



CENTER FOR REGIONAL DEVELOPMENT
TRANSPARENCY INTERNATIONAL ARMENIA



BI-ANNUAL REPORT

2002-2003

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1. ORGANIZATIONAL DEVELOPMENT

In June 2003, the Center for Regional Development (hereinafter the Organization) adopted a Code of Conduct to guide its members, staff, experts, consultants and volunteers in their day-to-day work, interactions, and decision-making, as well as ensure transparency and accountability of the organization performance. The Organization was committed to uphold high standards of integrity and liability, act according to the core values and guiding principles of the Organization and promote these standards and principles.

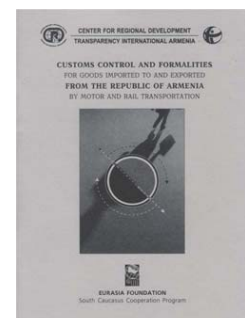
In 2002, Bagrat Tunyan and in 2003 Tigran Aloyan quitted their membership with the Organization. The total number of members as of December 2003 was 14 people. Members of the new Board included Amalia Kostanyan (Chairwoman/Executive Director), Arevik Saribekyan, Sona Ayvazyan, Naira Gyulnazaryan and Varuzhan Hoktanyan. The Oversight Committee involved Marine Ghazaryan and Gohar Minasyan.

2. GRANT PROJECTS

Promoting Transparency at Regional Customs

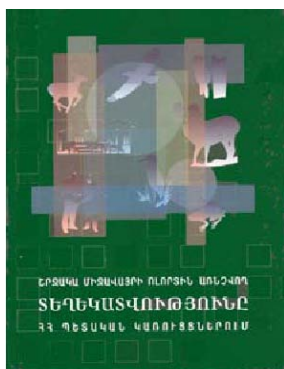
In July 2002, CRD/TI Armenia completed the project “Promoting Transparency at Regional Customs” initiated in September 2001. The project was implemented in partnership with the Entrepreneurship Development Foundation of Azerbaijan and Association of Young Economists of Georgia, and funded by the Eurasia Foundation South Caucasus Cooperation Program.

Main objectives of the project were the evaluation of the general situation related to regional customs services, identification of major problems and development of recommendations to promote transparency and predictability at customs services in the South Caucasus. The project published booklets in Armenian, Russian and English on customs regulations and procedures for key beneficiaries in order to provide better access to the relevant information and encourage individuals and companies to resist corrupt practices when crossing the borders. It also produced brochures in Russian and English languages about the history and structure of customs administration in three countries of the South Caucasus, the summary and comparative analysis of regulations, as well as the lists of customs-related legal and normative acts.



Who is Who in the Environment in Armenia

In order to support implementation of the UN Economic Commission for Europe Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention) in Armenia, the Organization developed a directory of government institutions responsible for environment-related policies and possessing environmental information. The project implemented during March-July 2002 was conducted with funding of the United Nations Environment Programme supported by the OSCE Office in Yerevan.



The directory contained meta-information (information about information) on 70 state institutions representing the Government of the Republic of Armenia, included regional government bodies. Provided data includes contact information, structure and the environment-related functions of the institution, as well as the type, form, scope and confidentiality of the available environmental information. This directory was the first such initiative in the region and served as an example for further projects on creating meta-information systems in South Caucasus countries.

Country Corruption Assessment: Public Opinion Survey

In April-May 2002, the Organization, in cooperation with Civil Society Development Union and Development Network, conducted a nationwide survey to assess the public perception on corruption-related matters. The project was funded by the British Government and USAID Mission to Armenia and supported by the OSCE Office in Yerevan.



Presentation of survey results by experts of implementing organizations

The sample of the survey included 1,000 households, 200 entrepreneurs and 200 public officials. Results of survey analysis were published and widely disseminated to the government institutions, civil society representatives, international organizations and other interested parties. The project findings were also provided to the independent experts' group engaged in drafting the National Anti-Corruption Strategy Program.

Anti-Corruption Public Service Announcements (PSAs)

In November 2002, CRD/TI Armenia, in cooperation with the “Independent Filmmakers” Creative Group, produced anti-corruption PSAs aimed at raising public consciousness on the corruption-related issues and encouraging citizens’ participation in anti-corruption movement in Armenia. Armenian Representative Office of the American Bar Association’s Central European and Eurasian Law Initiative provided funding for the production of films to the “Independent Filmmakers” and for the broadcasting - to the Organization.



