

2009-2011 ACTIVITY REPORT



WE ARE THE FIRST ORGANIZATION IN ARMENIA THAT:

- ❖ IMPLEMENTED HOUSING PROVISION THROUGH HOUSING CERTIFICATE MECHANISM AND, THROUGH TA, HANDED THE MODEL OVER TO ARMENIAN GOVERNMENT.
- ❖ INTRODUCED SOURCE SEPARATION OF SOLID WASTE: SEPARATION OF PLASTIC BOTTLES.
- ❖ INTRODUCED A COLLABORATION MODEL BETWEEN LOCAL GOVERNMENTS, LOCAL CIVIL SOCIETY, AND LOCAL MEDIA.
- ❖ DEVELOPED AND PUBLISHED A PARTICIPATORY MANAGEMENT TOOLKIT FOR LOCAL GOVERNMENT PRACTITIONERS.
- ❖ A NEW INTEGRATED URBAN DEVELOPMENT PLANNING MODEL.
- ❖ A MODEL OF APARTMENT BUILDING STABILIZATION THROUGH ATTRACTING LOANS BY BUILDING MANAGEMENT BODIES.



THE URBAN FOUNDATION
for Sustainable Development

Decent Life in Sound Environment

Who we are and what we do?

We are a group of specialists in different areas of life that have worked together for more than ten years now. In April 2004, we legally registered our organization to institutionalize and streamline our activities. Our credo is to achieve highest possible quality in what we do and yield the best outcomes possible from what we do.

As concerned citizens, we want Armenia to become a truly democratic country. Rule of law, human rights and social justice are not buzzwords for us but rather difficult objectives that inevitably have to be achieved. Whatever we do, we strive to contribute our efforts to that cause.

All of us share the same values and ambitions – that is why we make a good team during work and good friends after work.

Our mission is to promote democratic transition of Armenia and achieve decent living standards for its population through provision of high quality technical advisory services, empowerment of local civil society organizations, community mobilization, and elaboration of efficient and innovative approaches in such areas as housing and public administration. We also support regional peace and cross-border dialogue in our turbulent region of South Caucasus.

Decent life in sound environment is our slogan.

How we started?

The Urban Foundation for Sustainable Development (UFSD) is an employee-owned non-for profit company. It is the spin-off of the Urban Institute (Washington D.C.) team that successfully implemented a multimillion USAID funded Earthquake Zone Recovery Project in 1999-2004. After completion of that project we legally registered the UFSD to continue to utilize the team's expertise and experience effectively.

We have an extensive experience of collaboration with national and local government as well as international partners and donors and are open for cooperation with likeminded partners.

In April of 2008, after four years of establishment, we invited a consultant who helped us to review what we had

done by then, evaluate our work and assess our capacities. In the result of this exercise, a strategic plan was developed for the coming five years.

Areas We Are Active In:

- Democratic transition and good governance
- Housing policy and social issues
- European integration and human rights
- Research, technical assistance and training

We act locally and internationally

In Armenia we have implemented over 30 projects in all 10 regions and in the capital Yerevan. About 30 urban and rural communities received support by UFSD. In abroad, UFSD has been providing support in 4 countries: Georgia, Turkey, Moldova, and Romania.

Donors and Partners

- VNG International (the Netherlands)
- Swiss Agency for Development and Cooperation (SDC)
- Counterpart International
- European Commission Delegation
- Eurasia Partnership Foundation
- Habitat for Humanity International
- Embassy of the UK
- Embassy of the USA
- The International Committee for the Development of Propels (CISP), Italy
- Frankfurt School of Finance and Management (Germany)
- KfW (Germany)/ Central Bank of Armenia
- US Department of State, Bureau for Population, Refugees and Migration
- United States Agency for International Development (USAID)
- Organization for Economic Cooperation and Development (OECD)
- The Urban Institute (Washington DC)
- Open Society Institute Assistance Foundation /World Bank
- Institute for Urban Economics (Russia)
- Government of the Republic of Armenia, Ministry of Urban Development and Shirak and Lori Regional Governors' Offices
- Internews Armenia
- A number of local municipalities

UFSD Activities

Projects

From adversaries to advocates: filling the communication gap in the regions of Armenia

Netherlands Ministry of Foreign Affairs MATRA program/VNG International

13 communities (Gyumri, Vanadzor, Alaverdi, Stepanavan, Noyemberyan, Ijevan, Sevan, Gavar, Martuni, Sisian, Goris, Kapan, Armavir)



This three year and three component project aimed at improving communication practices among municipalities, local media and civil society in the participating communities.

