

CSO METER

Assessing the civil society
environment in the eastern
partnership countries

Armenia Country Update

YEREVAN

2020

The bottom half of the cover features a large, abstract graphic design. It consists of several overlapping shapes: a large white semi-circle on the right, a white rectangular shape on the left, and a green triangular shape pointing upwards from the bottom left. The background is a solid teal blue.



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The mission of Transparency International Anticorruption Center (TIAC) is to promote good governance in Armenia by reducing corruption and strengthening democracy. The goals of the organization are: (1) to support effective anti-corruption policy and transparent and accountable governance; (2) to support the holding of free, fair and transparent elections and the establishment of an electoral institute; (3) to promote reasonable, transparent and accountable public resource management, including the management of state and community property and financial resources; (4) to foster democratic processes, including the protection of human rights and public participation in governance. TIAC pursues cooperation with government institutions on initiatives which promise positive impact on ongoing reforms or promote new policies, and advocates against government decisions or actions that clearly threaten good governance.

European Center for Not-for-Profit Law (ECNL) Stichting is a leading European resource and research center in the field of policies and laws affecting civil society. ECNL supports the creation of environments where people can organize freely, jointly shape and contribute to the development of societies. ECNL's activities help build conditions that enable civil society organisations to operate independently, be financially sustainable, have strong governance, engage in policy and mobilize public support. Beyond shaping policies, advocating for enabling environment for civil society, ECNL empowers local stakeholders, monitors implementation of tools and mechanisms, and creates knowledge base, through research and analysis.

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ABBREVIATIONS

AMD	Armenian Dram
COVID	Coronavirus Disease
CSO	Civil Society Organisation
CPFE	Committee to Protect Freedom of Expression
EaP	Eastern Partnership
EU	European Union
EUR	Euro
GDP	Gross Domestic Product
INGO	International Non-Governmental Organisation
LGBT	Lesbian, gay, bisexual, transgender community
NGO	Non-Governmental Organisation
OSCE	Organization for Security and Co-operation in Europe
OSF	Open Society Foundations
RA	Republic of Armenia
SRC	State Revenue Committee
TIAC	Transparency International Anticorruption Center
USAID	United States Agency for International Development

I. EXECUTIVE SUMMARY

This report presents an **update to the CSO Meter report** produced in 2019 to assess enabling environment for CSOs and covers the relevant developments in the period of **October 2019 – July 2020**. CSO Meter is a tool developed to assess the civil society environment in Eastern Partnership countries. It consists of a set of standards and indicators in 10 different areas that measure both law and practice. CSO Meter was developed within the framework of the "Monitoring Progress, Empowering Action" project funded by the European Union and implemented by the European Center for Not-for-Profit Law Stichting and a group of non-governmental organisations from the Eastern Partnership countries. Transparency International Anticorruption Center (TIAC) is the project partner in Armenia. The update has been prepared through analysis of legal acts, recent researches and other materials, and expert interviews and consultations. The report reflects the most significant updates in 10 areas of CSO Meter and suggests key priorities for improvement.

Like in many other countries, the **COVID-19 pandemic had significant impact** on the operations of CSOs in Armenia. On March 16, 2020, the government declared a state of emergency, which has been extended up to August 12 by the time of writing the report. The state of emergency brought a number of limitations on civil rights and freedoms, including freedom of movement and assembly, right to privacy, freedom of expression. The pandemic impacted CSOs' activities, funding, participation in decision-making, and cooperation with state in various ways. CSOs are concerned that the limitations will have long-lasting implications, particularly in regard to limited participation tools and access to information. On the other hand, the pandemic also brought new opportunities of funding, strengthened skills in using electronic tools, and new areas of collaboration with state.

The most significant changes in CSO environment since the last CSO Meter report are related to the introduction of mandatory annual reporting for public organisations and limitations to rights and freedoms due to the state of emergency. According to experts, overall, the CSO environment has deteriorated, mostly due to the limitations brought by the pandemic and state of emergency. The most affected areas are freedom of assembly and rights to participation in decision-making.

The number of CSOs has slightly increased in comparison to previous year, which is due to the registration of new organisations. At the same time, there are practically no cases of CSO dissolution, as this process requires bureaucratic proceedings as well as financial resources.

