



**TRANSPARENCY INTERNATIONAL**  
anticorruption center

# **RISKS AND OPPORTUNITIES FOR THE NGO SECTOR IN ARMENIA**

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This publication was developed within the framework of the project “Boosting NGO Participatory Capacity in Armenia”, implemented jointly with Transparency International Lithuanian Chapter with the support of National Endowment for Democracy.

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**TABLE OF CONTENTS**

INTRODUCTION.....3

METHODOLOGY .....3

REVIEW OF LEGISLATION ..... 4

RESEARCH FINDINGS.....6

    External environment.....7

    Capacity and development .....10

    Governance and management .....12

    Transparency and accountability .....12

    Funding and sustainability .....13

    Trust and engagement.....15

    Effectiveness and impact.....17

CONCLUSION .....22

Appendix A: QUESTIONNAIRE FOR NGOs.....23

Appendix B: QUESTIONNAIRE FOR INTERNATIONAL ORGANIZATIONS .....29

Appendix C: QUESTIONNAIRE FOR STATE INSTITUTIONS, POLITICAL PARTIES AND MASS MEDIA.....30

Appendix D: LIST OF RESPONDENTS.....31

## INTRODUCTION

This study was implemented in a framework of a crossborder project “Boosting NGO Participatory Capacity in Armenia”. This project was a joint pilot initiative carried out by Transparency International Anti-corruption Center (TIAC) and Transparency International Lithuanian Chapter and aimed at enhancing public policy participation capacities of Armenian NGOs.

This publication summarizes the overview of the legislation regulating the work of NGOs and the study of these organizations’ practice through participation of stakeholder groups. It focuses on watchdog organizations and marks selected aspects of NGOs, such as the capacity and development, governance and management, transparency and accountability, funding and sustainability, trust and engagement, effectiveness and impact.

In Armenia, the spectrum of formally operating non-state, non-commercial organizations NGOs, which get registered with the Ministry of Justice State Register of Legal Entities – is identified by RA Civil Code and includes public organizations, trade unions, foundations and unions of legal entities. The notion of NGOs is mostly perceived in relation with public organizations, which can be explained by their larger share among NGOs, better visibility and wider recognition in the society.<sup>1</sup> Thus, in this study the notion of NGOs mainly refers to public organizations.

## METHODOLOGY

Methodology for the study of watchdog NGOs in Armenia included the general overview of legislation regulating the work of NGOs and the study of practices, problems and challenges of those. The practice was studied based on the compilation of viewpoints of a selected pool of watchdog NGOs and opinions of major stakeholders interacting with these organizations – donor and international organizations, state institutions, political parties and mass media. Watchdogs were selected as the most active and visible group of the Armenian NGO sector consisting of several thousands of registered, but not necessarily functional, organizations.

Throughout October-December 2009, TIAC collected data about the NGO sector in accordance with the developed questionnaires (Appendices A, B and C). NGO questionnaires related to the perception of NGOs on their problems in the Armenian context and included questions to get background information on the nature, capacity, type of activities as well as those related to the perceived effectiveness, impacts, benchmarks, challenges, relationships, etc. Stakeholders’ questionnaires were designed to get their opinions about Armenian NGOs and their views of their problems and challenges. Project contacted more than 48 NGOs as well as other stakeholders, including 16 donor/international organizations, 10 relevant state institutions, 6 political parties/alliances (5 factions represented in the National Assembly and one alliance of political parties), 15 media outlets and 2 academic institutions. Respondents included 24 NGOs, 10 donor/international organizations, 5 state institutions, 2 political parties and 5 media outlets, whose names are listed in Appendix 1. Questionnaires addressed to NGOs were filled by them in a written form, while stakeholders were interviewed in person.

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<sup>1</sup> According to the official data provided by RA Ministry of Justice Agency for State Registry of Legal Persons to the inquiry of TI AC in April 2010, the number of registered non-commercial organizations is the following: 5061 public organizations (including 2 - closed down), 784 trade unions, 825 foundations (including 153 closed down) and 286 unions of legal persons.

In March 2010 study results were presented and discussed with 32 participants of 24 NGOs at a workshop on Risks and Opportunities for NGOs in Armenia, organized jointly by TI AC and TI Lithuania. Presentation was followed by a discussion of major challenges, particularly related to the deficiencies of the legal framework, problems with cooperation with the government, stereotypes that prevent recognition of NGOs among the public, higher expectations of donors that do not match NGOs resources, lack of transparency and sectoral code of conduct, etc.

The study did not intend to analyse responses, but rather to reveal the scope of various opinions and perspectives for further development of the sector.

## **REVIEW OF LEGISLATION**

The work of NGOs in Armenia is based on the provision of the Armenian Constitution. Activities of the major group of NGOs – public organizations are regulated by RA Law on Public Organizations.

Human and civic right for association is provided by Article 28 of the Constitution of RA and formulated as following: “Everyone shall have the right to freedom of association with others, including the right to form and to join trade unions. Every citizen shall have a right to form political parties with other citizens and join such parties. The rights to form parties and trade unions and join them may be restricted in a manner prescribed by law for the employees in the armed forces, police, national security, prosecutor’s office, as well as judges and members of the Constitutional Court. No one shall be compelled to join any political party or association. The activities of associations can be suspended or prohibited only through judicial procedure and in cases prescribed by the law.”

RA Law on Public Organizations (Article 4) stipulates the principles of operation for public organizations, including the legality, publicity, voluntary membership, equality of members before the law, self-governance and joint leadership. RA Law on Public Organizations (Article 15) specifies what activities such organizations may undertake for achieving own goals, including dissemination of information about its activities; organization and conduct of peaceful meetings, rallies, marches and demonstrations without weapons; representation and defense of the rights and lawful interests of itself and its members in other organizations before court, the state and local self-governance bodies; cooperation with other non-commercial organizations, including international and foreign non-governmental non-commercial ones, formation of unions with those organizations or joining unions formed by them, pertaining its independence and the status of legal entity for the purpose of carrying out systemized activities, representing and protecting common interests; establishing separate sub-units: branches and representations, in the manner prescribed by its charter; establishing commercial organizations or participating in such organizations. The law also allows for operation of non-registered associations of people as long as they do not engage in financial transactions.

RA Law on Public Organizations (Article 21) foresees circumstances when mandatory closure may take place. Those include cases when activities of an organization are aimed at the forced overthrow of the RA constitutional order, incitement of ethnic, racial and religious hatred, or propaganda of violence and war; an organization has committed numerous or gross violations of law, or carried out activities contravening its statutory purposes; the founder (founders) or the authorized person of the organization has committed gross violations or breaches of law while founding the organization. In addition an organization may also be dissolved as a result of bankruptcy.

### *Capacity and development*

RA legislation regulating the work of NGOs does not have provisions that would explicitly restrict the capacities (including resources and independence) and potential for the development of organizations. Neither does it have any restrictions for watchdogging, criticism of the government and advocacy for policy change as long as such activities comply with the requirements of the law.

### *Governance and management*

As mentioned in RA Law on Public Organizations (Article 4), the principles of operation of public organizations include voluntary membership, equality of members before the law, self-governance and joint leadership. It also states that the state shall not interfere in the governance of these organizations.

Until summer 2010, the government oversight was reasonably designed and limited to protect legitimate public interests according to the law. Nevertheless, August 2010 was marked by a legal initiative to increase the risks for government interference in the work of some non-commercial legal entities, including NGOs. The government decided to establish an entity with very broad and ambiguous scope of jurisdiction with an authority to control any activity of selected organizations. At the time of collection of stakeholder opinions this act was not yet adopted, thus no comments were received in regard of this particular entity. Nevertheless, given the already ongoing efforts to increase control over public organizations, there is a concern that such an entity will firstly target the independent and critical NGOs.