The project helped to establish good governance principles in the communities, improve information flow in the society, urge the authorities to work more openly and transparently and ensure participation of active people in the life of their community. In the frame of the project four local trainers were trained in the Netherlands who organized improved communications trainings throughout municipalities of Armenia. Meantime, local TV stations elaborated series of programs concerning community life. Later communities selected on a competitive basis provided resources to implement pilots directed to improving communications in their respective communities.

The partners of UFSD in this project were Communities Association of Armenia and Internews Armenia.

No Barriers for Communication

US Embassy in Armenia

The goal of the project was to facilitate effective communication process between the local government and

local civil society in target cities by introducing a practical platform for easy communication and collaboration with the aim of establishing democratic practices and good governance traditions.

The project introduced and implemented a practical model of improved communication in target communities between local governments, local media and civil society. The project enhanced the



knowledge gained during the trainings that had been designed and conducted for each of the target groups under the Dutch MATRA project. A forum for open discussion of priority community issues with involvement of all interested parties was created. Through a series of TV programs, the population became better informed what was being done in their community; public libraries of the involved cities were activated to serve as community centers.

2. Human Rights Education: Step Ahead

European Commission

Area of implementation: cities of Meghri, Kapan, Ararat, Vayk, Ashtarak, Aparan, Gyumri, Stepanavan, Alaverdi, and Yeghegnadzor.

The overall objective of the proposed action was to contribute to Armenia's democratic transition process and promotion of European values through facilitating local human rights activists' functions.

1. Regional active youth, students, local government representatives and wider intellectual publics in selected communities received comprehensive background knowledge about Armenia's advancement towards



European structures, its obligations and perspectives in the process of integration.

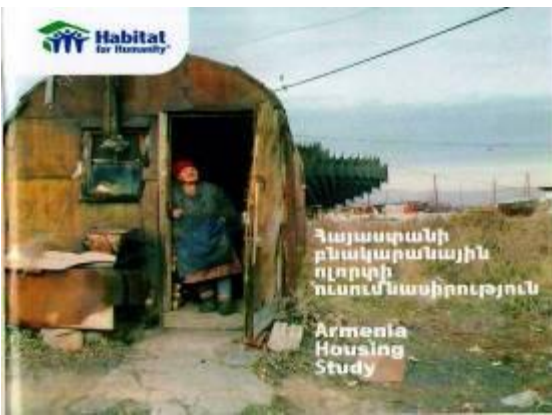
2. Committed young individuals received

advanced trainings to become advocates of human rights and democratic principles.

3. ToT was organized for those, who were empowered and capable for conducting courses in the regions of Armenia and became focal points for various regional actions such as monitoring of elections, freedom of assemblies, etc.

Armenian Housing Study
Habitat for Humanity International

A comprehensive research on housing affordability in Armenia from 5 perspectives: Property rights, Housing subsidies, Housing finance, Residential infrastructure, and Regulatory regime. In the meantime, the Study provided the most recent data and analysis on Armenian housing for researchers and practitioners.



European Integration and Gender Issues
Donor: British Embassy in Armenia
Area of implementation: Armenia and Turkey

The project aimed to promote better understanding of European integration as well as improve relations between Armenian and Turkish woman activists by initiating dialogue and



discussion between them about gender issues in the light of European integration of the two countries.

discussion between them about gender issues in the light of European integration of the two countries.

The UFSD's Turkish partner in this project was Marmara Educators Association. Both organizations as a first step produced video vox-pops in two capitals asking the passers-by to tell how they perceive the current and future relations of the two neighbors.



Later on, the Turkish delegation visited Armenia, met with women parliamentarians, female students of the Turkish Department of Yerevan State University, along with their Armenian counterparts participated seminar and TV program about women issues.