Three 40-second PSAs were developed to raise awareness on devastating consequences of corruption, the chain of corruption engaging all the layers of the society and the citizens’ responsibility to fight against corruption. A 20-minute documentary was produced to propose real mechanisms of fighting corruption based on real examples of the NGO Coalition member organizations. PSAs were presented and discussed at a conference of stakeholders and broadcasted through three TV channels of Armenia.

National Anti-Corruption Resource Center

In November 2002 CRD/TI Armenia received funding from the Swiss Agency for Development and Cooperation to establish a National Anti-Corruption Resource Center. The goal of the project is to provide the representatives of the civil society, government institutions and international community with up-to-date information on relevant political, economic and social reforms being undertaken in Armenia, local and international experience in fight against corruption as well as organize different events aimed at increasing public awareness on the phenomenon of corruption and the need to resist it.



Anti-Corruption NGO Coalition members’ working meeting in the Anti-Corruption Resource Center

The project intended to organize anti-corruption campaigns, educational and training programs for the civil society representatives, round-table discussions on relevant topics and other events aimed at increasing public awareness and encouraging civil society to participate in fight against corruption.

In 2002-2003, the project established a library to provide updated information on anti-corruption and good governance issues (about 1000 items), developed an anti-corruption website and created a database of relevant political, economic and social reforms being

undertaken in Armenia. In 2004, the project planned to open units of the Anti-corruption Resource Center in 5 regions of Armenia to facilitate and ensure access to the Center's services and resources outside the capital.

National Integrity System Assessment

From December 2002 throughout 2003, the Organization conducted a study of the National Integrity System with funding of the British Embassy Yerevan Foreign and Commonwealth Office. The study aimed at assessment of functioning of the pillars of such a system in Armenia, identification of the most critical problems and search for their solutions, development of policy recommendations to promote more effective anti-corruption programs in Armenia, organization of an open debate about the ways of curbing corruption and defining the duties and tasks of each sector in this nationwide movement, etc. A publication, summarizing the results of the study, was to be presented and disseminated at a national workshop conducted in the end of the project in February 2004.

Monitoring of Parties' Campaign Finances during the 2003 Parliamentary Elections

During March-July 2003, the Organization, with support of the Open Society Institute, Assistance Foundation - Armenia, implemented a project designed to increase transparency of the political party finance in the parliamentary elections of 2003 and raise public awareness on parties' campaign funding and expenditures. Project activities included cooperation with parties to gather data about their pre-election funds, an independent monitoring of parties' revenues and expenditures during the campaign period, and a comparative analysis of the collected information to disclose possible discrepancies. Based on project results the Organization developed recommendations aimed at promoting more transparency and accountability in party campaign finance during parliamentary elections. Results of the 2003 parliamentary elections campaign finance monitoring were used by the Armenian oppositional political parties to defend their case brought to the Constitutional Court to claim against violations of electoral procedures.

Expenditure Tracking and Performance Monitoring in Schools of Shirak Marz of Armenia

In June 2003, the Organization started a project to introduce elements of participatory public expenditure management in the selected communities of Shirak Marz, implemented with funding of OXFAM Great Britain Armenian Branch Office. The project was designed to promote the idea of transparent and accountable school boards to enable schools to manage their scarce financial resources in a more efficient and effective manner. It also

enhances the involvement of the interested community members in the process of the school governance.

Among the project planned activities were a survey and public discussions with potential beneficiaries to reveal data on the performance of schools, a study of the quarterly and annual budgets of schools, organization of public events to discuss Project findings and develop recommendations to improve the performance of school boards.

Promoting Public Participation in Environmental Decision-Making in Yerevan City

In August, 2003 the Organization received funding from the USAID NGO Strengthening Program, implemented by the World Learning Armenia, to initiate a project for increasing public participation and transparency of environmental decision-making in Yerevan. The project was to be completed in May 2004 and implemented in cooperation with the NGO Coalition on Protection of Green Zones in Yerevan City.

The project planned to foster public participation in decision-making through establishment of an Environmental Public Council and advocate for adoption of mechanisms by the Yerevan Municipality to regulate its relationships with the Environmental Public Council. Public awareness campaigns will be organized to promote public understanding of environmental issues and public activism.

Improvement of Environmental Assessment Legislation in Armenia

In August 2003, the Organization, with support of the British Embassy Yerevan Foreign and Commonwealth Office, launched a project aimed at improvement of the legal framework for assessment of the effects of public and private projects as well as of certain plans and programs on the environment and for compliance of Armenia to its international obligations. The project intended to analyze the existing gaps within the legal and policy framework, draft a new law, organize expert assessment of the draft, obtain public feedback, and campaign for its adoption.