### *Transparency and accountability*

One of the principles of public organizations is the publicity, mainly in front of the membership. There are no specific requirements for transparency and accountability of NGOs in front of the beneficiaries and the general public.

The law also stipulates requirements for reporting to respective state authorities, which in addition to tax authorities will include the Ministry of Justice in accordance with recent draft legal amendments under circulation in RA National Assembly.

Transparency and accountability in front of donors is usually the requirement of funding organizations.

### *Funding and sustainability*

Funding opportunities of NGOs are restricted due to deficiencies of respective legislation. In accordance to RA Law on Public Organizations (Article 17), Armenian POs may get funded through grants, membership fees and donations. In order to engage in entrepreneurial activities an NGO has to establish a business company (Article 4). Direct income generating activities including grassroots fundraising, paid services, donations or passive income generation (through lease of property or acquired interest on bank accounts), are considered as an entrepreneurial activity in accordance with RA Civil Code (Article 2) and taxed accordingly.

Tax legislation is the same for the profit-making and non-profit sectors. There are no tax exemptions for non-profit activities, except for those prescribed by some bilateral treaties (e.g. with US government).

Volunteer work is not regulated by the Armenian legislation, whereas the legal gaps allow for misinterpretation of the legality of having volunteers.

## RESEARCH FINDINGS

In general, the study of opinions about the selected aspects of NGO work revealed both positive and negative qualities of NGOs. Interestingly, the opinions expressed often were rather subjective and did not acknowledge problems related to the work of respective groups of respondents. E.g., as a matter of fact, NGOs did not notice the stagnation in their organizations, stagnated professionalism or problems related to their poor connection with their beneficiaries. In their turn, the state officials did not really pay attention to legal impediments that prohibit NGOs to diversify funding.

International organizations' representatives were more critical of their own work. A few of them expressed an opinion that the existing problems within the civil society in Armenia are conditioned not only by social-political realities and problems of the NGOs themselves, but also with the donors' work. There is no adequate cooperation and coordination of donors, some are not consistent in their funding and in order to maintain good relations with both the government and their critics they provide grants to both – independent NGOs as well as GoNGOs or pocket NGOs. Others are afraid from funding of critical organizations, who usually are human rights NGOs. Some donors establish “clubs” of beloved NGOs, who are given any kind of program and project funding; some have money and give it away just for the sake of spending; several donors fund NGOs for implementing their own priorities and do not assess the recipients' agendas.

The views expressed by the group of political parties were largely in conflict with those conveyed by state authorities, given that those who agreed to participate in the interview – “Heritage” political party and “Armenian National Congress” alliance of political parties – represented the opposition. Participation of media representatives was more balanced as included governmental, non-governmental and independent outlets. However, given that the government supported media representatives were not much engaged and did not provide analytical responses, again the opinion of this group is prevailed by viewpoints contradicting to those of the government.

One of the respondents within the group of state institutions represented the Public Council under the President of RA. As it is not a state institution in its classical sense and most of its members are not state officials, the answers of the representative tended to skew the general content of government's response. Some officials interviewed were not, in fact, well familiar with the NGO sector and their activities in Armenia. Interviews showed that those officials who had more interactions with NGOs also had more appreciation of their activeness, credibility, personnel, teamwork, followers. Though knowing well that the number of registered NGOs is several thousand, a few of respondents noticed that there are actually 100-150 active NGOs in Armenia, whose work is visible.

Interestingly, before reflecting their ideas, some of the stakeholders, particularly the representatives of state institutions, political parties and mass media, found important to provide their opinion on what an NGO is and what should be its role in the society.

NGOs in general are perceived as associations of people who are united on the basis of mutual interests to satisfy spiritual and non-material needs. Those are supposed to promote development of different areas of the public life, activate people, assist in self-realization, direct their potential, facilitate socialization, disseminate ideas, formulate public opinion, develop citizenry, raise awareness on their rights and responsibilities and on certain topics, mobilize the beneficiaries, protect their rights and interests, raise issues to the agenda of the government, promote reforms, support activities of the government, assist in the solution of problems that concerns the society, influence decision-making, implement public control of government actions, etc.

NGOs are generally recognized to be important instruments for self-organization of the society and have a serious role to play in a country chosen the path of democracy. The more active is the NGO sector, the better-off is the society in a given country. NGOs are based on the principle of voluntary work and the willingness to address different problems within the society. NGOs are anticipated to work towards realization of own mission, goals and objectives, be principled, neutral, impartial and independent.

State representatives particularly stressed the major strength of NGOs - their non-political nature. Push of political issues by these organizations put under risk the credibility of their work and indicate anticipation of political dividends. They thought that NGO leaders' sympathies or antipathies towards certain political figures should not result in engaging of respective organizations in politics.

Political party representatives expressed an opinion that political parties and NGOs are doing the same thing as both want to change the life. However, they use different methodologies. E.g. NGOs may champion progressive ideas, engage in advocacy, provide support for decades in a systemic and patient way, but they cannot make radical and rapid changes. While, such changes can be made by political parties, when they come to power, legislate and arrange for enforcement. According to representatives of this group, NGOs should probably be politically neutral in an ideal democratic society as they will not be dependent on the circumstance of who is at the power and will likely be able to achieve a more significant change. In a dictatorship, there is a strong division of NGOs and GoNGOs and NGOs, in fact, cannot stay neutral. Organizations that appreciate and promote democratic values, may team up with political movements that actually fight for enforcement of democratic principles. A special role is reserved to human rights NGOs given that many oppositional political players are oppressed by the administration. On the other hand the existence of a strong opposition will guarantee prevention of control of independent NGOs by the dictatorship.

Media representatives thought that public organizations shall play a role of the main pillar of the institute of civil society, represent different groups and professional circles of the public and promote solution of their respective problems, protect the interests of vulnerable groups. NGOs that are affiliated with particular international organizations and movements shall also promote democratization processes in the country and dissemination of international, particularly European standards and values.

Below is the summary of opinions of stakeholder groups regarding certain aspects of NGO work, including the external environment, capacity and development, governance and management, transparency and accountability, funding and sustainability, trust and engagement, effectiveness and impact.

### **External environment**

#### *NGOs*

In their evaluation of the external environment, NGOs mentioned the lack of favorable atmosphere for civil society institutions to develop further, explained by the legal framework as well as the current political-economic situation in the country. Democratic performance is very low, there are widespread violations of human rights, continuous fraud in the electoral processes, reestablishment of media censorship. On the other hand there is a low awareness of the public about their rights, poorly developed demand for democratic developments. In addition, there is a decreasing interest of international organizations towards Armenia's and the region's democratization. A few NGOs believed that their work is also somehow affected by the existing corruption, economic crisis, conflict with Azerbaijan, closed borders with Turkey.



### *Donors*

According to donor organizations, Armenia's legislation regulating the activities of the non-profit actors is not well developed and is to some extent outdated. Such deficiencies contribute to the existence of some of current problems of the non-governmental sector in Armenia. In addition, there were at least two attempts to regulate NGO activities through introducing new legislation – the law on lobbying in 2005 and amendments to the existing Law on Public Organizations in 2009. The latter document being discussed in present is expected to produce serious restrictions for the NGOs in terms of maintaining independence. Thus, there is a fear that Armenian government follows the policies in Russia and Azerbaijan to establish state control over the operation of NGOs.

In general, in the opinion of donors, the environment where the NGOs operate is unpredictable and uneven for different organizations. NGOs do not know what to expect from the government and its law enforcement structures. As a result, most of the NGOs tend to exercise some extent of self-censorship to avoid getting in focus of their attention and to ensure own security. Thus, in their actions they go as far as not to step on anyone's toes.

