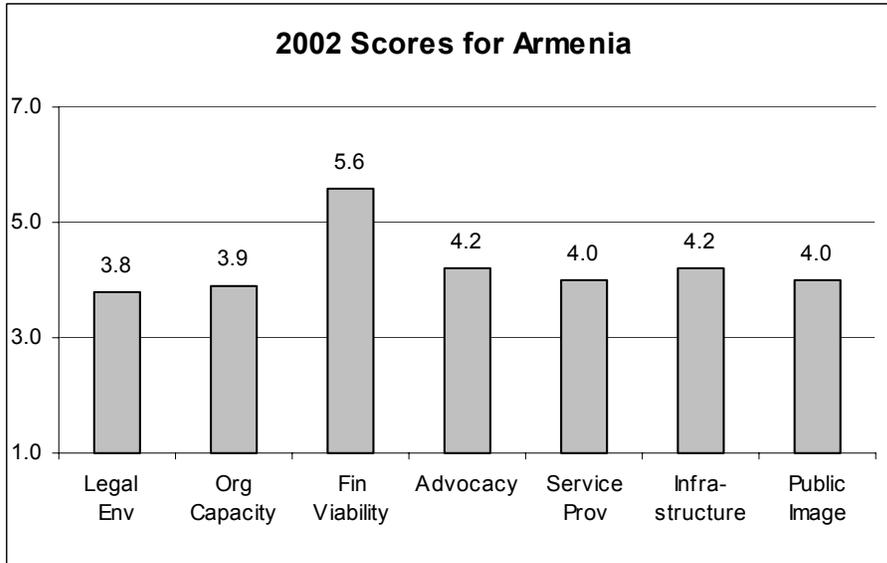


# ARMENIA



**Capital:**  
Yerevan

**Polity:**  
Presidential-parliamentary democracy

**Population:**  
3,330,099

**GDP per capita (PPP):** \$3,350

## NGO SUSTAINABILITY: 4.2

According to the Ministry of Justice, there are 2,815 registered NGOs, approximately 75% of which are active. The situation of

NGO SUSTAINABILITY	
2002	4.2
2001	4.4
2000	5.0
1999	5.1
1998	5.5

Armenian NGOs has continued to improve over the past year. Progress is visible particularly in the regions, where grants programs targeting nascent NGOs have given rise to a flurry of activity in formerly neglected areas of the country. Over the summer, NGOs in each region collaborated on putting together exhibitions for the first NGO fair in Armenia, which took place in Yerevan in November 2002. Signs of progress can also be seen in areas

such as organizational capacity and infrastructure. Partnerships between local authorities, on both formal and informal basis have increased this year. Local governments have begun to include NGOs on budget reviews and capital planning exercises and are providing in-kind support to local groups. Nowadays it is not uncommon to see NGOs included in working groups led by the central government, such as groups focused on anti-trafficking and children's rights. Nevertheless, Armenia's frail economy and difficult social conditions continue to hamper the sustainable development of NGOs. Despite the fact that most NGOs are reliant on the international community for financial support, the programs of a significant core group of advanced NGOs are pro-active rather than donor-driven.

## LEGAL ENVIRONMENT: 3.8

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At the moment, the Law on Public Organizations, passed in December 2001, is the primary law regulating NGO activities. While most NGOs are satisfied with the

LEGAL ENVIRONMENT	
2002	3.8
2001	4.0
2000	4.0
1999	4.0
1998	5.0

law, there have been complaints concerning implementation. NGOs, particularly in the regions, have encountered lengthy procedures due to faulty interpretation by civil servants. A recent training of NGO legal experts and their counterparts from various ministries on the NGO legal framework may result in an amendment that would finally allow NGOs to engage directly in entrepreneurial activities. Additionally, there are two laws in draft form, one on charities and the other on

foundations, which are near completion. The former will regulate humanitarian organizations and the latter foundations. The draft law on charities, which has already passed the third hearing in the National Assembly and only needs the President's signature to become law, has incorporated many suggestions by ICNL and the NGO community, including the notion of public benefit status. However, despite attempts by NGOs and ICNL to have it taken out, the law contains a clause stating that charitable status, and hence tax exemption, will be granted on a project-by-project basis rather than to an organization as a whole. Unlike the Law on Public Organizations, the draft law on Foundations, which incorporated input from ICNL, does allow foundations to engage directly in entrepreneurial activities.

## ORGANIZATIONAL CAPACITY: 3.9

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Despite the ever-present competition for grants from the limited number of donors, NGOs are beginning to define and stick to their missions. An

ORGANIZATIONAL CAPACITY	
2002	3.9
2001	4.0
2000	5.0
1999	5.0
1998	5.0

increasing number of NGOs are availing themselves of training in the area of institutional development. NGO strengthening programs have increased Armenian NGO capacity in the areas of personnel and financial management, board development and program monitoring. Volunteerism,

given the economic environment, is still rare and mainly initiated by international NGOs. Although the majority of salaried NGO employees are funded through projects, there are an increasing number of employees who volunteer their time between grants. Training, technical assistance and grants to regional NGOs are gradually lessening the divide between the capital and the region in terms of organizational capacity. NGOs active in the regions are beginning to intensify work with constituents at grass-roots level on issues such as domestic violence and poverty reduction.

