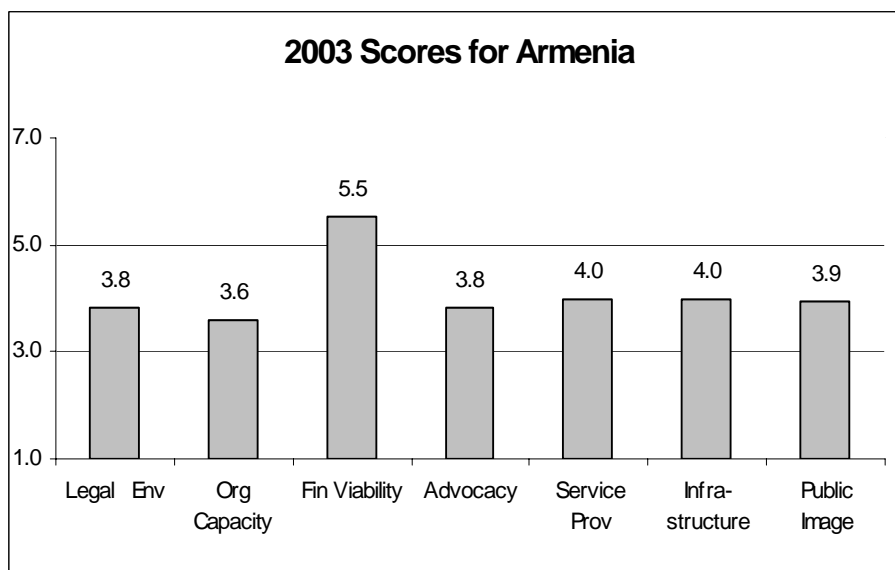

ARMENIA



Capital:
Yerevan

Polity:
Presidential-
parliamentary
democracy

Population:
3,800,000

**GDP per capita
(PPP):** \$2,559

NGO SUSTAINABILITY: 4.1

Despite few changes in the economic environment and a series of controversial elections, Armenian NGOs made progress in 2003. The NGO community was very active during both Presidential and Parliamentary elections. Regional-based coalitions of NGOs emerged to coordinate their activities in the southern regions of Armenia. Through the joint efforts of NGOs and MPs, the Na-

NGO SUSTAINABILITY	
2003	4.1
2002	4.2
2001	4.4
2000	5.0
1999	5.1

tional Assembly enacted the Freedom of Information Act. A number of youth-led NGOs successfully competed with their elders in obtaining grants from donors. Two NGO conferences were held in the regions, resulting in coalitions being formed around specific issues. A number of women NGO leaders participated in the development of Armenia's National Plan of Action on Gender. A national association of NGOs working to combat domestic violence is being formed. According to the Ministry of Justice, there are 3,565 registered NGOs of which two-thirds are active.

LEGAL ENVIRONMENT: 3.8

There are three pieces of legislation regulating the third sector: the Law on Public Organizations (2001), a Charity Law

(2002), and a Law on Foundations (2002). The majority of NGOs in Armenia are registered under the Law on Public Organiza-

tions, although now that the Law on Foundations allows entrepreneurial activities, some NGOs are registering as Foundations – according to the Ministry of Justice

LEGAL ENVIRONMENT	
2003	3.8
2002	3.8
2001	4.0
2000	4.0
1999	4.0

there are 406 foundations in Armenia. A recent survey of 151 NGOs around the country showed that 96 percent of those polled would like to have the right to engage in entrepreneurial activities. Although this issue simmered for two years, NGOs finally realized that they will have to conduct a serious advocacy and lobbying campaign to win an amendment to change the law. However, given the current composition of the National Assembly, this undertaking may meet resistance from parliament.

NGOs still encounter a lack of legislation governing the status of volunteers. NGOs

experience difficulties with the Social Security Fund over social payments for volunteers. For example, in Vanadzor an NGO is contesting penalties for non-payment of wages and social security deductions. In response, the NGO held several press conferences and started a media campaign around the issue of voluntarism.

Through World Learning, legal clinics are held in Yerevan and in the regions on a monthly basis. An ICNL-trained Armenian lawyer provides legal advice to NGOs and leads discussions about current legislative initiatives and status of implementation of enacted laws affecting NGOs. Legal libraries have also been established in World Learning's regional offices.

ORGANIZATIONAL CAPACITY: 3.6

The NGO sector progressed in three areas in 2003: constituency relations, internal management, and use of volunteers. NGOs began to reach out to their constituents, enrolling them as members, and seeking their involvement on a variety of issues.

ORGANIZATIONAL CAPACITY	
2003	3.6
2002	3.9
2001	4.0
2000	5.0
1999	5.0

Many of the NGOs working on the rights of the disabled have large and active constituencies, as do those working in the area of poverty reduction. Board development remains a challenge for most NGOs. While most of them have boards, they are mainly figureheads with no real involvement in the affairs of the NGO. Although most of the

older more established NGOs still evolve around individual leaders, there are a number of younger NGOs exhibiting sound management skills. Despite the perennial chase after grants, many NGOs have found their niche and resist the temptation to change their missions with every call for proposals. NGOs in the regions are increasingly able to compete for funding on equal footing with those in the capital. NGOs recruit and make frequent use of volunteers. A group from nine NGOs drafted a Code of Conduct for NGOs, using international best practices. They presented the draft Code in public meetings with approximately 100 NGOs throughout the country. A working group of 20 NGOs has been established to distribute the draft code for final recommendations and approval early next year.

