renovating houses and raising awareness about the burden of poverty housing and Habitat's efforts to build decent and affordable housing in Armenia and worldwide. As partners, teams members help build a true "global village" of love, homes communities and hope!

In FY 2013 HFH Armenia has hosted 4 Global Village teams from the US, Europe and Canada.

Volunteer stories

“

Primarily it is the people. It all starts with the family you are giving your time money and energy for and the people of Armenia are amazing. They work alongside you, they serve you the most amazing home cooked food, they hug you daily, they wish to learn about you and they truly appreciate all that you do for them.

Second, it is the culture, history and the beautiful, ancient land of Armenia. The city of Yerevan is vibrant and manageable and a great place to spend your first and last days in the country. The daily drive to our build site near Gavar was a country drive like no other. A winding highway along Lake Sevan through the mountains was colored with wild flowers, cattle and shepherds on horseback and even a double rainbow rising out of the lake. The awe and beauty are impossible to describe.

Armenia, too, is a special place for spiritual reflection. As the first country to adopt Christianity as a state religion in 301 A.D., the reflective walks through numerous monasteries and witnessing a holiday service at the seat of the Catholicos of all Armenians on our Rest and Recreation days were again beyond words. To see Mt. Ararat where Noah's Ark landed after the flood and to walk through the Armenian Genocide Memorial again were moving cultural experiences.

Now when I look in the mirror I can say "yes, I see a different person."

- Amy Grambeau, GV Volunteer from the U.S.

”



Volunteer stories



“

It is hard to find words that can describe how truly amazing the experience of HFH Armenia has been. From start to finish this fast-paced, well-organized culturally diverse program provided my team and me with an unforgettable experience. From work-site to historical sightseeing the program is well put together and staff is so amazing to work with. Naira, Andre and Seda made us feel welcome and naturally became a part of our team from day one.

The family was great to work with and their presence on the build including kids made us feel like our work is tangible and worthwhile. The food deserves a special mention since it has been THE BEST Habitat meal experience I have ever had.

Overall, we all feel that it has been a fascinating experience. As team leader I would be honored to return and continue my work with HFH Armenia staff in the future to help eliminate poverty housing in this great land of truly remarkable people.

- Maria Petrenko, GV Team leader from the US

”

One-day build

Getting involved in Habitat builds for one day is a wonderful opportunity for businesses, corporate groups or organizations to help families in need of improving their housing conditions to realize their dream of having a safe, decent and affordable house. At the same time, taking part in Habitat's construction initiative with coworkers and supervisors is an effective team building and development retreat, as well as a good opportunity for acquiring cooperation and leadership skills.

HFH Armenia has a "One Day Build" campaign, calling on private international and domestic organizations and groups to join home building voluntary construction activities and improve living conditions for low-income families, providing simple affordable and safe housing for them thus changing the lives of people and communities. In June 2013 Coca-Cola Hellenic Armenia Company joined the campaign.

A group of manager-volunteers of Coca-Cola Hellenic Armenia joined HFH Armenia team to work hand-in-hand with the family of Vardan Grigoryan in a two day home building works initiated by

Habitat Armenia.

"HFH Armenia executes its projects by the principle of partnership: partner families, volunteers and organizations. The involving of private companies in the process of improving the lives of Armenian families is very essential and we give great importance to it here in Habitat. We welcome the participation of Coca-Cola Hellenic Armenia in this project and hope that it will serve as a good example for others," said Luiza Vardanyan, the Executive Director of HFH Armenia.

From June 29-30 a group of 15 volunteers from Coca-Cola Hellenic Armenia carried out construction works in Aghavnadzor village, 120km away from Yerevan (Vayots Dzor province) to help one more low-income family to realize its dream of having a simple and decent home. During the two days the volunteers carried out floor covering and floor levelling works.