By the end of the project in July 2003, its outcomes were to include the analysis of the existing law, recommendations for improvements and a new draft legal act on the environmental assessment. The project planned to organize a series of expert discussions and public hearings of the draft and advocate for the adoption of the legal act. The project was designed to be implemented in close cooperation with the Ministry of Nature Protection and other government and non-government organizations.

Needs Assessment and Formulation of OSCE Police Assistance Program

In November 2003, the Organization was contracted by the OSCE Office in Yerevan to conduct a poll in Arabkir District of Yerevan to reveal the district residents' opinion about the performance of officers of the Arabkir Police Department as well as to record concerns about the crime situation in the neighbourhood and its impact on the quality of life.

The poll was conducted within the framework of the second phase of the OSCE Police Assistance Program in Armenia. Project results were to be presented to the stakeholders by the end of the project, in January 2004.

3. OTHER INITIATIVES

Mentoring Program

In 2002, the Organization applied to the OSI Local Government and Public Service Reform Initiative Program to participate in the Mentoring Program from June 2002 till June 2003. Within the Program, an expert in the field of public monitoring was assigned by the OSI for a period of one year to undertake a mentoring role with the National Anti-Corruption NGO Coalition. Within the Project two short-term public monitoring training programs were organized to develop relevant knowledge and skills to design and implement monitoring of the Government anti-corruption programs.

Phone Survey «Parliamentary Elections and Vote-buying»

In late May 2003, along with the project «Monitoring of the Party Campaign Finances during the Parliamentary Elections 2003», the CRD/TI Armenia staff conducted a phone survey aimed at finding out people's perception on vote buying, their attitude towards that phenomenon, and the type and «price» of the bribe for vote buying during the 2003 parliamentary elections.

Public Campaign for Protection of Green Zones of Yerevan City



Participants of the rally in front of the RA Government Building

In March 2002, the Organization, together with 5 other NGOs, established an Initiative Group for the Protection of Yerevan Green Zones. The objective of the Group was to start a dialogue with representatives of relevant government institutions to resolve issues related to destruction of green areas. In 2003, the Initiative

Group was developed into a bigger Coalition of 13 NGOs aiming at promotion of public participation in decision-making. The Coalition identified problems related to the green areas of Yerevan city, drafted recommendations and organized advocacy campaign against the illegal activities causing the damage of green areas. The campaign activities included a petition and a rally to the Yerevan Municipality, organized by the Organization, to express the citizens' attitude towards the uncontrolled construction and illegalities in the city.

Anti-corruption NGO Coalition

In 2002 seven new members joined and one member left the Anti-corruption NGO Coalition. In 2002, the Organization, together with other members of the Anti-Corruption NGO Coalition, was invited to contribute to the development of the National Anti-Corruption Strategy Development Program. Eight members of the NGO Coalition provided with their comments and suggestions.

Poverty Reduction Strategy Program

In September 2002, Varuzhan Hochtanyan, Public Policy Expert of CRD/TI Armenia, attended the Poverty Reduction Strategy Program (PRSP) Working Group Meeting aimed at discussing the participatory process of the Program. Following this meeting, the Organization participated in other events organized within the framework of the PRSP.

Award for «The Outstanding Contribution to the Anti-Corruption Movement in Armenia»

In 2003, the Organization instituted its Annual Award for "Outstanding Contribution to the Anti-Corruption Movement in Armenia" with a purpose to recognize commitment, consistency and enthusiasm of those representatives of state institutions, business sector, NGOs, media and international organizations in the fight against corruption, whose courage, determination and dedication can serve as a motivation for others in combating corruption in the country.

The Organization granted its first- 2003 Award to Ambassador Roy Reeve, then Head of OSCE Office in Yerevan. For the last three years, Ambassador Reeve coordinated the donor's activities through the Anti-Corruption Joint Task Force, contributed to the promotion of civil society activities, supported the efforts of the National Anti-



2003 Award Ceremony during opening ceremony

Corruption NGO Coalition, and played a key role in the development of the anti-corruption agenda in the country.

Award «The Best Employee of the Year»

In 2003 the Organization established an Annual Award to recognize the outstanding performance of its employees throughout the year. The Organization granted its first - 2003 Award to Sona Ayvazyan, Environmental Policy Expert, Director of projects “Promoting Public Participation in Environmental Decision-Making in Yerevan City” and “Improvement of Environmental Assessment Legislation in Armenia”.