Affordable, Secure and Healthy Housing for Rural Inhabitants

Donor: Habitat for Humanity International
Area of implementation: v. Khachik of Vayots Dzor region and v. Nshavan of Ararat region



v. Khachik is a faraway, bordering and strategically important community. It is situated high in the mountains and has about 1100

population that faces enormous housing needs. Solving the housing problem is vital for the community as homelessness will force the population, especially youth to migrate form the village.

Habitat for Humanity supported a substantial program for improving the housing situation in the village. The Urban Foundation partnered HfH to implement that difficult project. Parallel to construction activities, mapping of housing needs of the community was conducted.



A smaller scale project is implemented in the village of Nshavan of Ararat region. Here, too, mapping of housing needs was conducted and renovation / repairing works

were carried out which were concluded with a housewarming event. Overall, houses of more than 80 families were renovated and/or repaired.

From Yerevan Municipal Election to the Transparent Governance of the City

Donor: Counterpart International
Area of implementation: Yerevan



UFSD in partnership with Helsinki Committee of Armenia conducted monitoring of the first Yerevan Municipal elections. Findings were prepared and disseminated through monitoring report and press conference.

Public Education for Improved Environment

Donor: SDC

Area of implementation: Alaverdi, Lori Region

The project was joint initiative of local authorities, civil society organizations, opinion leaders and media of the target cluster communities to promote knowledge and modify behavior about managing and dealing with household solid waste. The project had three directions:



1. a public education campaign for various age groups to manage the existing perceptions, to introduce new practices and to influence on mentality of the audience.

Parallel, a local taskforce trained

in environmental aspects, basics of waste separation and recycling, spread their knowledge throughout target communities.

2. Piloting, for the first time in Armenia, a plastic waste separation at source by households: the local government allocated spaces where special bins for separated plastic waste were placed.

3. Disseminating the findings and results: As this kind of activity is innovative shared lessons learned with all interested parties through internet, published report and dissemination Round Table.

Revitalizing Apartment Buildings in Armenia

Donor: Habitat for Humanity/International

Area of implementation: Vanadzor and Echmiadzin



The project was designed to improve the physical conditions of apartment buildings' common areas by introducing affordable renovation loan mechanism to be piloted for 2 selected apartment buildings in



the city of Vanadzor and 2 apartment buildings in the city of Echmiadzin by supporting households/owners) to improve living conditions in apartment buildings managed

by condominiums and a municipality.

Development and implementation of special awareness raising events on PET waste sorting

Donor: UNDP

Area of implementation: Vanadzor, Sevan, Hrazdan.

The goal of the project was to develop and implement public awareness campaign on separation of plastic bottles - PET - from solid household waste. The



awareness campaign will be conducted parallel



to the installation of special bins for PET in Vanadzor, Hrazdan and Sevan. The campaign will include

awareness building events, clean-ups, contests and exhibits. A special emphasis will be made on work with

children in target communities.

Armenia Decentralization Strategy: local democracy and citizen participation

Donor: USAID/ Counterpart International

Partners:

Communities Finance Officers' Association;

Communities Association of Armenia;

Communities Councilors' Association,

International Center for Human Development,

Information Systems Development and Training Center

The overall goal of the project was to develop Armenia decentralization strategy. One of the values of this strategy was the idea to draft it by partnership of NGOs specialized in the field of local government to ensure their ownership in promotion of approaches in the strategy and in acting as watchdogs for their implementation.

UFSD developed a section aimed at promoting citizen participation within the framework of a vision further development of Armenian local government system. This strategic document currently is on its way of wide discussion by public, government, and foreign experts.

Hand in Hand: Empowering Youth in Yeghegnadzor

Donor: USAID/Counterpart International

Area of implementation: Yeghegnadzor, Vayots Dzor Region.

The goal of the project was to empower local intellectual youth of Yeghegnadzor, Vayots Dzor marz, to participate in the decision making process in their community in an informed way. The project resulted in Increased awareness of the selected target group of young people on relevant issues of public participation. Issues of importance for the youth of Yeghegnadzor were identified and prioritized .



A Youth Initiative

Center was created at the local Branch of the Armenian State University of Economics. The Youth Center developed it's website – www.youthcenter.am – and managed to negotiate with local government to funds in the local budget for co-financing the renovation of the city

park. YIC applied and received a grant from OSFs Armenia which also will be directed to the renovation of the park.