The key priorities for CSO environment have not changed significantly since the last CSO Meter report. CSO financial sustainability and participation in policy-

making and implementation remain priority issues and have gained renewed importance in the context of COVID-19 challenges. The following recommendations are outlined in the report, mostly reflecting the recommendations from the CSO Meter 2019:

- Introduction of measures to encourage individual and business donations and boost CSO economic activities: tax incentives for donations, at least equal tax treatment of CSO economic activities as compared to business entities, and improved effectiveness and transparency of state funding.
- Improvement of practical enforcement of participation: introducing institutional mechanisms for engaging CSOs in the policy implementation and monitoring, including through state contracting, enforcing mandatory consultation in the early stages of decision-making and using alternative tools and methods of participation, e.g. online channels, to ensure CSO participation in the time of emergency.
- Development of CSO Enabling Environment Roadmap to reflect available issues and enforce steps towards more enabling CSO environment.

II. KEY TRENDS

Basic data

Capital: Yerevan

Population: 2,959,200 (2020)¹

GDP per capita: \$4,212.071 (2018)²

Freedom in the World: 53/100 (improvement compared to 44/100 in 2018)³

World Press Freedom Index: 28.60 (improvement compared to 28.98 in 2019)⁴

Number of CSOs: 4,892 public organisations, 1,237 foundations⁵

CSOs per 10,000 inhabitants: 20.7

Registration fee: 10,000 AMD (appr. 18 EUR), registration period – 10 days for public organisations, 15 days for foundations

Key events and developments that have affected civil society since the last report

Like in many other countries, the COVID-19 pandemic had significant impact on the operations of CSOs in Armenia. On March 16, 2020, the government declared a state of emergency, which was extended four times up to August 12. The state of emergency brought a number of limitations on civil rights and freedoms, including freedom of movement and assembly, right to privacy, freedom of expression. At the same time, the pandemic impacted CSOs' activities in various ways, affecting their funding opportunities, ways of participation in decision-making, advocacy activities, and cooperation with state. Even though the limitations have a temporary character, some CSOs are concerned that they will have long-lasting implications, particularly in regard to limited tools for participation in decision-making and challenges in access to information. On the other hand, the pandemic also brought new opportunities of funding, strengthened skills in using electronic tools, and new areas of collaboration with state.

Important trends related to civil society

The most significant changes in CSO legal environment are related to the introduction of mandatory annual reporting for public organisations and limitations to rights and freedoms due to the state of emergency. The practical challenges are linked with the

¹ Government of Armenia, <https://www.gov.am/en/demographics/>

² The World Bank, <https://data.worldbank.org/country/armenia>

³ Freedom House, <https://freedomhouse.org/country/armenia/freedom-world/2020>

⁴ World Press Freedom Index, <https://rsf.org/en/ranking>

⁵ Statistics of organizations registered with MoJ State Registry of Legal Persons, 02.04.2020, http://moj.am/storage/files/legal_acts/legal_acts_8581148744251_stat_2020-03.pdf

CSOs' inability to organise assemblies and lack of sufficient access to information and decision making in the period of pandemic, as well as continuing dissemination of hate speech and fake news. According to experts, overall, the CSO environment has deteriorated mostly due to the limitations brought by the pandemic and state of emergency.

Perception towards CSO continues to improve: according to the poll conducted by International Republican Institute in Armenia in October 2019, 52% of respondents consider the work of CSOs as favourable.⁶ According to the Caucasus Barometer study, trust towards NGOs slightly improved from 23% in 2017 to 26% in 2019; the percentage of distrust has been decreased from 30% to 25%.⁷

⁶ Public Opinion Survey: Residents of Armenia, Center for Insights in Survey Research, International Republican Institute, September-October 2019, https://www.iri.org/sites/default/files/wysiwyg/iri_poll_armenia_september-october_2019.pdf

⁷ Caucasus Barometer time-series dataset Armenia, Trust towards NGOs (%), <https://caucasusbarometer.org/en/cb-am/TRUNGOS/>

III. KEY UPDATES

This section provides an analysis of the new developments in each of the 10 areas and any progress related to the recommendations from the previous report.

3.1 Freedom of Association

The most significant change in the area of freedom of associations is the amendments to CSO legislation, related to reporting provisions of public organisations and foundations. As the impact of these amendments on the CSOs are yet to be seen in long-term perspective, the situation in this area remains unchanged.

In March 2020, the parliament adopted **amendments to the Law on Public Organisations**, which introduced a requirement for annual reports for all public organisations. According to the amendments, public organisations are required to publish an annual activity report by May 30 of next year, including information on organisation's goals, projects, total income and expenditure, number of general assembly meetings, and information on entrepreneurial activities.⁸ The respective order of the State Revenue Committee (SRC) Chairman on the reporting procedure and template was issued in May but entered into force on 13 June 2020,⁹ therefore, the reporting requirement for public organisations will be fully effective starting next year.