4. PARTNERS' INITIATIVES

Since March 2002, Sona Ayvazyan, Board Member served on the Board of Experts of the Public Environmental Information Center (Aarhus Center) established by a Memorandum of Understanding between the OSCE Office in Yerevan and RA Ministry of Nature Protection. Purpose of this Center was to promote public access to environmental information and participation in decision-making to contribute to the transparency in environmental affairs, democratization and good governance in Armenia. Board of Experts included representatives of the Ministry of Nature Protection and non-governmental organizations and plans to achieve its goal through fostering cooperation between government, non-governmental and private sector organizations in implementation of the Aarhus Convention.

In April 2002, Amalia Kostanyan, the Chairwoman of the Organization was invited to represent the Organization on the Trade and Transportation Facilitation Committee under the World Bank South Caucasus Initiative. The Committee consisted of representatives of government institutions, National Assembly, business associations and NGOs and is formed to develop appropriate policy recommendations, promote reform processes, serve as a bridge between the business community/average citizens and state authorities, cooperate with similar Committees functioning in the region, etc.

In July-September 2002, Amalia Kostanyan participated as a case-writer for Ukraine in the Collaborative for Development Action, Inc. Project “Towards Donor Standards in Anti-Corruption Assessment”, supported by OECD and funded by USAID.

5. PARTICIPATION IN CONFERENCES AND WORKSHOPS

During the years 2002-2003, representatives of the Organization participated and contributed in the following conferences and seminars:

- **2002 February** - Conference “Control of the Political Party Finance Flows in Central and Eastern European States”, TI Latvia, Riga, Latvia
- **2002 March** - Annual Meeting of the OECD Anti-Corruption Network for Transition Economies, Istanbul, Turkey
- **2002 April** – Third Preparatory Seminar to the 10th OSCE Economic Forum, Baku, Azerbaijan
- **2002 April** - Regional Conference on Transport Facilitation, the European Committee of Ministers of Transportation, Tbilisi, Georgia
- **2002 April** - Seminar “The Public Sector Reforms in Armenia and the Process of the Development of the National Anti-Corruption Strategy”, Government of Armenia, Yerevan, Armenia
- **2002 July** - Follow-up Seminar to the Ninth OSCE Economic Forum “Coordinating Regional Efforts to Increase Transparency and Facilitate Business”, Bucharest, Romania
- **2002 September** - OECD/UNDP Consultation Meeting on Donors’ Standards in Anti-Corruption, Bratislava, Slovakia
- **2002 October** - TI Anti-Corruption International Conference “Fighting Corruption - Promoting Justice: Stocktaking and Strategies”, Casablanca, Morocco
- **2002 October** - International Conference “Civil Society Against Corruption: What We Can Do (Anti-Corruption Monitoring)”, Center “Strategy” and TI Russia, St. Petersburg - Pushkin, Russia
- **2002 November** - TI Regional Business Ethics Workshop, TI Azerbaijan, Baku, Azerbaijan
- **2002 December** - Regional Workshop “Developing Successful Policy Recommendations”, organized by the South Caucasus Cooperation Program, the Eurasia Foundation, Tbilisi, Georgia
- **2003 January** - Conference on CIS7 Initiative, the World Bank, IMF and Swiss Government, Lucerne, Switzerland
- **2003 March** - NGO Forum, AED, Yerevan, Armenia
- **2003 April** - Workshop on Business Ethics organized by the American Chamber of Commerce, Yerevan, Armenia