Clean Akhuryan: contributing to the clean environment through improved solid waste management services

Donor: Royal Norwegian Embassy

This project started in 2011 will be continued also in 1012. The goal of the project is to improve efficiency of solid waste management (SWM) in Akhuryan rural community through technical assistance in service delivery, practicing of separation of plastic from household waste, and intensive public education:

In 2011, UFSD Signed MoU with Akhurian local government. A local working Group was Establish to identify and prioritize the Issues in solid



Waste management with the technical assistance of UFSD experts to draft SWM strategic plan. Study tour was conducted to

Alaverdi, the pilot community, where UFSD introduced for the first time in Armenia PET source separation model. To ensure efficient and transparent SWM, UFSD installed billing and collection software and trained the municipal staff to use it. In 2011 public information campaign aimed at promoting citizen education in separating PET from the waste launched:



UFSD broadcast PSA and installed signs in different districts of the community. UFSD and Akhurian municipality jointly installed 26 special bins foreseen plastic.

Partner: Akhuryan Municipality



Update of Global Housing Policy Index for Armenia

Donor: Habitat for Humanity International

UFSD under Habitat for Humanity support updated data for Armenia Housing Policy Index in five key areas: Property rights, Housing subsidies, Housing finance, Residential infrastructure, and Legislation. Summary analysis was prepared and submitted to HFHI.

International Activities

Capacity for integrated urban development: INTEGR-ABLE

The Black Sea Basin Joint Operational Programme 2007-2013 under the European Neighborhood & Partnership Instrument (ENPI) of the EU

The project started in 2011 will be continued also in 1012. Overall objective of the project is to create improved and synchronized capacity in the partner countries to plan integrated urban development and to promote it in the region.

Part of the activities in the project are integrated and carried out together by all partners. There are activities, which are implemented simultaneously in all partner countries.

In 2011, partners met in Tbilisi and developed common methodology and framework for conducting assessments in the field of urban development. Based on the developed tool, assessments have been conducted in all four countries:

*Partners:
Local Development Group – GDL, Romania,
Kutaisi Information Centre - KIC, Georgia,
Association of Mayors and Local Communities –AMLC,
Republic of Moldova*

Services

Capacities for local NGOs

UFSD's experts designed and conducted a tailored training on resource mobilization and local governance for NGOs (for instance, Armenian Young Lawyers Association (AYLA), Kapan Small Farmers' Association NGO).

The CamJo training was conducted under MATRA project "Improving Communication in Local Communities". This topic was proposed based on lessons learned in the course of project implementation. The training helped for cameramen from target stations to obtain broader perspective on TV reporting and additionally, introduced some journalistic skills to them. This will help address the chronic shortage and flow of human resources acquire knowledge and skills for making community reporting more attractive.

Legal Counsel

UFSD provided legal counsel for governmental, international and local organizations:

- KfW/Frankfurt School of Finance and management -housing finance
- Urban Institute - housing
- RTI International - waste management
- Habitat for Humanity International - housing
- RoA Ministry of Urban Development - housing
- Goris Municipality - apartment building management and maintenance
- Alaverdi Municipality - waste management
- Gyumri Municipality - housing
- Vanadzor Municipality - housing, apartment building management and maintenance
- Stepanavan Municipality - housing
- Akhurian Municipality - housing, waste management
- Shirak Competitiveness Center - organizational
- Third Nature NGO
- Meghvik NGO
- Sakharov Human Rights NGO, Gyumri branch
- Yerink NGO
- Goris "Sandi Dzor" Condo

Development Consultancy

UFSD:

- supports in elaboration of proposals for submission to international institutions
- provides consultancy in fundraising

- serves as mediator and facilitator between international and local partners

Such consultancy is provided for the partner NGOs, local activists in different regions and for partner local governments.

Donor projects management

UFSD has sound donor project management experience. Our organization has been the manager of the following international organizations' projects:

- USAID/Urban Institute - Armenia Earthquake Zone Recovery Program: Technical Assistance to the Government of Armenia.
- US State Department/Bureau of Population, Refugees, and Migration - Housing Voucher Project, Kutisi, Georgia.
- KfW/Frankfurt School of Finance and Management - Development of Sustainable Housing Finance Market in Armenia
- Habitat for Humanity International - Rebuilding Khachik: Housing improvement in Khachik and Nshavan villages

Civic and Voluntary activities

Eastern Partnership Civil Society Forum (EaP CSF)

UFSD is among active participants of the Eastern Partnership Civil Society Forum from Armenia. It's involved in the activities of the Work-group 1 (Democracy, Human Rights, Good Governance, and Stability). UFSD representative Armine Tukhikyan was a delegate of the EaP CS 2nd forum in Berlin on November, 2010.