Amendments to the Law on Foundations were also adopted by the parliament, which allowed foundations to publish reports free of charge on a special reporting platform and removed the requirement to publish the names of staff members that benefited from foundation's resources.¹⁰ In addition, following another amendment to the Law on Foundation, adopted on 4 December 2019, the reporting deadline for foundations has been extended from March 25 to July 1. The State Revenue Committee has disseminated e-mail notifications to foundations about the new reporting forms which was considered by experts as a good practice and facilitated the reporting process for foundations.

While the requirement of annual reports was viewed by some CSOs as a negative provision putting additional burden on public organisations, the final draft of the amendments showed a considerable progress from the original draft requiring disclo-

⁸ RA Law on Amendments to the RA Law on Public Organisations, 25.03.2020, <https://www.arlis.am/DocumentView.aspx?docid=141094>.

⁹ Order No.477-N of RA State Revenue Committee Chairman "On approving the sample form of the report on public organisations' activities, the procedure of its publication and submission, and on invalidating the order of the Chairman of RA State Revenue Committee No 102-N dated 15 February 2019", 27.05.2020, <https://www.arlis.am/DocumentView.aspx?docid=142876>

¹⁰ RA Law on Amendments to the RA Law on Foundations, 25.03.2020, <https://www.arlis.am/DocumentView.aspx?docid=141081>.

sure of all donors of public organisations, as well as names of staff, volunteers, and other affiliated persons which benefitted from organisation's resources. On the other hand, annual reports to the public might help the CSO sector to improve its transparency and visibility, as public accountability and trust towards CSOs has been a challenge in Armenia. Experts consulted in the process of developing this report find that any possible positive and negative impacts of this new provision on reporting will be visible in a long-term perspective.

3.2 Equal Treatment

There are no significant changes observed in this area. Introducing mandatory annual reporting for public organisations equalised the reporting requirement towards public organisations and foundations. The unequal approach towards CSOs and businesses remains a major issue in this area.

Amendments to the Law on Public Organisations **equalised reporting requirements for public organisations and foundations**. Another legal amendment positive for public organisations was **the increase in the threshold of funding amount defined for mandatory financial audit** from 5 million AMD (about 9,400 EUR) to 10 million AMD (about 18,800 EUR).¹¹ This threshold and mandatory audit requirement applies only for funds from public sources.

At the same time, the increase of the threshold did not fully solve the problem of the **unequal approach towards public organisations in comparison with business entities**, highlighted in CSO Meter 2019. Unequal conditions in public procurement tenders due to the necessity to include audit expenses in the bid, as well as lack of turnover tax options continue to put CSOs directly engaged in economic activities in a significantly more disadvantaged position as compared to companies.

3.3 Access to Funding

There are no significant changes observed in this area. New funding possibilities emerged to struggle against COVID-19 and its consequences. The negative rhetoric against Open Society Foundations continued.

CSO **fundraising initiatives gained new wave** in the situation of COVID-19, as many CSOs work to support most vulnerable social groups that were deprived of scarce income sources because of lockdown. The pandemic brought new possibilities of grant funding provided by USAID, Open Society Foundations, Black Sea Trust, etc., and many CSOs expanded their services to protect vulnerable people and increase awareness on the health protection measures. On the negative side, the **negative rhetoric** on organisations and activists funded (or supposedly funded) by OSF continued.

¹¹ RA Law on Amendment to the RA Law on Public Organisations, 04.12.2019, <https://www.arlis.am/DocumentView.aspx?docid=137758>.

3.4 Freedom of Peaceful Assembly

The legal regulations regarding freedom of assembly haven't significantly changed since the last CSO Meter report. However, the restrictions brought by the state of emergency significantly affected the possibilities to exercise the right to assemblies, while the inconsistent approach by the police towards spontaneous assemblies created additional challenges in regard to equal and proportionate application of limitations. Thus, overall, there is a negative dynamic in this area.