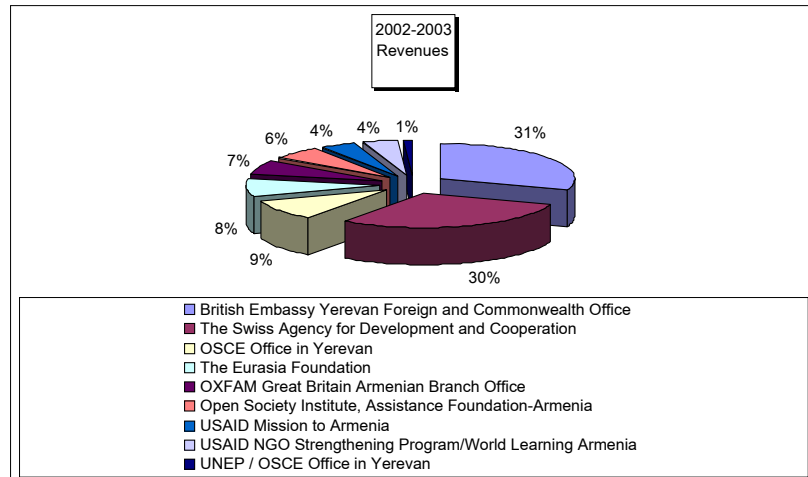
- **2003 April** - Conference “Transparent Financing of Electoral Campaigns in CEE and NIS: Common Experience - Effective Decisions”, Freedom of Choice Coalition of NGOs, Kiev, Ukraine
- **2003 June** - Workshop “What are the Armenian Communities?”, the World Bank Mission in Armenia, Yerevan, Armenia
- **2003 June** - PRSP Participatory Monitoring Workshop, the World Bank Mission in Armenia, Yerevan, Armenia
- **2003 July** - Round Table Discussion “Civil Society Initiative as Guarantee for Democratic Elections”, the OSI Assistance Foundation - Armenia, Yerevan, Armenia
- **2003 July** - Regional Meeting “Monitoring Political Party Financing”, OSI Justice Initiative and CRD/TI Armenia, Yerevan, Armenia
- **2003 September** - Annual Meeting of the OECD Anti-Corruption Network for Transition Economies, Istanbul, Turkey
- **2003 October** - 2003 OSCE Human Dimension Implementation Meeting, Warsaw, Poland
- **2003 November** – Eighth Annual Conference on Switzerland's Cooperation with EE and CIS “Economic Transition in the South Caucasus”, Berne, Switzerland

6. FINANCIAL REPORT

Revenues

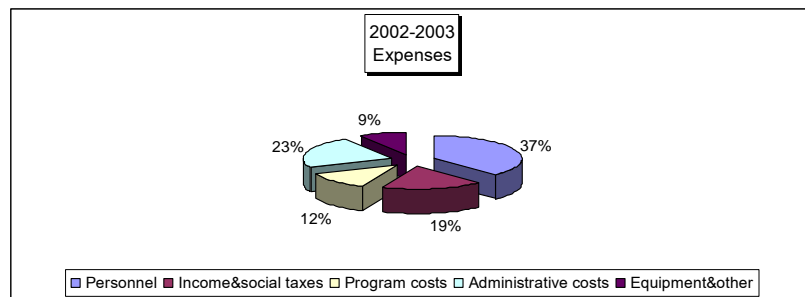
Donor Organization	Amount¹
British Embassy Yerevan Foreign and Commonwealth Office	\$71,068
The Swiss Agency for Development and Cooperation	\$69,930
OSCE Office in Yerevan	\$22,068
The Eurasia Foundation Armenia Office	\$19,962
OXFAM Great Britain Armenian Branch Office	\$15,579
Open Society Institute, Assistance Foundation-Armenia	\$14,038
USAID Mission to Armenia	\$10,000
USAID NGO Strengthening Program/World Learning Armenia	\$9,833
UNEP/OSCE Office in Yerevan	\$2,400
Total	\$234,878

¹ Equivalent in Armenian Drams



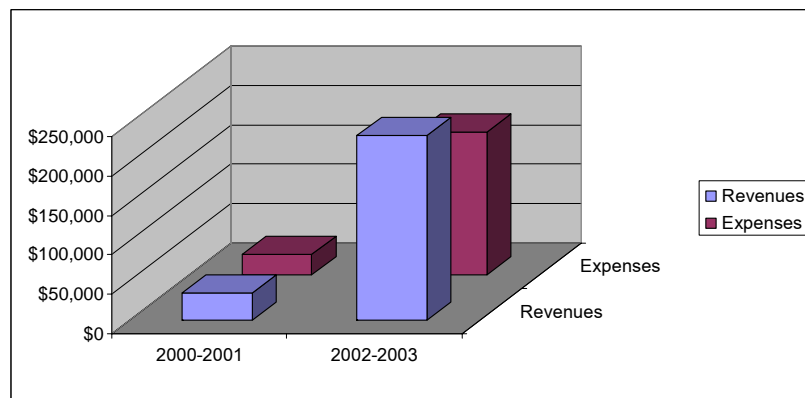
Expenses

Categories	Amount ²
Personnel	\$68,395
Income and social taxes	\$33,687
Program costs	\$22,005
Administrative costs	\$41,419
Equipment and other	\$15,413
Total	\$180,919



Dynamics of Income and Expenses

Reporting Period	2000-2001	2002-2003
Revenues	\$33,593	\$234,878
Expenses	\$25,588	\$180,919



² Equivalent in Armenian Drams