"It was a special day for the managerial staff of Coca-Cola Hellenic Armenia. We helped the Grigoryan family to make their dream of having their own comfortable home to come true. We are happy, we are not only pleased to unleash happiness through the 'happiness drink' we produce but are pleased to help the population of Armenian provinces in building the homes of their dream. Participation in the voluntary construction project of HFH Armenia was a great honour and responsibility for the staff of Coca-Cola Hellenic Armenia. Our company always stands side by side with our communities; and Coca-Cola's sustainable development projects are of continuous and comprehensive nature."

- Gagik Danielyan
General Director of Coca-Cola Hellenic Armenia.



Changing lives

Family of Luiza Khachatryan

For more than ten years Luiza Khachatryan's family of 8 had to share their home with a larger family (16 members) of their siblings. Back in 1990s as both families expanded, Arsen (45) Luiza's husband decided to move away and live separately. He started building a house on his own but could never afford to complete it. ***"We did not have enough resources to live on and complete the house all at once as the kids were growing up,"*** Arsen said.

Luiza (43) and Arsen (45) have 4 sons; Movses (25) Mamikon (22) Vahan (20) and Edmond (13) with 3 of them employed in the military service. Movses is married to Meline (25) and they have a daughter; Luiza (3). The total income of the family was not so high to allow them to care for daily expenses and save for the housing needs. Luiza has no permanent job but takes up cultivation of soil and cattle breeding.



The family lost all their hope to upgrade their living conditions until they found out about HFH Armenia's housing microfinance project. Habitat intervention made an immediate difference in the lives of Khachatryans. Luiza expresses, ***"We were very depressed in those unbearable conditions and had no other chance to improve those. It is such a great feeling to be able to provide decent housing conditions for your family."***

The happiness of the family doubled when they were selected as a host family for a Global Village team of international volunteers who helped them complete the renovation. For around a week a "Youth Build" team from Northern Ireland worked hand-in-hand with Luiza's family. ***"There are no words that could describe the extent of my gratitude to HFH Armenia and our lovely volunteers who came from far away to help us with the renovation. They became part of family in a very short time and will always be in our hearts and minds. Now we are also thinking of enlarging our family. My lifelong dream has now come true. Thank you!"***



Family of Vardan Grigoryan

“It is a great happiness to have a large family but when there is not enough space for everyone at home you simply can’t enjoy living together,” says Vardan Grigoryan. Vardan and his family are very excited with the recent upgrades in their house. The traditional Armenian family, consisting of 7 members, lives under the same roof in Vardan’s ancestral home.

Vardan (50 years old) works as a truck driver on private basis, but the job is limited to the season. Other than that Vardan and his wife Satik (48) are engaged in agriculture and livestock breeding to secure food for their family and keep things going. Satik said: *“It is so exhausting to work till late at night and have no private corner to have a rest.”*

Vardan and Satik have a daughter Anna (24) and 2 sons – Arsen (27) and Artyom (21); both employed as guards in the village. Arsen is married to Noyem (19) and they have a one-year-old daughter Nareh.

To expand the family and accommodate the young couple in a separate home, Vardan bought a half-built house a couple of years ago but never afforded to complete it up. Vardan stated: *“We could not earn enough to keep the family and save money for the completion of the house. The partnership with Habitat gave a sense of security. I am really impressed by HFH Armenia’s work. You get support and you give it back to other people who need it.”*

The family was very happy and enthusiastic about the local volunteer program and was pleased to host Coca-Cola Hellenic Armenia Company within the framework of HFH Armenia’s one day build project. *“The partnership with Habitat gave us a sense of security. I am really impressed by HFH Armenia’s work. You get support and you give it back to other people who need it,”* Vardan concluded.



3

A commitment to global stewardship

HFH Armenia practices good stewardship with all funds entrusted to its mission of eliminating substandard housing. Using funds wisely allows HFH Armenia to serve more families and communities in Armenia.