There are many non-governmental organizations established and/or entirely controlled by government officials and their relatives (the so-called GONGOs). GoNGOs are being used by the government “as a fig leaf” to cover up the existing problems in the country. There is a fear that at some point the Armenian civil society will be deprived from genuine human rights, advocacy or think-tank organizations as there is a growing practice of establishing substitutes for those – GoNGOs – that provide positive feedbacks on government policies, e.g. on the rigged elections. Meanwhile, NGOs that usually criticize government actions are marginalized through different methods – criticism in government controlled media, ban of the media attendance in their events and coverage, etc.

Recently, the government – both at the central and local levels - started giving grants to NGOs working in the social sector, which indicates certain recognition of the work of non-governmental actors. Nevertheless, the perception is that government tolerates NGOs as long as it is able to control their activities. Public structures initiated by government entities, e.g. public council established under the RA President in 2008, are established to window-dress the civil society and NGO sector.

According to a donor respondent, some weaknesses of NGOs – general tiredness, skepticism and cynicism - are largely conditioned by the general situation in the country – widespread poverty veiled by praises for several years of two-digit growth, control of the state by a group of outlaws, autocratic government, continuously rigged elections and lack of real political discourse. Such a situation generally plays as a discouraging factor for the activism of people.

### *State institutions*

Representatives of state organizations did not notice or point on problems within the external environment of NGOs.

### *Political parties*

Respondents from political parties, who represented oppositional movements, thought that the major challenge facing NGOs is the oppressive government – the authoritarian political and economic system existing in the country. In general, the government does not like NGOs who criticize them, who are strong, confident, active and popular, organizations that mostly work in the area of human rights, anti-corruption or just require accountability of the government. Attitude of the government towards NGOs is usually reflected in articles published in pro-governmental newspapers.

In an authoritarian society NGOs can be easily suppressed and no one would support unless there is an independent press, and a united opposition. Existence of independent NGOs is possible only as there is a strong opposition. The existence of a strong opposition brought to existence of real NGOs and those are now helping the political movement. This doesn't mean that NGOs affiliate with the political movement, but rather team up to fight for the same goal.

According to one of respondents, NGOs in the Armenian reality may be classified into two groups. The first group of NGOs exists merely on paper, cooperates with and sometimes is even funded by the government. The second group, in fact only a few of those thousands registered as NGOs are really pursuing their mission, their goal, and are not afraid of confrontation with the government.

There is developed a stereotype in Armenia that NGOs are merely pursuing the goals imposed by foreign organizations and may become as important players in any color revolution. There are a lot of articles in the governmental mass-media labeling the real human rights NGOs as spies and proxies working for international organizations and even as traitors who are acting against the interests of Armenia. It's just a campaign against the NGOs to discredit the reports and activities of independent NGOs, not to face their critiques and blame them for activities aimed at color revolutions. Organizations, regardless whether those are political parties or NGOs who speak about the shortcomings of elections, violations of human rights and needs to comply with international standards are criticized for being western funded. One of the political party representatives thought that the government is afraid of the situation similar to one that existed in Georgia in 2003-2004, when the NGOs played a huge role in mobilizing the people and contributing to the agenda, because in fact NGOs have experienced professional activists with certain level of influence on the society or in their field.

Changes proposed by the government to the NGO law are aimed at just controlling their funding and preventing any role by NGOs in any democratic reform and revolution.

#### *Mass media*

According to media representatives, NGO sector is not well-established yet in Armenia and not well-respected. NGOs are perceived to be founded and registered for two main reasons – to receive grants to make money or to be used by the state authorities for different occasions. Most of the NGOs in the country do not comply with the general mission of the sector and those thousands of registered organizations are mainly busy with imitation of democratic processes.

It is believed that one of the factors that affect realization of democratic institutes such as the NGOs is the lack of free market and existence of economic and political monopolies.

There is also an opinion that it is very difficult to ensure an impact by the work of NGOs or even by that of political parties as it is not easy to influence the Armenian government, which has developed into a one-polar monolithic political system, the main objective of which is to keep its power.

There was an opinion that the legislation for regulation of NGO activities is not well developed. In order for the NGO sector to become stronger, tax legislation and state control mechanisms for it shall be different from those of other sectors. Armenia does not need to invent a new mechanism, but may rather use the existing models of some European countries. Though, on the other hand, one of the problems of the NGO sector in Armenia is considered to be the fact that the model of western countries has been merely copied in a non-adequate way, causing certain distortions.

## Capacity and development

### *NGOs*

NGOs recognize their capacities to be largely limited by the incompatibility of the implemented work and the existing resources. Lack of funding limits their capacity to engage and invest in new staff. As a result they are overloaded and do not have enough time for professional development. Several mentioned the problem of engaging and maintaining the qualified youth in the situation of financial instability. Another difficulty is the risk of engaging new people as they might not be devoted to the NGO. A few respondents mentioned inadequate information about the international partner organizations functioning in their respective fields, the necessity to enter into partnership relations and the lack of means to participate in international movements.

### *Donors*

In the opinion of donors, during recent years, though through foreign/external funding, the NGOs were able to establish themselves within the Armenian society and to play a critical role in counteracting certain negative realities in the country. Some respondents perceive today's situation as better than a few years ago, others see more negative trends. In general, donors anticipate seeing the Armenian civil society organizations as self-governing, self-reliant and sustainable entities, with some support receiving from the state.

Strengths of Armenian NGOs appreciated by donors include their dedication to respective ideas and active engagement, expertise and ability to analyze issues, willingness to take positions and mobilize stakeholders in order to resolve problems. Some NGOs have accumulated certain national standing as well as international recognition. Nevertheless, the general perception is that NGOs are not much effective and do not realize all their potential.

Donors think that the Armenian NGOs do not use the available resources effectively and do not strive to maximize those. Most of them seem to be comfortable with the existing funding and do not go out and raise funds with other sources - donors, foundations, private companies, individuals (grassroots fundraising). They do not really use the human resources that are available to them - volunteers, interns, communities. Many prefer neutral topics, neutral activities - training, awareness-raising, while missing protection of citizens' rights and public interests.

Donors are largely disappointed with the lack of fresh ideas and creative approaches proposed by organizations. General perception is that the NGOs do not educate themselves, do not learn from others' experiences, do not grow professionally and do not accumulate institutional knowledge. NGOs still lack many capacities including writing proposals and reports, presenting the logic of their proposals, making rational analysis and conclusions. Some of them still have language problems, others lack fundraising skills. Often they are output-oriented and do not think much about the outcome and impact. In general, NGOs lack clear strategies for the foreseeable future and lack creativity in many things they do. Lack of experience of some NGOs may be attributed to the lack of exposure to the outside world and interaction with effective NGOs outside of Armenia.

Some donors think that most of Armenian NGOs do not work with the youth and attract new resources for nurturing new generations inside organizations. Sometimes the old people do not really want to accept young ones, while the latter are not enough passionate and motivated to learn and dedicate. Financial resources often appear to be impeding factors for qualified youth to enter into the sector, while the ones that come to NGOs are faced with non-equal opportunities.

NGO sector is rather fragmented as the organizations compete for the same grants available from limited funding sources. Constraints are even more serious for young NGOs. It is

difficult for them to become visible, as many of exiting strong NGOs, who already have history and reputation filled in their niches in their respective areas of expertise. Thus, there is a big generational gap within the NGO community.

Most experienced, resource rich and knowledgeable NGOs are concentrated in Yerevan, while the capacity in regions is rather low. Nevertheless, the expansion of capital-based NGOs activities to regions is not much welcome at the local level. Though marz-based NGOs often lack the necessary knowledge and experience, they prefer to do things themselves.

A number of donors engage in institutional partnerships with organizations not only to realize their respective agendas, but also to receive NGOs' knowledge and experience. The external donors who do not have representation in Armenia, do not know the area well, are not able to search for suitable implementing partners, and thus prefer to fund the big established NGOs. While locally represented international organizations recently are trying to work towards the expansion of the pool of NGOs through funding small projects of young NGOs and helping them to develop. They also started to prefer to work with new NGOs. The old and big ones are not much willing to develop and change their practices and do not need much support, while the new ones bring in fresh ideas, are more connected with their communities and often more enthusiastic about their work.