Though there were no changes in the legislation on freedom of assembly, the **National Strategy for Human Rights' Protection** and Deriving Action Plan for 2020-2022 adopted in December 2019 covered a number of measures to improve this area, in particular aiming to address violations of the rights of the participants of assemblies by the police.¹²

As to practice, before the emergency caused by COVID-19, there were **a number of assemblies organised mostly without notification** to local authorities: the majority of the assemblies had less than 100 participants (where no notification is required), and some were organized on urgent and spontaneous basis.¹³ In the situation of emergency, **public assemblies as well as any gatherings of more than 20 persons were prohibited** since March 16, 2020, including events such as concerts, sport or leisure events, education classes, celebrations or funerals.¹⁴ In the decision on extending the state of emergency on May 14, the maximal number of persons in public gathering was reduced to 5 persons, while the ban on public assemblies remained.¹⁵ At the same time, there were several incidents of spontaneous assemblies during this period, which have been often dispersed by the police. One of the main challenges in regard to the assemblies in the period of emergency was the **prohibition of protest actions regardless of the number of participants** (even though in case of public gatherings up to five persons were allowed to gather). Moreover, even one-person protest actions were sometimes treated as assembly and dispersed by police. In general, **the police demonstrated an inconsistent approach** in regard to the interpretation of the law, as some demonstrations were hardly interfered while others were forcefully dispersed.¹⁶

¹² The 2020-2022 Action Plan deriving from the National Strategy for Human Rights Protection, Appendix 2 to RA Government decree N 1978-L, December 26, 2019, http://moj.am/storage/uploads/02Appendix_2.pdf

¹³ Report on Monitoring of Freedom of Peaceful Assemblies (October – December 2019), Helsinki Committee of Armenia, Yerevan, 2020 (in Armenian), <http://armhels.com/wp-content/uploads/2020/01/Խաղաղ-հավաքների-մոնիթորինգ-հոկտեմբեր-դեկտեմբեր-2019-2.pdf>; Report on Monitoring of Freedom of Peaceful Assemblies (January – March 2020), Helsinki Committee of Armenia, Yerevan, 2020 (in Armenian), <http://armhels.com/wp-content/uploads/2020/04/Խաղաղ-հավաքների-մոնիթորինգ-հունվար-մարտ-2020.pdf>

¹⁴ RA Government Decree N 298-N on the State of Emergency, 16.03.2020 (amended 19.03.2020), <https://www.arlis.am/DocumentView.aspx?DocID=140392>

¹⁵ RA Government Decree N 729-N on Extending the State of Emergency Declared in the Republic of Armenia on 16 March 2020 and Amending the RA Government Decree N 298-N, 14.05.2020, <https://www.arlis.am/DocumentView.aspx?docid=142401>

¹⁶ Statement on the State of Freedom of Peaceful Assemblies during the Emergency Situation, 06.06.2020, Helsinki Committee of Armenia (in Armenian), <http://armhels.com/wp-content/uploads/2020/06/Հայտարարություն.pdf>

3.5 Right to Participation in Decision-Making

Along with several positive legal regulations, the CSO participation in policy-making and their access to information has been significantly affected by the pandemic, thus bringing to the deterioration in this area.

In the last quarter of 2019, **CSOs continued to actively engage in the development of a number of policies and strategies.** In particular, the 2019–2023 Strategy for Judicial and Legal Reforms, the National Strategy for Human Rights’ Protection and Deriving Action Plan for 2020–2022, the Anticorruption Strategy of the Republic of Armenia and its Action Plan for 2019–2022 were adopted in 2019 after an extensive discussion with and input of local civil society groups and international organisations. Though not defined as mandatory by the legislation, public hearings and discussions were convened in the National Assembly by the initiative of parliament members and factions.

In contrast to this, the **state of emergency introduced in March 2020 significantly reduced the opportunities for CSO consultations,** and a number of decisions and legal acts adopted in an expedited and hasty manner. Many of these decisions were related to the pandemic issues, but there were also regulations relevant to CSO environment, such as the amendments to the CSO legislation and to the Criminal Code criminalising calls to violence, covered in other areas of this report.

Among the legislative changes contributing to the access to information and decision-making on local level, amendments to the Law on Local Self Governance adopted in early 2020 should be mentioned. The amendments stipulate that in communities with population above 20,000 people, **the local legal acts should be posted on community websites for public discussion,** with connection to e-draft platform. Starting 2022, this provision will cover all communities regardless of the population number.¹⁷ Besides, according to the same amendments, starting 2022 **all communities shall have an official website** (currently website is mandatory for communities with 3,000 and more inhabitants).¹⁸

In December 2019, the Ministry of Environment published draft amendments to the Law on Freedom of Information for public discussion,¹⁹ which were approved by the government in April 2020 and sent to the parliament for adoption. The amendments proposed to **restrict provision of information in cases when “it may have a negative effect on the environment,** including on breeding sites of rare species.” A number of CSOs criticized the draft, calling to cancel its further discussion,²⁰ mentioning

¹⁷ RA Law on Amendments to the RA Law on Local Self-Government, 24.01.2020, Article 1.2 and Article 4.3, <https://www.arlis.am/DocumentView.aspx?docid=139078>

¹⁸ Ibid., Article 1.1 and Article 4.2

¹⁹ RA Draft Law “On Supplements to the Law on Freedom of Information”, <https://www.e-draft.am/projects/2153>

²⁰ Statement on the Draft Law on Making Supplements to the RA Law “On Freedom of Information”, 07.04. 2020, <http://www.foi.am/en/news/item/1891/>, EaP CSF Armenian National Platform Statement on the Draft Law on Making

that the new article can serve as a justification for discretionary refusals of information.