Revenue

HFH Armenia is a non-profit foundation supported by people who believe in its work. Support comes in the form of contributions from individuals (cash donations), corporations (cash, donated assets and services), foundations, Habitat affiliates and other organizations. Total revenue in FY 2013 was AMD 126.4 mln (\$308,147). In FY 2013 HFH Armenia received support from Vanadzor Municipality.

Expense

HFH Armenia classifies expense in three primary categories:

- Program
- Fundraising
- Management/general

Total expense amounted to AMD 130 mln (\$316,427).

Program expense

In FY 2013 HFH Armenia spent AMD 84 mln (\$205,091) as program expense representing 65 percent of total expense.

Fundraising expense

In FY2013 fundraising expense totaled to AMD 14.7 mln (\$35,798) representing 11% of total expense. Major fundraising programs include direct mail and direct contact with major donors, individual donors, affiliate tithe partners, foundations and corporations, Armenian Diaspora etc.

Management and general expenses

In FY 2013 management and general expense totaled to AMD 28 mln (\$68,684) representing 22% of total expense. This includes cost of staffing (other than program and fundraising staff), utilities, office rent and maintenance and other costs from day-to-day operations of HFH Armenia.

Annual audit

HFH Armenia's Financial Statements are subject to independent annual audit. "Grant Thornton" CJSC conducted annual audit of HFH Armenia's financial statements during continuous three

years (from 2009 till 2011). Annual audit for Financial Statements 2012 was conducted by "BDO Armenia" CJSC. HFH Armenia has always received Unqualified Audit opinion.

Statement of financial position

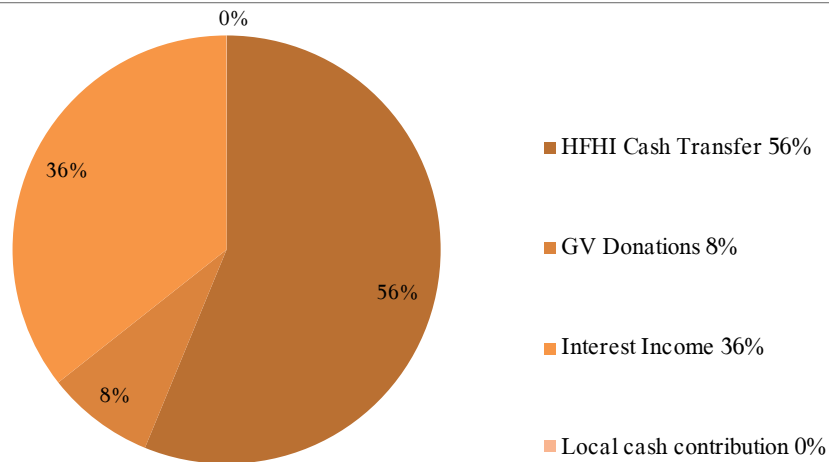
	FY2013		FY2012	
	1USD= 410.38AMD		1USD= 384.54AMD	
Assets				
	AMD	USD	AMD	USD
Cash and cash equivalents	60,805,095	148,168	144,565,300	375,944
Investments at fair value	604,745,731	1,473,624	548,701,811	1,426,904
Receivables	4,753,148	11,582	4,093,226	10,644
Other assets	1,109,712	2,704	949,278	2,469
Total assets	671,413,686	1,636,078	698,309,615	1,815,961
Liabilities and net assets				
Total liabilities	415,172,274	1,011,678	438,670,320	1,140,766
Net assets	256,241,412	624,400	259,639,295	675,195
Total liabilities and net assets	671,413,686	1,636,078	698,309,615	1,815,961