#### *State institutions*

State officials thought that NGOs in Armenia do implement some interesting projects and are able to raise certain issues of public concern to the agenda of the government. They are able to get access to information and manage to analyze. However, professionalism of NGOs appears to be a significant problem. E.g., in some cases, when the information provided to NGOs is complicated, they are not able to understand and use it for influencing public opinion. NGO sector is considered to be established from the structural point of view, while from the functional perspective it still has a long way to develop. Through there are some exceptions, the role of NGOs is generally very weak in the Armenian reality.

#### *Political parties*

Political party representatives thought that NGOs are still in process of establishment as the third sector. The biggest weakness is the funding mechanism, as there is no domestic funding. NGOs get financed from the international community, from abroad, which frequently serves as grounds for accusing them for being manipulated by foreign interests. Government has to build a system in the country to make NGOs independent from the government. At the same time, there shall be strong NGOs: responsible, accountable, independent, free of pressure and not afraid of criticism.

#### *Mass media*

According to media representatives, Armenian NGOs in general are not well-aware of their own role in the society, lack clear concept of their work, fail in communicating with people on the ground and sending messages to them, lack financial resources. Their main strength is the accumulated intellectual potential that somehow compensates for organizational and financial weaknesses. Another view expressed was that NGOs are strong as they are relatively independent and at the same time weak because of their lack of independence. Media outlets often benefit from the products – books, websites, other information - developed by professional NGOs, particularly those working in the sector of freedom of expression.

## **Governance and management**

### *NGOs*

Among the problems related of governance and management some NGOs mentioned the problem of limited involvement of their members. A few pointed on the low level of engaging volunteers.

### *Donors*

According to donors, governance matters are considered to be a major problem among Armenian NGOs. They usually have weak boards/councils, while real governance, most of decision-making and representation is done by individual leaders. This phenomenon is somehow attributed to the general values of the Armenia society and personality-based leadership systems. As a matter of fact, active people with leadership skills that come to NGOs, are faced with a dilemma – to separate and establish own organizations to actualize own leadership potential or stay as second/third persons with limited scope of authority. Many NGOs end up being as one-man shows, which creates also risks for the survival of NGOs themselves.

NGOs do not have strategies for developing new people inside organizations - identifying, training, empowering, delegating, promoting. Governance needs to be revised to become more of a collective endeavor.

Other stakeholders did not raise issues related to the governance and management of NGOs.

## **Transparency and accountability**

### *NGOs*

NGOs did not reflect on issues related to the transparency and accountability.

### *Donors*

According to donors, transparency and accountability of NGOs are mostly perceived and promoted by donors in terms of their own control over grant implementation, for which they use various reporting and monitoring systems. Some donors also try to ensure the transparency within the framework of their projects and require publicity through websites, newsletters, media as well as some participatory practices engaging the stakeholders.

Donors often are not satisfied with the reporting of NGOs. Financial reporting and submission of receipts is not convincing as in Armenia it is possible to get expenditure receipts for any price. There are event donors who do not completely trust NGOs what are selected as their institutional partners and they prefer to make certain procurements themselves to avoid mismanagement of funds.

In a broader sense, the Armenian NGOs are not perceived to be much transparent, though they demand transparency from the government. Thus, some donors express a concern about the discrepancies in what they do and what they preach. Though NGOs shall not be accountable to the government as people are gathered to realize their right for association, there is still a need for public accountability and openness in reports and finance. It is not possible to be a public interest organization and have practices that fundamentally contradict the concept of transparency and representation of the public interest. Though, there were also donors that expressed concerns on that the openness of NGOs may also contains some risks, as e.g. exposure of the membership may become a reason for harassment and discrimination of individual members.

### *State institutions*

Opinions about the transparency of NGOs were diverse amongst the state officials. According to one respondent, NGOs are not transparent in Armenia at all and there is no clarity about their objectives and funding. Meanwhile, the organization that was brought by him as an example of bad practice, in fact, had all the mentioned information on its website. Another official indicated about the exceptions - those organizations that regularly publish brochures about their activities.

One of the officials suggested that the transparency issue shall be judged by the public and it should become a topic for a survey. Another one expressed a need for bigger access to information about NGOs in order to increase coordination and cooperation within common areas of interest. One of the respondents stressed that the same efforts that NGOs put in ensuring transparency of the public sector shall be put to ensure their own transparency and accountability. While, the other mentioned that NGOs are rather transparent and they may play a critical role in the control of millions of dollars of grants spent by state institutions.

One of the opinions was that the existing legislation already provides for the transparency of NGOs, there is no need to amend it. There is a concern that in the absence of strong boards/councils some leaders of organizations use the property and other means of organization for their own benefit. However members of such NGOs have a right to request accountability and apply to court in case any problems.

There were opinions that NGOs have to be transparent in their relations with the members, state institutions and other partners, the ministries too have to be transparent they need to engage NGOs in their programs so that they monitor how the millions of dollars have been spent and what were the results.

### *Political parties*

According to political party representatives, accountability to the government shall be distinguished from that before the public. The belief is that there should not be accountability before the government in a democratic society, while NGOs shall publish their reports and accounts. In a non-democratic country like Armenia accountability before the public might even have negative connotations, as the government may use the acquired information to oppress some NGOs. Independence of NGOs that receive budget money is perceived to be rather limited as on the one hand the government will likely try to control those, on the other hand NGOs themselves will be reserved in their objectivity and criticism.

### *Mass media*

To media representatives, it is difficult to assess the level of transparency of the whole sector and several thousands of NGOs. There are both – transparent and non-transparent NGOs. In particular, those who receive money from the state budget are not held accountable for their expenditures and the public does not have any control over that money. It was also perceived that NGOs are more transparent than business companies as they are, at least, accountable to their donors. NGOs are even more transparent than the media as the latter often uses black money. Meanwhile, the NGO employees are able to earn their money with dignity and without humiliation, causing some people/sectors to be jealous.

## **Funding and sustainability**

### *NGOs*

According to NGOs, one of the biggest challenges of NGOs is the non-stable and short-term nature of the available funding by international donors, whereas the opportunities to get

funds from those become less and less over time. In addition to these limitations, often there are cases that donors prefer not to fund projects or NGOs which might lead to dissatisfaction of the authorities.

Other problems mentioned were limitations for local funding of NGOs, lack of international experience of staff members, poor technical equipment.

In general, it appears that NGOs have ambitious goals and no adequate means to implement those. This problem also affects the organizations' perspectives for development and sustainability.

#### *Donors*

In donors' opinion, sustainability is generally a big problem and the main challenge for the majority of the Armenian NGOs. Those strive to survive – not only in terms of raising funds, but also of accomplishing their mission, not getting destructed or compromised. Some NGOs chase after grants that do not match their mission and goals. Many survive from grant to grant that are usually small and short in duration. Hence, it is rather difficult for them to ensure security and even maintain the experienced staff.

Generally, there is no local funding for the Armenian NGOs. There is some funding coming from some interests groups and the government, which however rather go to the so-called "pocket" NGOs or "GoNGOs". There are no much signs to indicate that the government thinks of allocating funding for real independent NGOs, though recently started making budget allocations for social programs to some NGOs. On the other hand, budget funding for certain types of activities may be controversial as the potential criticism of the recipient NGOs will be somewhat artificial.

Armenian NGOs are very much dependent on external sources. But even though the international donors are interested in maintaining the sustainability of outcomes and impact of their projects, they cannot ensure permanent funding of the Armenian NGO sector. NGOs need to diversify their funding sources and try to be creative in that.