The EaP CSF is recognized by the European Commission as the representative forum of civil society organizations from Eastern partner countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) and EU civil society organizations active in the partner countries.

LDA network

UFSD became a member of the network of local democratic agencies (LDA). The creation of LDA was proposed in 1993 by the Standing Conference of the Local and Regional authorities of Europe as means of encouraging the maintenance and/or development of a democratic process at local level.

The following are the partners:

- City of Gyumri, host city

- Region Rhone-Alpes (France)
- Community Association of Armenia (Armenia)
- Regional Administration of Friuli Venezia Giulia (Italy)
- City of Yerevan (Armenia)
- City of Ijevan (Armenia)
- CISP - The International Committee for the Development of Propels (Italy)
- 2 National Armenia NGOs – UFSD, ICHD
- 2 Local Gyumri NGOs – Asparez Club, Shirak Center

Each one of these partners is committed to contribute to share the values of LDA, to set up actions and be fully involved in the projects of the Agency.

Public Consultations on the draft law of RoA on Solid Waste Management and Sanitary Cleaning

UFSD through Public Network (led by Araza NGO), organized Public Consultations on the draft law of RoA on Solid Waste Management and Sanitary Cleaning. The goal was to call back the draft from the Agenda of RoA National Assembly extraordinary session and to organize public consultations to widely discuss and remove the deficiencies of the aforementioned draft law.

Share Fair, Rome

UFSD shares experience:

UFSD's Armine Tukhikyan participated in international environmental for – Share Fair, Rome – were participants aimed at exchanging experiences gained in the course of implementation of environmental projects in different countries.

UFSD particularly presented it's pilot project related to separation of plastic bottles from the entire solid waste as well as new initiatives pertaining to reduction of plastic bags and lunching environmental education at schools and kindergartens.



UFSD's Expert's Article in Turkish Policy Quarterly

UFSD's expert in Armenian-Turkish relations Hakob Chakryan, published an article "Turkey's Armenian Policy and Energy Security in the South Caucasus" in Turkish Policy Quarterly.

Summary of the Article: Armenia - Turkey rapprochement is important not only for alternative regional energy solutions but also for the establishment of peace and



stability in the Caucasus. The United States, in the context of President Obama's policies emphasizing engagement rather than confrontation, has encouraged Turkey to refrain from isolating Armenia. The West is by now convinced that Azerbaijan cannot serve as an alternative to Russia for natural gas supplies. One reason for this is

Azerbaijan's small production volume. Another is the instability of the transit route, highlighted again by the August 2008 "South Ossetia War".