Statement of activities and changes in net assets

	FY2013		FY2012	
	AMD	USD	AMD	USD
Revenues and Gains				
HFHI cash transfer	71,100,900	173,257	86,582,376	225,158
GV donations	10,305,088	25,111	27,946,171	72,674
Interest income	45,024,218	109,713	52,000,888	135,229
Local cash contribution	27,200	66	7,330,497	19,063
Total revenues and gains	126,457,406	308,147	173,859,932	452,124
Expenses				
Programmatic	84,165,133	205,091	103,197,767	268,367
Management and general	28,186,422	68,684	26,830,513	69,773
RD and fundraising	14,690,966	35,798	10,223,725	26,587
Other	2,812,768	6,854	-10,253,656	-26,665
Total expenses	129,855,289	316,427	129,998,349	338,062
Change in net assets	- 3,397,883	- 8,280	43,861,583	114,062
Net assets at beginning of year	259,639,295	632,680	215,777,712	561,132
Net assets at end of year	256,241,412	624,400	259,639,295	675,195

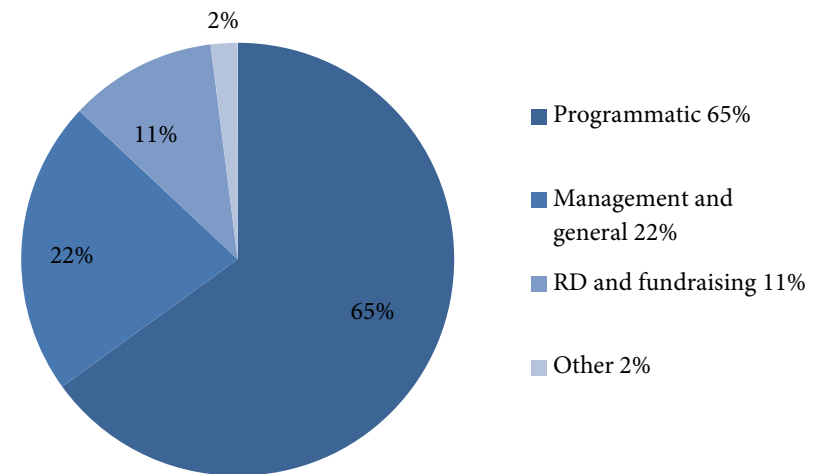
FY2013 Sources of funds

	AMD	USD	%
HFHI cash transfer DD	71 mln	173,257	56
GV donations	10 mln	25,111	8
Interest income	45 mln	109,713	36
Local cash contribution	0 mln	66	0
Total revenues and gains	126,4 mln	308,147	100



FY2013 Use of funds

	AMD	USD	%
Programmatic	84 mln	205,091	65
Management and general	28 mln	68,684	22
RD and fundraising	14,7 mln	35,798	11
Other	2,8 mln	6,854	2
Total expenses	130 mln	316,427	100



HFH Armenia's mission to eliminate poverty housing in Armenia could not be happen without generous donations and support. We value each and every donor. Thank you!

DONORS WHO SUPPORTED HFH ARMENIA IN FY 2013

Individual donors

Matthew Hagopian
Greg Apkarian
Harutun and Nadya Vaporciyan
Marguerite Walsh
Thomas Noon
Haig Seferian
Duncan Scott
George and Irma Papazian
Gilbert Mena
Mr. and Mrs. David Berberian
David and Nairy Colello

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Leon Palian
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Andrei and Juliet Belkin
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Ronnie Henesian
Tiriza Stephanian
Maria Petrenko
Jane Williams
Jonathan Good
Suzanne Apelian
Henry and Connie Ohanian
Armine Papouchian
Barry Posner
David Di Lorenzo
Tina Shabanian

Global Village volunteers

Ann Bines
Ian Broverman
Jane Edwards
Amy Grambeau
Jesse Kuklakis
Elizabeth Marriett
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Maria Petrenko
Nicole Thomas
Rachel Bennet
Helga Classen
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Heather Hanna
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Emma Moore
Morgan Shaw
Abe Farquharson
Danielle Parkes
Ryan Beck
Annie Duffy



**Generosity of
our donors**

Habitat Armenia Tithe Partners

Habitat for Humanity Greater Cincinnati
Canada Habitat for Humanity
Paterson Habitat for Humanity
Oakland County Habitat for Humanity
Orange County Habitat for Humanity
Delaware County Habitat for Humanity
Bergen County Habitat for Humanity
Kent County Habitat for Humanity
Habitat for Humanity of Greater Ingham County
Westminster College HFH CC
Michigan Habitat for Humanity
Omaha Habitat for Humanity
Morris Habitat for Humanity

Organization (corporations, churches, foundations, etc.)