#### *State institutions*

State representatives thought that as the NGOs' role is to unite the common interests of people to promote certain ideas, their sustainability will mostly depend on the number of people gathered around the idea rather than the funding. Money shall only be means for implementing ideas and it is a secondary issue for the sustainability of NGOs in Armenia. Meanwhile, the some of respondents expressed an opinion that Armenian NGOs are mostly "grant eaters". They get established for the purpose of receiving grants from this or that international or local organization.

Sustainability could be ensured as the members of the society become the carriers of certain values and ideas, get the civic responsibility and strive for realization of those. In Armenia, the ideas are being generated at the levels of funding organizations and are not necessarily shared by the society in large. Donors basically sell their ideas for money, but oftentimes even the implementing NGOs are not carriers of those.

Nevertheless ensuring permanent and sustainable funding is a major challenge for NGOs. On the one hand, economic situation in general is a big problem in Armenia where poverty level is high and the lack of funding in the NGO sector is the reflection of the country's well-being. On the other hand, some international donors often regularly finance the same organizations and ignore the others, which does not contribute to the development of the NGO sector and promotes corruption risks in the area. Local legislation is not well developed to ensure sustainability. RA Law on Procurement contains serious obstacles for NGOs to participate in state bids. Meanwhile, it is clear that the lack of own resources will result in a

dependence on external donors, and hence, limitation of independence, lack of neutrality and impartiality, lack of professionalism, chasing for various types of projects, etc.

One of the respondents admitted that NGOs are being blamed for being “grant-eaters” or depending on foreign funding, but there are no local sources available and/or accessible in Armenia, thus they are forced to look for external sources. However, governance culture in country has not achieved a level when before criticizing someone there is a need to understand whether Armenia as a state has done everything to develop the NGO sector.

#### *Political parties*

Political party representatives acknowledged that there are no adequate legal provisions to secure funding of NGOs. It would be good to adopt the practice of some countries, where, e.g. citizens pay 2% of their taxes to any NGO and the cause of their choice. This contributes to the independence of NGOs as those become actually funded by their constituencies.

#### *Mass media*

Media representatives did not raise the issue of sustainability of NGOs.

### **Trust and engagement**

#### *NGOs*

NGOs thought that in general, there is widespread public distrust towards NGO sector. People are passive and indifferent with poor awareness of own rights and freedoms and the decision-making processes that affect their lives.

#### *Donors*

Most of interviewed donors emphasized the poor connection of NGOs with their respective constituencies and communities which they are supposed to serve. They do not have social base, lack membership and volunteers. And, they do not really understand the importance of engaging people, nurturing followers and being accountable to the people so that to put in more efforts. They do not know how to communicate and work with the community. NGOs function more as business type of offices for their respective teams rather than public interest protection groups, which represent not only themselves but also their constituents. This way is also considered as an easier method of doing things given that opening up to the public would mean getting closely scrutinized and disturbed. The demand side is not well developed either as the society does not require much from NGOs. These concerns have been raised by many donors in front of their grantees, however the latter did not follow up. Some of the donors hope that the new NGOs may pick up on this idea and as there emerge organizations that represent the public, it may generate competition and multiply the effect.

As mentioned by respondents, public opinion surveys indicate that the general public does not trust the NGOs, probably thinking of those as grant chasers or people recruited by foreign organizations, who take a stand merely for getting more money. One of the causes for such an opinion could be the failure of NGOs to communicate with the public and their respective constituencies. Nevertheless, NGOs do have more credibility among the public than the government and media, thus their efforts of establishing contacts could become critical for building social support.

Some donors expressed a concern that mass media does not acknowledge the important role the NGOs and cover their activities properly. Broadcast media is highly dependent on the government, while print media is very opinionated – serving rather political interests. On



the other hand, as donors say, the NGOs themselves do not indicate persistence in working with the media.

In general, NGOs have not been much creative in utilizing other methods for advertising and disseminating their ideas. Donors believe that as the country is small, information can be easily spread among the society members not only through TV or newspapers, but also through public events on squares, dissemination of information leaflets, internet, etc.

Some donors thought that there is not much cooperation amongst NGOs either. They engage in teamwork on an ad hoc basis - when challenged by burning problems. Otherwise they cooperate only when there is some pressure/push from international organizations. In general, cooperation seems not to be a common value in Armenia and people are more individualistic, focused on themselves, their extended families and friends.

One of respondents expressed a view that it is often hard to cooperate with government institutions as those often think of NGOs as of ignorant, non-serious and shouting people. Thus, it should be the civil society's responsibility to establish own reputation and find the most strategic way to approach them in order to advance its own agenda, as otherwise it will not work.

#### *State institutions*

State officials thought that NGOs in general do not have followers and actual connections with communities whom they represent. They mostly carry own or donors' agenda rather than reflect the public interest.

One of the challenges of NGOs is that they do not enter into dialogue and cooperate with each other. They are jealous and competing more than acting as partners in their efforts of lobbying or other techniques of influence.

One representative thought that there is a need to develop credibility of an through continuously working in its respective areas, developing the expertise related to certain issues, becoming an authority for other people, engaging experts, developing lobbying skills to be able influence decision-makers, etc.

State officials usually get familiar with the NGOs through inquiries sent to state institutions to get access to certain information/documents, participation in mixed councils under the auspices of state institutions, attending NGO discussions and inviting them to own events, broadcasted programs, etc. RA Prosecutor General has regulated cooperation with NGOs through issuing the "Order of Participatory Cooperation between the Prosecutors Office and Public Organizations". Vanadzor municipality is the first one in Armenia that has an experience of social partnership with an NGO and is ready to continue such a practice co-funding joint work. Responding officials were mostly of a positive opinion of those NGOs, with whom they cooperate with on a regular basis.

According to one of respondents, there is a polarization between the state structures and the third sector and mutual criticism. Though the state authorities express their commitment to work with NGOs, in practice they do not. There was an idea expressed that it would be good to have in ministries people who have gone through the NGO experience and vice versa, so that these institutes understand better each other.

#### *Political parties*

Respondent political party representatives thought that a few NGOs are high-level professionals in their field and as admitted as a pool of ideas for reforms. NGO reports are often being used by oppositional parties.

### *Mass media*

Media representatives expressed their preference to work with NGOs who are effective, have something to say and some work to present. They indicated positive opinion about NGOs with whom they cooperate, but expressed negative attitudes towards the sector in general.

Oppositional media particularly appreciated the cooperation with human rights groups and professional media associations, while the representatives of government controlled outlets mainly named government-linked organizations. Cooperation was mentioned to take place in forms of providing interviews to newspapers, organizing press conferences, inviting to discussions and other events.

## **Effectiveness and impact**

### *NGOs*

Some NGOs, especially those working in the field of human and civic rights, feel that in the atmosphere of present political crisis in Armenia their organizations' goals are almost unrealizable.

Effectiveness of work significantly suffers as NGOs are implementing additional non-planned work as they feel the responsibility to engage in issues of public importance that need urgent reaction. This often results in the breach of the work of the whole organization.

Many NGOs think that Government maintains the participatory process on formal level, there is lack of cooperative experience and culture on the part of government officials as well as representatives of non-governmental organizations. As a matter of fact, there is absence of public participation in decision-making processes.

Impact of NGO work is often overturned by the lobbying of decision-makers by business, and usually economic and financial interests prevail over the human rights and social issues. Mass media, which could contribute in the effectiveness and impact of NGOs' is largely controlled by the state and perceived to be corrupt.