As mentioned in the CSO Meter report 2019, **there are many cases of delay, groundless refusals, or incomplete responses by state bodies** in response to information requests. According to the report of the Committee to Protect Freedom of Expression (CPFE), there were 108 cases of violations of the right to receive and disseminate information in 2019, 10 more than in 2018.²¹ Thus, the situation has not improved in this aspect. The law also envisages the disclosure of information by the government: all state agencies, regional administrations and large communities have their own official websites, where they publish information about their activities and have feedback options. At the same time, state agencies and particularly municipalities do not publish sufficient information as defined by the law, which was especially visible in the situation of emergency. As observed by Freedom of Information Center of Armenia, proactive disclosure rules were not properly followed by the government, specifically in the initial period of state of emergency. Further, the government launched a Facebook page and a web site to update the public on pandemic issues, but in some cases these resources were not synchronised.²²

3.6 Freedom of Expression

Several legislative measures aimed at improving the freedom of expression and regulate hate speech have been adopted. At the same time, the limitations set during the state of emergency as well as persisting challenges linked with the high politicization of media and hate speech in social networks do not allow to report any improvement in this area, thus overall, the situation remains unchanged.

Several measures to improve freedom of expression and regulate hate speech have been adopted in national legislation and policies. The National Strategy for Human Rights' Protection and Deriving Action Plan for 2020-2022 adopted in December 2019 included **a number of activities to improve the situation in the area of freedom of expression**, in particular through reforms in mass media legislation aimed at transparency of beneficial owners of media and reviewing restrictions on licensing and broadcasting procedures for the media outlets.²³ According to the Action Plan, the

Supplements to the RA Law "On Freedom of Information", April 6, 2020, <https://eaparmenianews.wordpress.com/2020/04/16/issue-302/>, Statement of CSOs Anti-Corruption Coalition on the Draft on Providing Environmental Information, <https://armla.am/en/wp-content/uploads/sites/2/2020/04/Statement-of-CSOs-Anti-Corruption-Coalition-Environment-1.pdf>.

²¹ Annual report of CPFE on the Situation with Freedom of Expression and Violations of Rights of Journalists and Media in Armenia-2019, Committee to Protect Freedom of Expression, 24 January 2020, <https://khosq.am/en/reports/annual-report-of-cpfe-on-the-situation-with-freedom-of-expression-and-violations-of-rights-of-journalists-and-media-in-armenia-2019/>

²² Access to Information during COVID 19, Freedom of Information Center of Armenia, 15.05.2020, <http://www.foi.am/en/articles/item/1896/>

²³ The 2020-2022 Action Plan deriving from the National Strategy for Human Rights Protection, Appendix 2 to RA Government decree N 1978-L, December 26, 2019, http://moj.am/storage/uploads/02Appendix_2.pdf.

amendments are expected in second half of 2021. Besides, a number of measures tackling hate speech issue have been put in this Action Plan.

In December 2019, **a working group was set up at the National Assembly** to study and discuss the international best practices of fighting against hate speech and compliance with the Armenian legislation. However, the activities of the working group were suspended due to the state of emergency. At the same time, **the draft on criminalising public calls or justifications for violence**, proposed by the Ministry of Justice in August 2019, **was adopted** by the parliament on 15 April 2020. According to the amendments, publicly calling to apply violence, publicly justifying or inciting such violence will be subject to penalties from fines up to imprisonment.²⁴ This amendment sets certain limits to freedom of speech but at the same time might provide a solution to a continuing hate speech that, in the context of CSO environment, is particularly relevant for CSOs working in the area of domestic violence, rights of religious and sexual minorities, other human rights workers.

A positive legislative change for media organisations was the adoption of amendments in March 2020, providing media with **free access to information from the state's registry of legal entities**²⁵ (The state fee for obtaining complete information about any organisation from the State Register is 3,000 AMD (5.7 EUR))²⁶. At the same time, the CSO Meter report proposed to dismiss any payment to enhance public participation and oversight by CSOs and citizens in general.