Thrivent Financial For Lutherans
Ara & Edma Dumanian Foundation
Armenian Congregational Church in Michigan
St. Andrew Armenian Church
Bloomberg LP -MGP Corporation
Armenian Church Ednowment Fund Inc.
Custom Probiotics Inc.
Coca-Cola Hellenic Armenia
Naviscent



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and HFH Armenia
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Construction and Disaster Response Manager

Karen Asatryan
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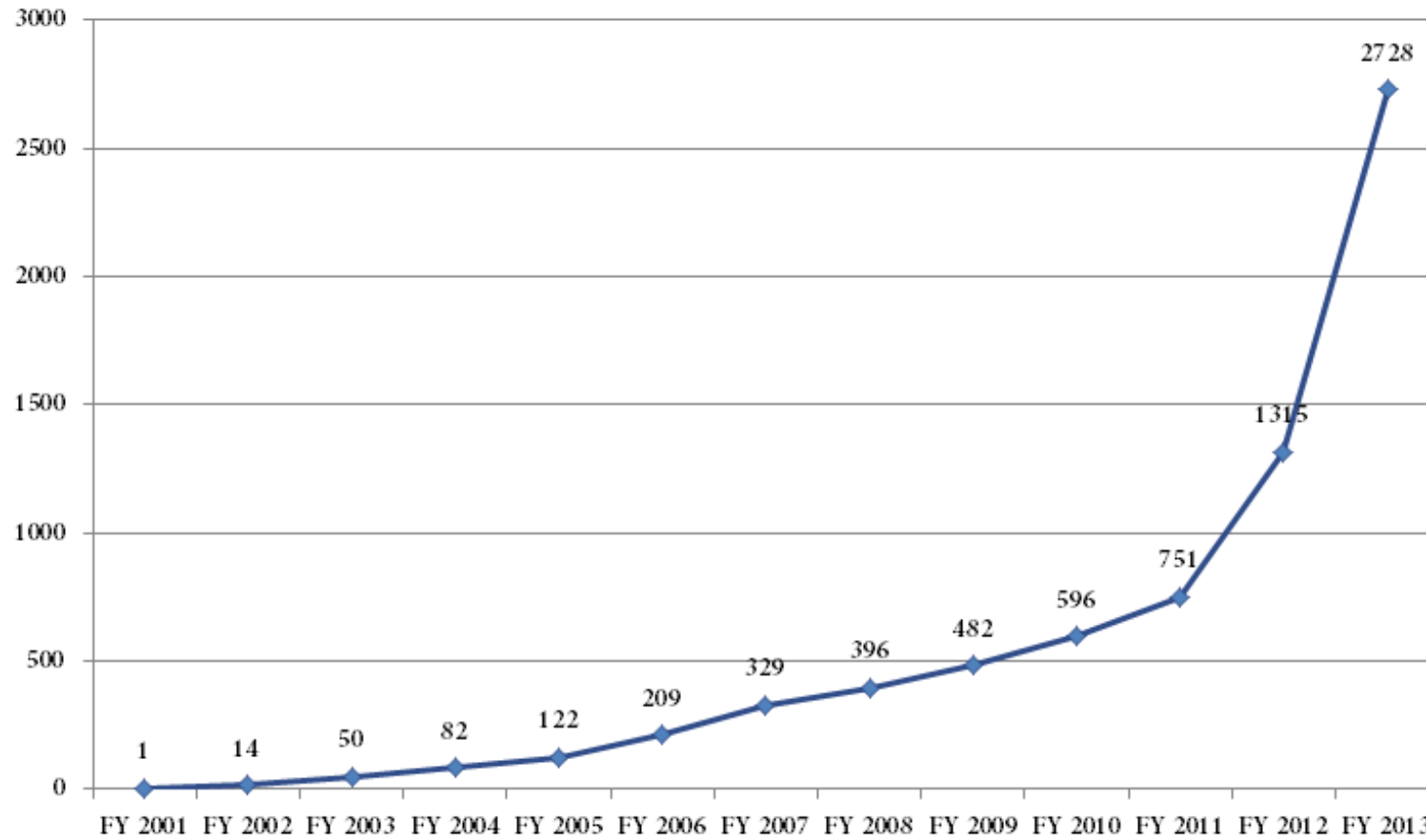
Anna Matevosyan
Program Officer