## FINANCIAL VIABILITY: 5.6

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While the economic situation remains virtually the same, there is a light at the end of the tunnel for NGOs in the form of growing

FINANCIAL VIABILITY	
2002	5.6
2001	6.0
2000	6.0
1999	6.0
1998	6.0

recognition on the part of local governments of the utility of NGOs. Although this has not yet taken the form of grants or payment for services, many local governments are providing NGOs with in-kind donations in the form of free office space or transportation. Some

NGOs have formed separate companies so that they can offer services for a fee. On the whole, NGOs remain dependent on international donors for funding and find it difficult to sustain their activities without a constant infusion of outside support. Local sources of private philanthropy are still more or less nonexistent. NGOs' capacity to absorb large grants has increased significantly. For the first time in its ten-year history in Armenia, USAID began to give grants directly to Armenian NGOs who were able to satisfy USAID's administrative and financial management requirements.

## ADVOCACY: 4.2

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The slight drop in score from last year can be partially explained by the fact that it was the first year of an advocacy grants program and therefore the beginning of true advocacy efforts in Armenia. Expectations were high but since advocacy initiatives take considerable time to reach fruition, the impact is not always immediate. Nevertheless, advocacy efforts of NGOs

ADVOCACY	
2002	4.2
2001	4.0
2000	5.0
1999	5.0
1998	6.0

have resulted in several initiatives presently being reviewed by the National Assembly covering a wide range of issues. For example, an NGO comprised of parents of disabled children have cooperated with Ministries and MPs on the elaboration of amendments to five different laws and six regulations affecting disabled children's access to public education. Another NGO has advocated for the adoption of a law on the privatization of refugees' dwellings, patients' rights, and the family code. There

has, however, been a tendency to confuse advocacy with legislative drafting, resulting in a number of initiatives involving amendments to legislation but a disappointing lack of advocacy campaigns involving constituents. Due to the nature of Armenian politics, the practice of advocacy and lobbying remains a matter of personal contacts rather than broad-based initiatives. There have been coalitions formed around specific issues such as the Poverty Reduction Strategy Paper, domestic violence, anti-trafficking and Anti-Corruption. With local elections in October 2002, and Presidential and Parliamentary coming up in early 2003, a number of election-related initiatives involving NGOs at both the regional and national levels are being planned and implemented. Work with community groups and local election commissions on voters lists, training in election observation and voter education are some of the activities undertaken by NGOs.

## SERVICE PROVISION: 4.0

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There are an increasing number of NGOs providing much-needed social services. Soup kitchens for the elderly, hospice care

SERVICE PROVISION	
2002	4.0
2001	4.0
2000	4.0
1999	5.0

for the terminally ill, sex education in secondary schools and hygiene for preschoolers are some of the services provided by the NGO sector.

Alas, international donors, rather than the Armenian public sector, fund the majority of these activities. There have been positive signs on the part of at least one Ministry (Social Security)

aimed at creating social partnerships with NGOs. A model program of social partnership has begun in Lori marz (region) where NGOs have been provided with an office in the newly created Integrated Social Service center. There is still resentment on the part of certain ministries that donor funding is going directly to NGOs rather than the government. The range of services offered by NGOs has broadened somewhat to include assistance to small businesses and media organizations; however, on the whole, the sector's 'product line' has not diversified.

## INFRASTRUCTURE: 4.2

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Intermediary Support Organizations (ISOs) and NGO Resource Centers have added branches now covering a large part of the country. Training and consultations are

INFRASTRUCTURE	
2002	4.2
2001	4.5
2000	6.0
1999	5.5

provided on proposal writing, financial reporting and organizational development. International donor funds

are re-granted through the Yerevan offices of the ISOs to regional NGOs for a particular project or as start-up funds. A cadre of local trainers has been formed, but in-

ternational donors fund these trainers. Few, if any NGOs, have their own resources to hire trainers themselves. As yet there are no community foundations using local funding for NGOs, although there are a few NGOs who collaborate with community action groups to raise some limited funds for community projects, such as repairing water pipes and cleaning public spaces. NGO networks have been formed around several issues: integration of handicapped children into the community and public education system; mass media regulations; freedom of information and domestic violence.

## PUBLIC IMAGE: 4.0

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There has been no major change in media coverage of NGO activities this year. Both print and broadcast media cover most major events organized by NGOs but do not offer any real analysis. While NGOs and media continue to

PUBLIC IMAGE	
2002	4.0
2001	4.0
2000	5.0
1999	5.0
1998	5.5

work closely on certain issues of mutual interest – anti-corruption or elections, most press coverage remains passive. NGOs continue to work with both private and public television to produce public service announcements and/or documentaries. Many stations will provide airtime for free or at a reduced cost for NGOs to broadcast PSAs or do more programs with the participation of NGO representatives. It is

## 2002 NGO Sustainability Index

too early to see the results of recent targeted training for journalists and NGOs on media relations. The population at large still only recognizes the names of a few NGOs and those are mainly service providers. NGOs continue to make an effort to establish cooperative relations with government, particularly at the local level.

Over the past year, several ministries have invited NGOs to participate on working groups, including those focused on anti-trafficking and children's rights. Few, if any NGOs publish their annual reports, although this is due more to a lack of finances than lack of transparency.