The number of **physical violence against journalists dropped** sharply in 2019 though the number of various pressures on the media and their staff, as well as **lawsuits against media organisations increased** according to reports.²⁷ Most of the media restrictions in the first quarter of 2020 were linked with the declaration of the state of emergency with a controversial **provision on limitation of information by mass media**.²⁸ According to para 23 of the government decision, any publication or dissemination of publications, interviews, broadcasts on the cases of new coronavirus infections, activities carried out by the health authorities, as well as information bringing panic or containing a real danger of panic, should be only through reference

²⁴ RA Law on Supplements to the RA Criminal Code, 15.04.2020, <https://www.arlis.am/DocumentView.aspx?docid=141919>

²⁵ RA Law on Amendments to the RA Law "On State Registration of Legal Entities, Separate Subdivisions of Legal Entities, Institutions and Private Entrepreneurs", 06.03.2020, <https://www.arlis.am/DocumentView.aspx?docid=140637>

²⁶ The RA Law on State Duty, 27.12.1997, Article 20, <https://www.arlis.am/DocumentView.aspx?DocID=142614>

²⁷ Annual report of CPFE on the Situation with Freedom of Expression and Violations of Rights of Journalists and Media in Armenia-2019, Committee to Protect Freedom of Expression, 24 January 2020,

<https://khosq.am/en/reports/annual-report-of-cpfe-on-the-situation-with-freedom-of-expression-and-violations-of-rights-of-journalists-and-media-in-armenia-2019/>; Concern about judicial harassment of Armenia's media, Reporters Without Borders, 12 February 2020, <https://rsf.org/en/news/concern-about-judicial-harassment-armenias-media>

²⁸ Quarterly report of CPFE on Situation with Freedom of Expression and Violations of Rights of Journalists and Media in Armenia (January-March, 2020), Committee to Protect Freedom of Expression, 15 May 2020,

<https://khosq.am/en/reports/quarterly-report-of-cpfe-on-situation-with-freedom-of-expression-and-violations-of-rights-of-journalists-and-media-in-armenia-january-march-2020/>

to the information provided by the commandant's office (official information). Later (on March 19) the relevant provisions were revised also including exceptions for publications with references to websites and social media pages of international organisations and officials of foreign countries.²⁹ Several media organisations issued a statement against these provisions, finding them disproportionate and not reasonable, especially taking into regard the controversial notion of “information bringing panic”, which due to its vagueness could bring to arbitrary decisions.³⁰ A number of media outlet and social media users were forced to delete their publications which were found as non-appropriate.³¹ The OSCE Representative on Freedom of the Media, Harlem Désir, also expressed his concerns on the adopted regulations.³² As a result of the pressure by CSOs and international organisations, the relevant provisions were revised on March 25 to relax some of the limitations and then dismissed in April for the extended period of the state of emergency.³³

3.7 Right to Privacy

There are both positive and negative developments in this area linked with the legislative changes in the Law on Foundations and Law on State of Emergency, but generally the situation remains unchanged.

Following the recommendation of the CSO Meter 2019 report to respect the right of staff members on non-disclosing their identity in the annual report of the foundations, **this requirement was dismissed from the Law on Foundations** based on the suggestion by TIAC.³⁴

Amendments to the Law on State of Emergency have been adopted on March 31, 2020, to allow authorities to **collect information on the location and calls of the users of electronic communication services** in order to identify the location, movements and the contact circles of potentially infected people during the period of state of emergen-

²⁹ RA Government Decree N 298-N on the State of Emergency, 16.03.2020 (amended 19.03.2020), <https://www.arlis.am/DocumentView.aspx?DocID=140392>

³⁰ Statement, Committee to Protect Freedom of Expression, 20.03.2020, <https://khosq.am/en/2020/03/20/statement-51/>.

³¹ The Media Activity during the State of Emergency and the Restrictions Imposed on Media, Harutyun Tsatryan, Public Journalism Club, 2020, https://covid.pjc.am/wp-content/uploads/2020/07/eng_Research_Media_Freedom_During_COVID19.pdf

³² Coronavirus response should not impede the work of the media in Armenia, says OSCE Media Freedom Representative, Vienna, 24 March 2020, OSCE, <https://www.osce.org/representative-on-freedom-of-media/449098>

³³ RA Government Decree N 543-N on Extending the State of Emergency Declared in the Republic of Armenia on 16 March 2020 and Amending the RA Government Decree N 298-N, 13.04.2020, <https://www.arlis.am/DocumentView.aspx?docid=141255>

³⁴ RA Law on Amendments to the RA Law on Foundations, 25.03.2020, <https://www.arlis.am/DocumentView.aspx?docid=141081>

cy.³⁵ Civil society activists have expressed concerns regarding the necessity and proportionality of this new measure.³⁶

3.8 State Duty to Protect

The main development in this area is the adoption of amendments to Criminal Code addressing calls to violence and providing criminal and administrative sanctions for public calls to violence and justification of violence on specific grounds. This could be considered as a minor improvement in legal regulations relevant to this area.