### *Donors*

Donors use a wide range of indicators to monitor and evaluate outputs of NGOs' work. Those include and are not limited to numbers of publications, training programs, people educated, recipients of advice, cases taken to the court, advocacy campaigns, etc. Some organizations also use quality indicators to judge on the effectiveness of outputs, e.g. consideration of NGO lawsuits by the courts, scope of policy change, extent of community mobilization, range of used communication and advocacy tools, etc. A few donors criticized the NGOs to be concentrated on output level indicators and disregard the impact. Others admitted that for them too it is difficult to measure the impact and they just may hope that, e.g., in an educational program attended by dozens of people throughout Armenia at least five per marz will stay focused on the trained topic.

Donors seemed to have different preferences for the outcomes of projects that they fund. There were ones who considered as extremely successful the advocacy work of local NGOs in marzes in terms of meeting their targets, while the efforts of others in striving to make high-level reforms were considered too ambitious and not necessarily reaching their objectives.

In some donors' opinion, there are individual effective NGOs in the country however it is difficult to say that there is an NGO community as such - with common interests, community dignity, morals, values, etc. There is lack of group commitment, interest, communication, and coordination which would eventually affect the effectiveness of NGOs. The community becomes visible only when something extraordinary happens – violation of human rights, environmental problems, amendments to the Law on Public Organizations, etc. Then NGOs become more active, organize themselves into coalitions, protest against government actions and often manage to influence decision-making.

Impacts of NGOs' work may be evaluated differently for their proactive and reactive work. Proactive actions of NGOs do not really produce much positive impact, while reactive ones are more effective. NGOs' advocacy work does not actually lead to policy change and differences made by NGOs are mainly limited in their scope (e.g. helping citizens, winning cases in court), level (mainly – community level) and duration. Experience shows that NGOs have been able to make larger-scale difference only when they reacted to government actions and opposed the negative change whereas one of the keys to success was the cooperation with international organizations. For another type of reactive actions, especially in the field of human rights or anti-corruption, NGOs do not really achieve certain positive change, but they fill in the gap of information, keep their eyes on issues, bring up the problems and keep the fire on. The issues raised by them may also be picked by international organizations and foreign missions and addressed to the government or reflected in the country assessment reports. In general, NGOs are considered to have positive impact. By one respondent it was compared to the role of international organizations in the country, whereas they do not introduce bi change, but it is believed that the situation would be worse if they weren't there.

To one of respondents, the effectiveness of human rights, advocacy, anti-corruption and public interest protection NGOs is limited as they get marginalized due to the efforts of the government. For several years some of these organizations have been hindered of delivering their opinions and disseminating information through mass media, their work was not properly covered and they were publicly blamed for serving foreign interests. For some time they were even deprived from receiving funds from some donor organizations, who merely avoided displeasing the government. Thus, in a similar hostile environment one could not expect a bigger level of effectiveness.

Some donors expressed opinions that Armenian NGOs are mostly biased in their actions. According to them NGOs shall not be partisan, while given that NGOs do not set the agenda themselves, but mostly react to that of others, they get pushed and pulled in various partisan directions – by the government or by the opposition. However, NGOs may be political and even cannot avoid entering into politics, if they want the issues to be resolved, given that the solution often lies with politicians. In addition, most often the roots of problems are connected with political realities. However, as NGOs want to dig deeper to address the roots rather than the consequences of the problem, they get blamed for being “political” and “oppositional”. Fear of engagement with politics is considered to be a legal culture issue stemming from the soviet heritage of interpreting the law “in accordance to the letter or law”, where it is written that NGOs shall not be involved in politics.

Other causes which affect the effectiveness and impact of NGOs include the dependence on project-based funding as oftentimes NGOs link their mission to objectives solicited by donors, while their activities eventually remain discrete and incomplete. Also, there is a practice of compromise that significantly reduces the magnitude and frequency of NGO action and diminishes their role in the society. Additionally, there is a fight between the so-called “clubs of NGOs” and the donors themselves and striving for the same pool of grants makes the community fragmented.

Donors widely perceived that successful NGOs need to be professional, persistent and recognized by stakeholders, to push on certain change without becoming enemies with the government, to know how to talk to and work with people, high-level officials and donors, to engage with communities and raise the awareness of their constituencies. Though some NGOs think that their voices are not being heard by the government, in international organizations' opinion, those are actually heard if they're persistent and committed enough to achieve their objectives.

According to donors, some NGOs believe that their job is to contradict to government decisions/actions, reveals problem and push for solution. Others are limited in their criticism as are afraid of being labeled as "politicized" or "oppositionist".

One of the problems of Armenian NGOs is that they are often unable to be critical and supportive at the same time. Saying and screaming are different methods and they may end up with different results. When you say something constructively you also offer solutions and when you scream you discourage people to do something. Government takes more seriously the criticism that is perceived to be balanced and constructive. Officials will be more amenable of NGO statements and reports as those along with critique acknowledge that e.g. the problems are related not only to the lack of political will but also to other problems existing within institutions, such as the competence level of official, financial restraints or technical matters, or the tone of criticism is more cooperative than manifesting some antagonism.

Some representatives of international organizations recommended that in order to be more successful in their relations with the government NGOs learn to not immediately react negatively to issues but become more informed, thoroughly study the facts, develop reasonable arguments, become more constructive and try to be objective and along with criticizing the government welcome good changes.

There are various strategies of working with the government. It is possible to adopt a more cooperative mode of work, refrain from criticizing publicly and rather address issues through sending letters or take part in government established public councils and use that forum for raising the issues of concern. The other way is to criticize or do something else publicly and get donors to politically back your standing. Both ways may lead to success.

#### *State institutions*

According to state representatives, NGO effectiveness depends not on the money, but their attitude towards the work. Most of NGOs are not effective in Armenia. Those organizations that were established for chasing after the grants rather than promoting an idea, are not successful and do not have the necessary impact. They are not driven by the goals, their motivation disappears upon the shortage of funding and not many continue pursuing the goals for free.

Additional challenges that affect the effectiveness and weaken NGOs' impact include the lack of trust and non-adequate influence among the public, insufficient level of public awareness, lack of own independence due to the dependence on donors, lack of neutrality and impartiality, lack of professionalism of people implementing projects, lack of adequate culture to cooperate with state bodies, fragmentation of the NGO sector, etc. Donors often import and NGOs implement ideas which are alien/strange to the Armenian reality, which affect the effectiveness of their projects. NGOs themselves often have incorrect perception of own role, do not serve the goal of an NGO and merely use the status of the organization for attracting funds.

One of state officials expressed an opinion that the effectiveness of NGOs depends on the importance of the raised questions to the community and it is critical that organizations bring

up issues of a conceptual nature rather than get down to the level of individual concrete cases and persons. Another view was that NGOs may play a critical role as “check and balance” and oversee the government actions, in particular monitoring expenditures in government structures that receive international funding. Strong NGOs need to be persistent and principled.

State organizations are interested in the effectiveness of the NGO sector and there are examples of effective cooperation. Cooperation may work and result in good results when the interests are genuine and oriented towards positive change. It is critical that NGOs are not engaged in political processes and their initiatives do not get transformed into political party and lobbying, whereas the belief is that some NGOs in Armenia do cross that line and aggressively disseminate political ideology.

An official thought that there are a few NGOs in Armenia that are effective in influencing the authorities, bringing a change, helping the people and doing some interesting work. There are cases, when NGOs have managed to mobilize and join in order to influence state authorities to change non-advantageous decisions. One of the officials mentioned 1-2 serious changes within 1.5-2 years. However, as NGOs generally lack real idea, desire, enthusiasm, the pool of followers and respectively the civic initiative, they are not always successful.

One of the respondents divided the NGOs into 3 groups based on their effectiveness: active NGOs who work in compliance with the law and are effective, non-active NGOs that are not much visible as do not have adequate resource base and NGOs that are active but are engaged in unlawful activities and instead of promoting the development of the society ‘instigate negative trends and attitudes’.