FINANCIAL VIABILITY: 5.5

The Armenian economy and restrictions on NGOs carrying out income-generating activities continue to impede NGOs from becoming financially viable. The major source of funding for NGOs continues to be international donors, and there is an increasing number of NGOs able to compete for this funding. Although there are some Armenian Diaspora foundations present, they tend to fund humanitarian activities. There is a weak tradition of philanthropy although some of the larger Armenian companies have provided in-kind donations to NGOs working on children's issues and the disabled. Only a few NGOs have set up separate companies so that they can

FINANCIAL VIABILITY

2003	5.5
2002	5.6
2001	6.0
2000	6.0
1999	6.0

carry out income generating activities. Fundraising has become a priority for many NGOs who realize that international donor support is finite. Consultants have been brought in to provide training and technical assistance in fundraising. There has been considerable talk about social partnerships and social contracting in numerous seminars and roundtables. Although the government is willing in spirit, they have yet to allocate funding for services rendered by NGOs. At the local level, there is an increasing amount of in-kind support from regional and municipal governments to NGOs. The financial management skills of NGOs have improved as a result of considerable training and exposure to grants.

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ADVOCACY: 3.8

One of the most notable successes of 2003 was the increase in NGO advocacy initiatives. A contributing factor may have been the controversial Presidential and Parliamentary elections held in February

ADVOCACY

2003	3.8
2002	4.2
2001	4.0
2000	5.0
1999	5.0

and May 2003. The NGO community was quite active prior to and during both elections. Whether it was organizing concerts to get out the youth vote or debates with parliamentary candidates on the issue of disability, NGOs were quite visible. A number of NGOs monitored party platforms, some monitored media coverage while another monitored political party financing. While

some of the election-related activities were donor-driven, there were quite a few local initiatives, including the domestic observation of the elections, monitoring of political party financing, and the transportation of elderly and disabled to polling stations.

Once the new parliament was in session, MPs invited NGOs to participate as members of special independent commissions on disabilities, human rights and refugees. A two-year joint effort by a coalition of NGOs and MPs helped secure the passage of Armenia's first Freedom of Information Act in September. In addition, NGOs contributed to National Action Plans on Gender, Trafficking in Persons, and the Poverty Reduction Strategy. An increasing

number of NGOs are involved in initiatives addressing issues of corruption in a variety

of areas from schools and pharmaceuticals to small business.

SERVICE PROVISION: 4.0

SERVICE PROVISION	
2003	4.0
2002	4.0
2001	4.0
2000	4.0
1999	5.0

There was no real change in the area of service provision. While a large number of NGOs provide an array of social and health services, they do so with donor funding. Although the government recognizes the contribution that the NGOs are making to society this is not reflected

when it comes to budget allocations. Some social partnership initiatives between local government and NGOs exist in the regions but the contributions remain in-kind rather than payment for services. The government is beginning to look to NGOs for expertise on a number of issues but is not prepared to pay for this type of service. There is still need for legislation concerning public procurement and a code of conduct to go with it.

INFRASTRUCTURE: 4.0

NGOs in Yerevan and the regions are able to obtain a wide range of training and personalized consultations through World Learning's NGO Strengthening Project and the Armenian Assembly of America's NGO Centers. NGOs receive training in proposal writing, fundraising, financial management, and organizational development.

INFRASTRUCTURE	
2003	4.0
2002	4.2
2001	4.5
2000	6.0
1999	5.5

Both of these organizations also provide grants. There are now a few Armenian NGOs giving out small grants for Parent Teachers Associations and civil society projects. This summer the Southern Block Coalition was created and held a conference with over 150 local NGOs participating from nine towns. The participants de-

cidated on nine issues that needed to be addressed and elected board members to lead working groups on each issue. Representatives of local government, mayors, and members of Parliament attended the conference. Other active coalitions are working on issues of domestic violence, anti-trafficking, anti-corruption and the rights of pre-trial detainees. There are now a number of capable Armenian NGO management trainers providing expertise to local and international organizations. A number of partnerships between NGOs, media and local government were formed this past year. In Vanadzor, twenty high school students spent a month "shadowing" local government officials in a project facilitated by three NGOs. This program is now being replicated in other regional cities.

PUBLIC IMAGE: 3.9

NGOs received considerable coverage in the print and broadcast media over the past year. NGOs are beginning to understand public relations and have made

PUBLIC IMAGE	
2003	3.9
2002	4.0
2001	4.0
2000	5.0
1999	5.0

progress in their relations with the media. A large number of NGOs use the media, particularly television, as a part of their public awareness campaigns. However, despite the increase in press coverage, more work needs to be done on public outreach. A recent survey reported that only 30 percent of inter-

viewees were able to name an NGO. On the positive side, of those who could name NGOs, 61percent thought that NGOs are essential or very necessary. Civil society's involvement in the elections was publicly praised by the international community and was generally seen by the public in a positive light. The government's perception of NGOs improved. The government solicited numerous NGOs to express their views and opinions on government working groups. Additionally, businesses took more notice of NGOs and began to engage in a limited form of corporate philanthropy.

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