Membership

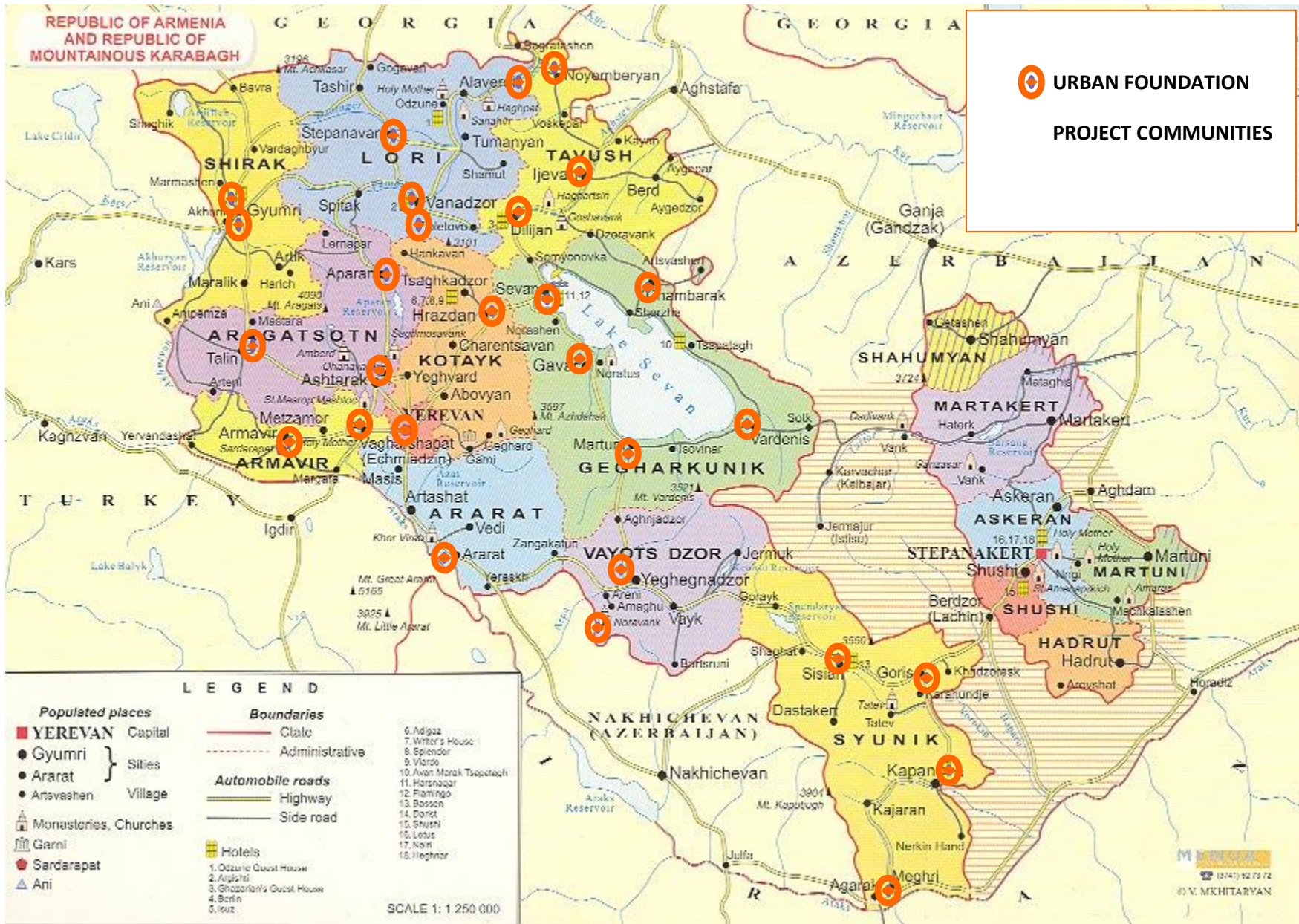
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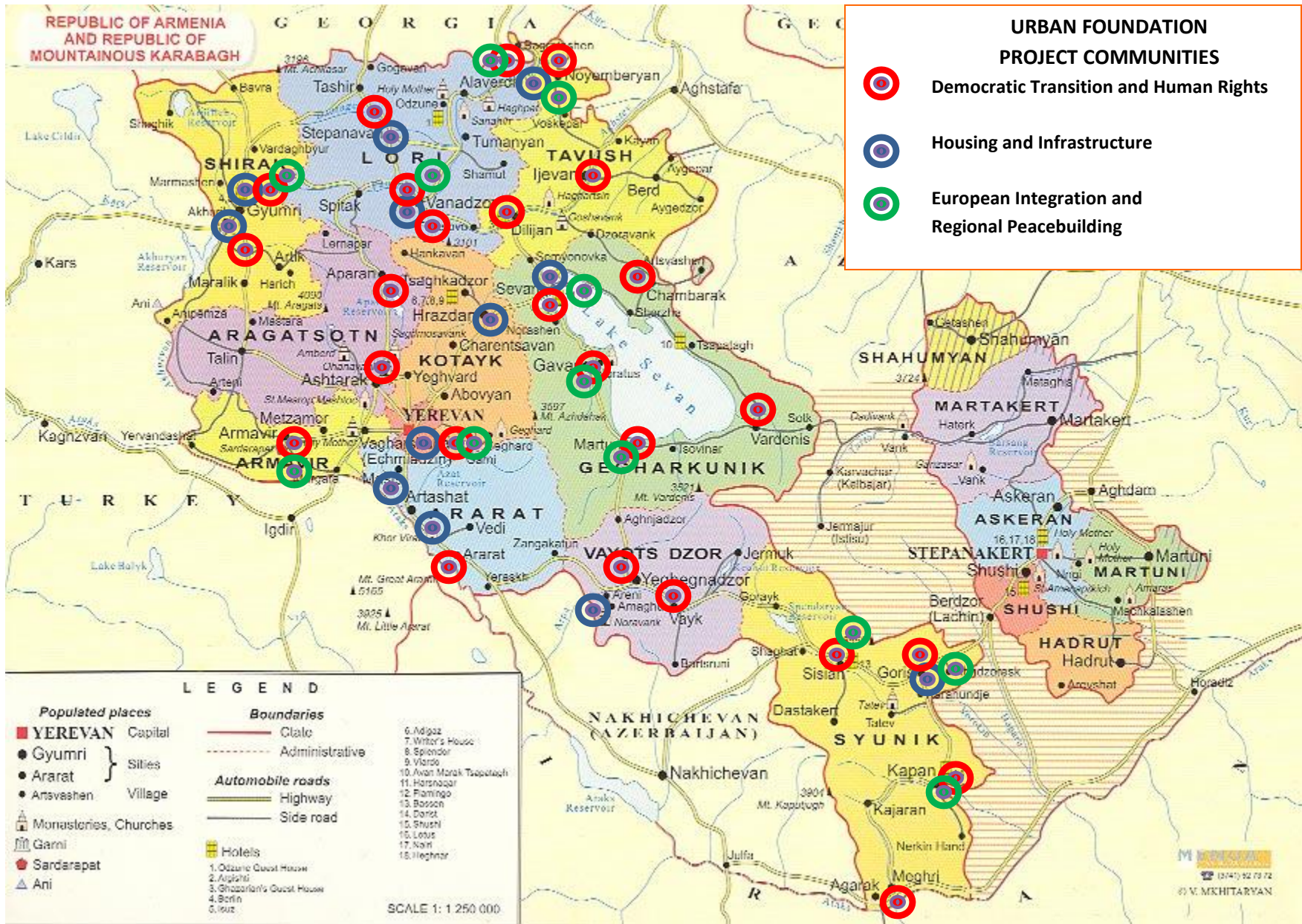
- Eastern Partnership Platform, Armenia
- Local Democratic Agency, Armenia
- Middle East Strategic Research Center at Zirve University, Turkey.