There was no unified opinion amongst state representatives regarding the anticipated relationship of NGOs with the government. Some interviewers thought that NGOs should be independent and able to play the dual role of the opposition as well as support the government, acting as a partner as well as a check and balance mechanism for the government. Others were more of an opinion that NGOs shall be working rather closely with the government and expressed their readiness to cooperate with any NGO who indicate interest in cooperation, share the objectives, is committed to assist the respective state institution in implementing its agenda and strengthen the trust towards this institution.

Lack of experience in cooperation and partnership with the government is considered to be one of the weaknesses of the NGO sector and a critical factor for impeding the development of the NGOs and effectiveness of their work. NGOs do not much utilize such mechanisms for cooperation/work with state institutions as use of mass media, letter campaign, telephone calls, information leaflets, etc. NGOs rather prefer to shout and complain, which does not generate sympathy neither among the wide public, nor among state institutions.

One of the officials mentioned that they would like to see NGOs more actively engaged in decision-making processes, taking more of an initiative, following government actions more thoroughly, disturbing them in a more active manner. The government would appreciate to have NGO comments and concerns in regard with related issues prior to decision-making or public opinion regarding this or that decision. Draft laws are being located on the websites of respective ministries, which will allow NGOs to get familiar and comment on the legislation, as in present Ministers are being questioned if a legal act of their respective area has been discussed with NGOs. NGOs may even lobby and achieve a status when the draft legal acts will be emailed to them by the Ministries.

In the opinion of one of respondents, NGOs have to be active in participating in legal drafting and developing interesting ideas, in particular related to the Law on Public Organizations

being amended in present. NGOs need to have a unified approach and make the amendments to this law to serve their interests.

#### *Political parties*

In the viewpoint of political party representatives, NGOs are doing an important work, which however does not produce significant result in a short-run. It is important for NGOs to identify and implement a breakthrough project that may change situation in the country. There is a belief that if NGOs unite they could achieve serious change in the current order of things in the country and resolve two biggest problems in the country - to ensure release of political prisoners and opening of A1+ independent TV channel. E.g. a group of NGOs could create a channel of broadcast through satellite and get funding from the international community through explaining the need for access to independent information.

Political party representatives think that one of the challenges that NGOs are faced with in order to achieve effectiveness is the close functioning of government entities. NGOs are often refused by those in their requests for information.

Some NGOs do try to cooperate with the National Assembly in their lobbying efforts, however, in general, there is no commitment and practice of engaging NGOs in decision-making process. There were only a few discussions within the National Assembly when NGOs were invited, which was, in fact, the result of pressure of the oppositional fraction.

#### *Mass media*

Media representatives thought that NGOs in Armenia do not play the same role as in western countries and there is a need for change to establish a sounder mechanism for protecting civic rights and controlling public authorities. Mass media is able to assist in strengthening the position of NGOs and their effectiveness given that it understands the importance of NGOs for the development of the society.

There are no concrete criteria for evaluating the effectiveness of NGOs. Some measure it with the number of received grants, several - with the number of members, others – with the number of activities/projects. There is a belief that the NGO effectiveness shall be measured in accordance with results of their work and the extent the society felt those. In Armenia NGOs are more effective in assisting people, defending human rights, protecting the environment, etc., however these achievements are not significant.

It is perceived that NGOs may have some impact as they institutionalize social expectations and mobilize the public. On the other hand there were doubts that the authorities themselves have any will to change something.

There was an opinion expressed that some NGOs, particularly those operating adjacent to the government, still act like similar organizations in Soviet times whereas they are supposed to apply to the authorities collectively and the authorities will react to such request and make the anticipated change. In fact, many changes are being directed and/or ordered by the government, i.e. the authorities raise some issues through their linked NGOs and then react to those demonstrating that they are solving the raised issues. Examples of government-driven projects included the students' action of fight against corrupt university professors. In a formal sense one may say that such NGOs do have an impact meanwhile that is more of a pseudo-impact. The level of impact of another group of NGOs who have oppositional views is almost zero as the government does not have a will to make any change promoted by this group. NGOs of the third group who are not polarized are able to make certain impact, though not much significant.

Strong and principled NGOs are able to make an impact as they are determined so. Impact may be ensured by engaging brave and principled personalities, who can reveal the issues and analyze in an impartial manner and raise to the agenda of public and state authorities. Whereas, on the contrary, there may be an NGO who claims to be a carrier of European values and confer an award to a certain criminal oligarch, indicating no real association with European values.

There was a perception among media representatives that only a few NGOs in Armenia who are not integrated with the authorities, who do not have working style of young communists and who may bravely speak out and protect own viewpoints.

## **CONCLUSION**

As mentioned earlier in this publication, the aim of the study was to reveal the range of various opinions and perspectives for the development of the NGO sector. The research exposed to a number of challenges associated with the external environment, such as the legal framework, which can probably become a topic for advocacy for policy change. It also identified a number of weaknesses of NGOs, which affect their work and recognition within the society.

TI AC refrains from an intention to develop recommendations for the improvement of the whole NGO sector based on the ideas received from stakeholders. Nevertheless, we think that the key to the solution to many of the highlighted problems lies within the jurisdiction and capacity of NGOs themselves and any organization that acknowledge own shortcomings may take measures to improve its practices.

## Appendix A: QUESTIONNAIRE FOR NGOs

### Capacity Survey

Name \_\_\_\_\_ Organization Name \_\_\_\_\_

Position \_\_\_\_\_ Email \_\_\_\_\_

Phone # \_\_\_\_\_ Address \_\_\_\_\_

If any of the information in this survey is also available in an annual report or on your website, we will be very thankful if you provide us with a copy or give a corresponding link.

\_\_\_\_\_

#### 1. Background information.

- a. How many employees (full-time equivalent) does the organization have?

\_\_\_\_\_

- b. Does your organization have a membership? If so, please provide the number of members.

\_\_\_\_\_

- c. What was the amount of the organization's revenues and expenditures for 2008?

\_\_\_\_\_

- d. What sources constitute your funding in 2008? Please specify the percent contribution to the annual budget from each source (i.e. 15% private donations)

\_\_\_\_\_ Armenian Government

\_\_\_\_\_ International Organizations (World Bank, UNDP, etc.)

\_\_\_\_\_ Foreign Governments (USAID, British Government, etc.)

\_\_\_\_\_ Private Donations

\_\_\_\_\_ Membership Fees

\_\_\_\_\_ Income from Entrepreneurial Activities

\_\_\_\_\_ Private Sector

\_\_\_\_\_ Other (Please specify \_\_\_\_\_ )



e. How many funded projects did you carry out in 2008? : \_\_\_\_\_

f. How many unfunded projects (voluntary activities) did you carry out in 2008? : \_\_\_\_\_

2. Your organization functions in Armenia as a:

- Public Organization
- Foundation
- Branch of an international organization (Please specify \_\_\_\_\_ )
- Other (please specify \_\_\_\_\_ )

3. Please classify your organization type by checking the following types of activity.

- Service Providing
- Watchdog / Monitoring
- Advocacy
- Social Movement
- Think Tank / Policy Center
- Grant-making
- Education / Awareness raising
- Professional Association
- Other (please specify \_\_\_\_\_ )

If you wish you can provide more details about the activity types of your organization in the space below.

---

4. Please mark all those fields that apply to your organization's activity

- Youth Issues
- Human Rights
- Public Policy
- Humanitarian Assistance
- Community Development
- Children, Family Issues
- Women Issues
- Economic Development
- Environment, Ecology
- Health, Medical Issues
- Handicapped Issues
- Education
- Art, Culture
- Science, Technology
- Agriculture
- Mass Media
- International Relations
- National Minorities
- Refugee Issues
- Sports, Hobbies
- Other (please specify \_\_\_\_\_ )

If you wish you can provide more details about the activity types of your organization in the space below.