The CSO Meter 2019 report raised the issue of hate speech and attacks towards CSOs and particularly organisations and activists protecting rights of LGBT people, women and religious minorities. Moreover, sometimes hate speech was demonstrated by the state officials. As mentioned above in the area on Freedom of Expression, in April 2020 the parliament adopted amendments to the Criminal Code to address public calls to violence and justification of violence on specific grounds. The draft amendments were discussed through online platform in August 2019, and based on the CSOs' suggestions, further incorporated a specific list of protected characteristics such as sex, race, skin colour, ethnicity, social origin, genetic characteristics, language, religion, mindset, political or other views, national minority, economic status, birth status, disability, age or other personal or social characteristics.³⁷ However, the suggestion to include sexual orientation and gender identity, proposed by CSOs working in the area of protecting the rights of sexual minorities were not incorporated. On the other hand, the non-exclusive list of characteristics (the words "other personal or social circumstances") might be problematic in terms of lack of legal certainty. The final draft has not passed public consultations, with pandemic as one of the reasons preventing large-scale discussions. At the same time, the adopted amendments are an improvement to the draft versions, as they specify protected characteristics and provide less strict sanctions including fines and up to one-year imprisonment, with stricter punishment if the lawbreaker is a state official or a group.

3.9 State Support

There are several legislative initiatives related to state funding and volunteering pending for approval, but in present the situation remains unchanged.

³⁵ RA Law on Amendments to the RA Law on State of Emergency, 31.03.2020,

<https://www.arlis.am/DocumentView.aspx?docid=140752>

³⁶ Statement, Committee to Protect Freedom of Expression, 02.04.2020, <https://khosq.am/en/2020/04/02/statement-53/>

³⁷ RA Law on Supplements to the RA Criminal Code, 15.04.2020,

<https://www.arlis.am/DocumentView.aspx?docid=141919>

In line with the Open Government Partnership Armenia fourth action plan, envisaging competitive procedure for all grants,³⁸ in 2019, the government has taken steps to launch competitive procedures in a number of ministries. During the CSO Meter research conducted in 2019, the process was still in development. In November 2019, the Ministry of Finance proposed **amendments to the Procedure for Granting Subsidies and Grants to Legal Entities** from the State Budget of the Republic of Armenia, where the main requirements for grant competition, selection process and criteria are set. However, by the time of writing this update, the procedure has not been approved by the government yet, and the ministries followed their own procedures of competition and project monitoring.

In May 2020, the Ministry of Labour and Social Affairs posted a **draft Law on Volunteering Activities and Voluntary Work** for public consultation along with amendments in relevant legislation.³⁹ The new draft was a considerable improvement to the previous drafts discussed in 2017-2018 as it contained less restrictions and more flexibility for organisation in managing information on volunteers. At the same time, it contained some problematic issues such as restriction to involvement in entrepreneurial activities. TIAC has proposed to include relevant legal provisions in the Labour Code to avoid overregulation of this area. Other suggestions presented to the Ministry included dismissing specification of volunteering areas, providing more incentives for volunteers, improving visibility and recognition of voluntary work, etc.⁴⁰ By the time of writing the update, the draft has been in the review process.

3.10 State-CSO Cooperation

The consultative bodies such as public councils attached to ministries, joint working groups and others have not been active through the pandemic period. On the other hand, significant collaboration has been developed around volunteering and humanitarian assistance initiatives. In sum, there is no positive or negative shift in this area.

Due to the limitations brought with the pandemic and state of emergency, there were **almost no meetings of joint working groups and public councils** since March 2020. The government does not utilise online channels of communicating with CSOs as actively as CSOs do. On the other hand, the focus of attention is directed towards struggling with and mitigating the impact of the pandemic. In this regard, **the government has developed its collaboration with CSOs in specific areas** such as social service provision, healthcare, and awareness-raising. For example, the Ministry of

³⁸ Fourth Action Plan of Open Government Partnership Initiative of the Republic of Armenia (2018-2020), Annex to Decision of the Government of the Republic of Armenia N 1307-L, 15.11.2018, <https://www.arlis.am/DocumentView.aspx?DocID=133780>