COUNTRIES AND LOCALITIES COVERED BY UFSD IMPLEMENTED PROJECTS

##	Project Title	Countries	Communities
1.	Capacity for integrated urban development: INTEGR-ABLE	Armenia, Romania, Georgia, Moldova	12 communities TBD
2.	Clean Akhuryan: contributing to the clean environment through improved solid waste management services	Armenia	Akhuryan
3.	Global Housing Policy Indicators: Update and Analysis Data for Armenia	Armenia	Armenia
4.	Hand in Hand: Empowering Youth in Yeghegnadzor	Armenia	Yeghegnadzor
5.	Public Consultations on the draft law of RoA on Solid Waste Management and Sanitary Cleaning	Armenia	Yerevan
6.	Armenia Decentralization Strategy: local democracy and citizen participation	Armenia	Yerevan
7.	Development and implementation of special awareness raising events on PET waste sorting	Armenia	Vanadzor, Hrazdan and Sevan
8.	Revitalizing Apartment Buildings in Armenia	Armenia	Echmiadzin, Vanadzor
9.	Public Education for Improved Environment	Armenia,	Alaverdi
10.	From adversaries to advocates: filling the communication gap in the regions of Armenia	Armenia	Gyumri, Vanadzor, Armavir, Noyemberyan, Alaverdi, Gavar, Martuni, Sevan, Kapan Sisian, Goris
11.	Human Rights Education: Step Ahead	Armenia	Ararat, Yeghegnadzor, Vayk, Kapan, Meghri, Ashtarak, Aparan, Stepanavan, Alaverdi, Gyumri
12.	No Barriers for Communication	Armenia	Noyemberyan, Alaverdi
13.	Armenian Housing Study	Armenia	Armenia
14.	European Integration and Gender Issues	Armenia, Turkey	Yerevan, Istanbul
15.	Affordable, Secure and Healthy Housing for Rural Inhabitants	Armenia	Khachik, Nshavan
16.	From Yerevan Municipal Election to the Transparent Governance of the City	Armenia	Yerevan
17.	Development of a Sustainable Market for Housing Finance in the Republic of Armenia - Phase 3	Armenia	Yerevan, Gyumri, Vanadzor
18.	Earthquake Zone in 2008: A Look from 20 year distance: Disaster-Recovery-Development	Armenia	Yerevan, Gyurmi
19.	Efficient Management and Maintenance of Housing for Refugees in Armenia provided by UNHCR- Phase 3	Armenia	Goris
20.	Human Rights Education: Step by Step	Armenia	Sevan, Vardenis, Martuni, Chambarak, Talin, Aparan, Goris, Sisian, Kapan
21.	Promoting Armenian-Turkish Cross-border Dialogue in Light of the Euro-integration	Armenia, Turkey	Yerevan, Vanadzor, Istanbul