Naira Abrahamyan
Global Village and Communications Coordinator

Anna Hovakimyan
Administrative Assistant

Picking up the pace

Families served curve FY2001-2013



Annex 1

AMD	Armenian Dram
CJSC	Closed joint stock company
CTA	Construction technical assistance
DMT	Disaster Management Team
DR	Disaster Response
DRR & R	Disaster Risk Reduction & Response
EE	Energy efficiency
FE	Financial education
FI	Financial institution
FY	Fiscal year
GV	Global Village
HCT	Humanitarian Country Team
HFHI	Habitat for Humanity International
HFH Armenia	Habitat for Humanity Armenia
HOA	Home owner association
HSS	Housing Support Services
LLC	Limited liability company
MFI	Microfinance institution
NP	National Platform
RD	Resource Development
REELIH	Residential Energy Efficiency for Low-Income Households in Europe and Eurasia
UCO	Universal credit organization
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

About Armenia

Armenia is a sacred land of old legends and Biblical stories. It is recorded in the Old Testament and in other sources that Noah's Ark landed on the slopes of Mount Ararat in Armenia after the Biblical Flood.

On his descent from Mount Ararat Noah first stepped onto this land and as a result of his blessings and Christian faith, Armenia has survived many foreign invasions through centuries and millenniums.

A traveler interested in exploring different cultures, their history and art should visit this tiny country which is on the crossroads of East and West. Armenia is frequently called an open-air museum. Over 5,000 monuments, all the way from prehistoric cave paintings, stonehenges, irrigation systems and fortresses to Medieval monasteries, secular buildings and khachkars (cross stones) which survived to our days are scattered all over the Republic of Armenia.



Country facts

Capital city: Yerevan

Population: Nearly 3 million

Population living below poverty line: 26.5 percent

Unemployment rate: 7 percent

Life expectancy: 72 years



Help us build homes, communities and hope in Armenia

Last year, thanks to the support Habitat Armenia received from partners and friends, we were able to serve more than 1,451 families in Armenia, who were in desperate need of improving their housing conditions. To be able to serve more families, Habitat for Humanity Armenia is looking for help among its friends. We believe that together we will be able to serve our target of 1,500 families during 2014.

We are truly hoping and praying that you will consider helping our program and will make your donation. With your help, we can give a child a warm place to sleep, provide a family with a kitchen to prepare meals, or help them obtain a proper bathroom.

Habitat for Humanity International is a tax-exempt 501(C)(3) nonprofit organization. Your gift is tax-deductible as allowed by law.

Donation options:

- *up to \$1000 donation which will be directed to one part of a house bathroom unit, kitchen, living-room, etc.*
- *Support 1 family - \$3,000*
- *Support 5 families - \$15,000*
- *Support 10 families - \$30,000*

Donate online

USD: www.habitat.org/donate/armenia

EUR: www.habitatforhumanity.org.uk/donate/armenia

Send your contributions by checks

Habitat for Humanity International
121 Habitat Street Americus, GA 31709-3498

Please, include "815000 Armenia" in the memo section of the check.

Notes