³⁹ Draft Law on Voluntary Activities and Volunteer Work and package of relevant legislative amendments and supplements, <https://www.e-draft.am/projects/2516>

⁴⁰ Draft Law on Voluntary Activities and Volunteer Work, Digest of comments and suggestions, <https://www.e-draft.am/projects/2516/digest>

Labour and Social Affairs in Armenia together with Armenian Progressive Youth NGO initiated a call for volunteers to assist elderly and disabled people. Many CSOs providing food and other items to vulnerable families collaborated with this Ministry as well as regional and local authorities to make their assistance more synchronised and targeted. CSOs also collaborated with the Ministry of Health disseminating information on the protection measures and providing face masks.

As there is no state strategy aimed at civil society development, based on the CSO Meter recommendations, TIAC has launched development of the **CSO Enabling Environment roadmap** for government adoption.

3.11 Other New Developments

Fake news and conspiracy theories, mostly having a political context and targeting the government, have negatively affected CSOs in their collaboration with the government and their activities in the period of pandemic, as well as their image in general.

A number of conspiracy theories on COVID-19, including those labelling the pandemic as fake and criticising government's anti-pandemic actions, have gained momentum in recent months. For example, an NGO running a website aimed to provide health sector news, disseminated stories calling to refuse all potential vaccination programmes and describing COVID-19 as a "fake pandemic".⁴¹ There is an assumption that these activities are initiated by CSOs and groups linked with the ex-officials to discredit the current government. It should be noted that the campaign against OSF is also linked with the same groups, actively disseminating rhetoric containing sexism, homophobia, and hate speech.⁴²

The dissemination of fake news and hate speech might negatively affect the image of CSOs and hinder their activities aimed towards protection and assistance of vulnerable social groups, thus serving as a challenge for CSO sector which can be dealt by increasing the sector transparency and raising awareness and media literacy of the general population.

⁴¹ Armenia: US government funding COVID disinformation, Tatev Hovhannisyanyan, EurasiaNet, 28 May 2020, <https://eurasianet.org/armenia-us-government-funding-covid-disinformation>

⁴² "Armenia first": behind the rise of Armenia's alt-right scene, Armen Grigoryan, Open Democracy, 4 September 2019, <https://www.opendemocracy.net/en/odr/armenia-first-behind-the-rise-of-armenias-alt-right-scene/>

IV. KEY PRIORITIES

The key priorities for CSO environment have not changed significantly since the last CSO Meter report. CSO financial sustainability and participation in policy-making and implementation remain priority areas and have gained renewed importance in the context of COVID-19 challenges.

Referring to the last CSO Meter report, one recommendation outlined in the report has been fully implemented so far, that is, dismissing the requirement to publish staff members' names in the annual reports of foundations. Two recommendations – the dismissal of the audit requirement and protection from third-party allegations and hate speech – were partially implemented through increasing the threshold for mandatory audit and adopting provisions to address calls to violence along with planning further steps to tackle hate speech. Four recommendations – development of the roadmap on CSO enabling environment and improved effectiveness and transparency of state funding (both included in key recommendations), as well as addressing violations of the rights of the participants of assemblies by the police and adopting provisions to encourage volunteering – are in the process of discussion and/or planned to be implemented. Other six key recommendations and 30 area recommendations have not been addressed yet.

Expert consultations and CSO Meter findings show that the key priorities for CSO enabling environment principally fall within two areas: CSO financial sustainability and participation.

Measures to encourage individual and business donations and boost CSO economic activities are needed, particularly: tax incentives for donations, at least equal tax treatment of CSO economic activities as compared to business entities, and improved effectiveness and transparency of state funding, including through establishment of institutional mechanisms for outsourcing CSO services.

The practice of making urgent decisions without consulting CSOs and public should be eliminated as it may harm the already developed seeds of participatory policymaking culture. **The practical enforcement of participation needs further improvement.** It is recommended that the state introduces institutional mechanisms for engaging CSOs in the policy implementation and monitoring, including through state contracting, enforces mandatory consultation in the early stages of decision-making and use alternative tools and methods of participation, including online channels, to ensure CSO participation in the time of emergency.

As indicated in the CSO Meter 2019, there is a need for a **comprehensive CSO Enabling Environment Roadmap** that will reflect priority issues of CSO environment and help to channel the policies and efforts taken by the government towards a more

enabling environment. Recommendation on the adoption of a strategic roadmap to foster an enabling environment for civil society in Armenia was included in the recent report by the Conference of INGOs of Council of Europe on its official visit to Armenia in November 2019.⁴³

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