Process: Vision for Regional Youth			
22.	Youth Will Not Tolerate The Fraud For The Sake Of Their Future	Armenia	Ijevan, Dilijan, Vanadzor, Gyumri, Akhuryan, Gugark
23.	Efficient Management and Maintenance of Housing for Refugees in Armenia provided by UNHCR-Phase 2	Armenia	Goris
24.	IDP Housing Voucher Pilot Program- Phase 2, Kutaisi, Georgia	Georgia	Kutaisi
25.	Armenia's obligations in European integration processes: Dialogue with regional youth – Phase 2	Armenia,	Vanadzor
26.	Efficient Management and Maintenance of Housing for Refugees in Armenia provided by UNHCR- Phase 1	Armenia	Goris
27.	Armenia's obligations in European integration processes: Dialogue with regional youth – Phase 1	Armenia,	Gyumri
28.	Armenia Earthquake Zone Recovery Project, Technical Assistance to Provision of Housing Purchase Certificates Financed under 2005 Armenia State Budget Expenditure Program for Housing project in Gyumri and Stepanavan	Armenia	Gyumri, Stepanavan, Yerevan
29.	Development of a Sustainable Market for Housing Finance in Armenia: feasibility study and project formation-phase 2	Armenia	Yerevan
30.	Awareness Building for Improved Urban Environment	Armenia	Gyumri
31.	The Role of Central Government in Facilitating the Development of Decentralized Water Supply and Sanitation (WSS) Services: the Case of Armenia: a focus on the financial dimension	Armenia	Yerevan
32.	IDP Housing Voucher Pilot Program- Phase 1, Kutaisi, Georgia	Georgia	Kutaisi
33.	Development of a Sustainable Market for Housing Finance in Armenia: pre-feasibility study and project formation-Phase 1	Armenia	Yerevan







INDEPENDENT AUDITOR'S REPORT
Report on the Financial Statement

To the Director of URBAN Foundation for Sustainable Development
Mr. Samvel Nazaryan

We have audited the financial statement of the "From Adversaries to Advocates: Filling the Communication Gap in the Regions of Armenia" Project for the period April 01, 2008 to March 31, 2011, which has regard to an amount of 234,169 EUR.

Management's Responsibility for the Financial Statements

The financial statement is the Responsibility of Urban Foundation for Sustainable Development. Management is responsible for the preparation and fair presentation of the financial statement of the Project "From Adversaries to Advocates: Filling the Communication Gap in the Regions of Armenia". This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

We conducted our audit in accordance with generally accepted auditing standards and DZO's audit guidelines for Matra projects. Generally accepted auditing standards required us to plan and perform our audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, based on our audit, the financial statement of the Project "From Adversaries to Advocates: Filling the Communication Gap in the Regions of Armenia", which we have certified, gives a complete, true and accurate view of the income and expenditure of the above-mentioned project. In addition, the conditions stipulated in the grant decision have been complied with.

Yerevan, April 15, 2011

Anahit Musaelyan
Auditor

Hayk Margaryan
Director
Trust Audit



"Urban" Sustainable Development Foundation
Auditor's Report on the financial statement of the Project "From Adversaries to Advocates: Filling the Communication Gap in the Regions of Armenia" for the period from 01.04.2008 to 31.03.2011



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