---

5. As a follow up to the last question, please indicate the methods you are using to accomplish the proposed goals, by marking all that apply.
- a.  Do you monitor or publicize the activities of elected state officials? (i.e., President, Parliament, local government, etc.)
  - b.  Do you monitor or publicize the activities of other state institutions? (i.e., police, prosecutor's office, regulatory commissions, customs service, tax service, etc.)
  - c.  Do you monitor elections?
  - d.  Do you develop and promote codes of conduct for adoption as best practices by NGOs, the government, the business sector, the media or other industries?
  - e.  Do you conduct research in the form of periodical assessments about an area of your interest?
  - f.  Do you conduct or organize research on specific issues as they arise?
  - g.  Do you draft and propose new laws and/or policy changes?
  - h.  Do you file lawsuit and/or represent persons in the court?
  - i.  Do you educate your membership with press releases, publications, or other media?
  - j.  Do you educate the general public with press releases, publications, or other media?
  - k.  Do you disseminate information to your key supporters?
  - l.  Do you organize boycotts or similar activities?
  - m.  Do you organize protests?
  - n.  Do you participate in protests?
  - o.  Do you promote enforcement of the existing laws?
  - p.  Do you coordinate or bring together other NGOs?
  - q.  Do you provide aid and/or free resources to other NGOs?
  - r.  Do you provide services to ordinary people?
  - s.  Other (Please specify \_\_\_\_\_ )

If you wish you can provide more details about the activities of your organization in the space below.

---

6. Does your organization have a code of conduct? What matters and relationships does it regulate?

---

7. Do you publish annual reports? Do you have a website? How regularly is it updated? By what other means do you ensure transparency of your operations and accountability to your members and supporters?

---

### Impact Assessment

1. What do you see as your organization's greatest strengths and how do you exploit these strengths?

---

2. What are the most serious external and internal challenges your organization faces (up to three challenges)? Please rank them.

#### External

#1 \_\_\_\_\_

#2 \_\_\_\_\_

#3 \_\_\_\_\_

#### Internal

#1 \_\_\_\_\_

#2 \_\_\_\_\_

#3 \_\_\_\_\_

3. Please, explain more about each of these challenges? What are their main causes?

---

4. What specific actions have you taken, you take, or would you take to overcome each of these challenges?

---

5. Do you think that your organization's challenges differ a lot from those of other similar organizations or of the whole NGO sector?

---

6. Does your organization co-operate with other NGOs working on the same issues? Does your organization find cooperation useful? If you do not co-operate with other organizations, please explain why.

---

7. Does your organization use evaluation indicators which would show whether it records progress toward its goals? If not, what indicators might you use, which would show whether things are getting worse or getting better in the areas you work in?

---

8. In your opinion, how effective are your organization's activities? Do they bring changes, influence the authorities, or help the people?

---

9. Is there anything else you would like to add about the NGO sector, its challenges, or its effectiveness?

---

### **Other Actors**

1. What organizations do you work closely with? (NGOs, international organizations, media, state institutions, etc.)

NGOs: \_\_\_\_\_

Donors: \_\_\_\_\_

Media: \_\_\_\_\_

State Institutions: \_\_\_\_\_

Other: \_\_\_\_\_

2. What other organizations would you like to work with and why?

---

3. Are there any other organizations you would recommend to engage in this research?

NGOs: \_\_\_\_\_

Donors: \_\_\_\_\_

Media: \_\_\_\_\_

State institutions: \_\_\_\_\_

Other: \_\_\_\_\_

## Appendix B: QUESTIONNAIRE FOR INTERNATIONAL ORGANIZATIONS

1. What criteria do you use in selecting NGOs and projects to fund? What do you pay attention to in particular?
2. What do you think are the major challenges facing NGOs? Can you explain more about each of these challenges? What are their main causes?
3. What do you think are the strengths and weaknesses of NGOs in general? What sets apart the NGOs you fund?
4. In your opinion, how effective are NGOs in general? Do they manage to bring change, influence the authorities, or help the people?
5. What specific indicators do you use which would show whether your grantees record progress toward their goals?
6. How do you monitor organizations you fund? How do you promote transparency and accountability in the activities of NGOs?
7. What would you recommend NGOs to do to overcome their central challenges and to improve their effectiveness?
8. Which NGOs do you fund? What are their primary activities? Do you fund them more because of the kind of activities they implement or the quality of their work?
9. Is there anything else you would like to add about the NGO sector, its challenges, or its effectiveness?
10. Are there any other organizations you would recommend to engage in this research?

NGOs: \_\_\_\_\_

Donors: \_\_\_\_\_

Media: \_\_\_\_\_

State institutions: \_\_\_\_\_

Other: \_\_\_\_\_

**Appendix C: QUESTIONNAIRE FOR STATE INSTITUTIONS, POLITICAL PARTIES AND MASS MEDIA**

- 1. What do you think of NGOs in general and of the NGOs you interact with most often, in particular?
- 2. What role should NGOs play in Armenia? What role do they actually play?
- 3. In your opinion, how effective are NGOs in general? Do they manage to bring change, or influence the authorities, or help the people?
- 4. Do you think NGOs are sufficiently transparent and accountable?
- 5. What do you think are the major challenges facing NGOs?
- 6. Can you explain more about each of these challenges? What are their main causes?
- 7. What do you think are the strengths and weaknesses of NGOs?
- 8. Which NGOs do you interact with most often? How? What activities do they implement?
- 9. Is there anything else you would like to add about the NGO sector, its challenges, or its effectiveness?
- 10. Are there any other organizations you would recommend to engage in this research?

NGOs: \_\_\_\_\_

Donors: \_\_\_\_\_

Media: \_\_\_\_\_

State institutions: \_\_\_\_\_

Other: \_\_\_\_\_

## **Appendix D: LIST OF RESPONDENTS**

### **NGOs**

1. "Achilles" Center of Protection of Drivers' Rights" NGO
2. "Araza" Benevolent NGO
3. "Armavir Development Center" NGO
4. "Armenian Helsinki Committee" NGO
5. "Association "For Sustainable Human Development"" NGO
6. "Civic Development and Partnership Foundation" Foundation
7. "Civil Society Development Centre of Syunik" NGO
8. "Civil Society Institute" NGO
9. "Chamber of Advocates of RA" NGO
10. "Committee for Protection of Freedom of Expression" NGO
11. "Community Finance Officers Association" NGO
12. "EcoLur" Informational NGO
13. "European Integration" NGO
14. "Foundation against Violation of Law" NGO
15. "Freedom of Information Center" NGO
16. "Institute for Democracy and Human Rights" NGO
17. "International Center for Human Development" NGO
18. "It's Your Choice" NGO
19. "Journalists' Club "Asparez"" NGO
20. "Protection of Consumers' Rights" NGO
21. "Professionals for Civil Society" NGO
22. "Investigative Journalists" NGO
23. "The A.D. Sakharov Armenian Human Rights Protection Center" NGO
24. "Victims of State Needs" NGO

### **Donors/International organizations**

1. American Bar Association, Rule of Law Initiative (ABA/ROLI)
2. Casals & Associates, Inc.
3. Counterpart International Armenia Office
4. European Bank for Reconstruction and Development
5. Eurasia Partnership Foundation
6. OSCE Office in Yerevan
7. Open Society Institute Assistance Foundation Armenia
8. The World Bank
9. UNDP
10. USAID

### **State Institutions**

1. RA Ministry of Justice Agency for State Registry of Legal Persons
2. RA Government Staff
3. RA Public Council under RA President
4. Vanadzor Municipality
5. Yerevan Municipality
6. Prosecutor's Office



***Political Parties***

1. "Armenian National Congress" alliance of political parties
2. "Heritage" political party

***Mass Media***

1. "Aravot" daily newspaper
2. "Golos Armenii" daily newspaper
3. "Haykakan Zhamanak" daily newspaper
4. "H2" TV channel
5. "7 or" electronic media