



Country and Government Context

Armenia is a small, mountainous, landlocked country with a population of about 3.2 million. The country is located at the crossroads between Europe and Asia in the southern Caucasus. Approximately 65% of the total population lives in urban areas, of which one-third lives in the capital, Yerevan.

Armenia declared its independence in 1991. The official language is Armenian, but Russian is widely spoken. The country is made up of 11 administrative-territorial units, including Yerevan and 10 *marzes* (provinces).

The Head of the State is the President who appoints the person nominated by the parliamentary majority to be the Prime Minister. The Prime Minister appoints ministers to comprise the Cabinet of Ministers. The legislative power consists of a single-chambered National Assembly (Parliament).

Since the breakup of the Soviet Union, Armenia's transition to a free market-oriented economy has been characterized by agricultural land privatization, price liberalization, financial sector restructuring, and development of an appropriate legal framework for private enterprise.

Since independence, Armenia has been in dispute with Azerbaijan over the territory of Nagorno-Karabakh, and thus Armenia's borders with Azerbaijan and Turkey have been closed. At present, the main trade links are limited to low-capacity rail, road connections with Georgia and its Black Sea ports, and a single road with Iran.

Armenia is a lower middle-income country with a gross national income per capita of \$3,250. Armenia is committed to democracy, strengthening civil society, and respecting human rights. The country has ratified several international conventions and treaties promoting these principles.

Civil Society: An Overview

Armenia acknowledges civil society participation as an important component of public administration processes, in particular the role of nongovernment organizations (NGOs) and political parties. NGO participation in the country's democratization processes has been significant.

After the devastating earthquake of December 1988 and during the years of conflict over Nagorno-Karabakh, unions and other associations were heavily involved in relief and humanitarian efforts. The Government of Armenia was unable to cope with the situation itself and, therefore, it had to accept the active participation of civil society organizations (CSOs).

From 1988, major international organizations and international NGOs started arriving in Armenia. Alongside humanitarian aid, they contributed to the development of the local nongovernment sector. Among the first international NGOs operating in Armenia were Armenian Technology Group, CARE International, Catholic Relief Services, Oxfam Great Britain Armenia, Save the Children, and United Methodist Committee on Relief. Also, the Armenian Diaspora provided humanitarian aid and contributed greatly to the rehabilitation process. Its activities in Armenia are still coordinated through international NGOs, including Hope, the NGO Center (NGOC), and the Armenian Relief Society.

This period can be considered the first stage in the formation of local NGOs. The focus of these new NGOs was on refugees, women, children, the elderly, and the disabled. NGOs' inability to meet growing demand for emergency services and operations was due to the limited scope of NGOs' activities; lack of local NGO skills, knowledge, and capacities; and absence of an appropriate legal framework.

The gradual increase in the number of international NGOs in Armenia and the corresponding need to regulate the activities of all types of CSOs led to the Government of Armenia adopting its first Law on Civil Society Organizations in 1996. The law encouraged international NGOs to shift their activities from emergency response to development, the protection of human rights, and enhancing the capacity of local NGOs.

A local NGO movement started to develop in the *marzes* (provinces) as well. Local NGOs began implementing projects in education, health, culture, community development, and income generation. In 1997, the number of local NGOs reached more than 500. By 2001, data from the State Register showed that there were 2,585 NGOs officially registered. Some distinguished local NGOs include the

- Armenian Constitutional Legal Centre, which established a Human Rights South Caucasus Regional School in Vanadzor (the third largest city in Armenia) for training teachers to be specialized in human rights;
- Yerevak, which implements community development projects. Within the project framework, a new model was developed by the NGO; and
- Shen (meaning a well-to-do village in Armenian), which provides initiatives related to community development, income generation, food processing, and clean water in rural areas. The main goal of the organization is to turn abandoned, isolated villages into prosperous communities. Shen's main office is based in Yerevan, and it has branch offices in seven *marzes*.

In 2010, the State Register reported 45 international NGOs and 5,700 local NGOs. However, out of the total number of local NGOs registered, only 977 are continuously operational.

The NGO experience in Armenia shows that CSOs can make important contributions to the development of the economy, education, health, and other fields. Moreover, local NGOs in Armenia have participated in legislative and political reforms and in the implementation and monitoring of national anticorruption programs.

Local NGO activities in Armenia can be categorized as

- humanitarian aid organizations;
- gender, children, youth, and minorities;
- sustainable development in education, health, agriculture, science and technology, and community development;
- human rights, civil society, and democracy;
- environmental, including biodiversity issues;
- cultural and art, and sports; and
- legal services, accountancy and management services, social services for disabled and elderly people, and research and analytical services.

International NGOs can be classified under the same categories as local NGOs, but with two additional categories:

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- infrastructure development and construction; and
- capacity building and technical assistance for local CSOs, self-governing bodies, and community councils.

Although CSOs have made efforts in exchanging information, creating coalitions, and coordinating their activities and campaigns, the CIVICUS Civil Society Index (CSI)¹ data show that these efforts are insufficient so far. Fragmentation and competition among CSOs occur frequently, resulting in an ineffective system for Armenian CSOs. Working together would enable Armenian CSOs to band together and share resources, and thus have a greater impact on society.

Corruption is a growing problem in Armenia. Transparency International's 2009 indicators for corruption revealed a worsening situation despite various anticorruption initiatives. One anticorruption program of the United States Agency for International Development (USAID)—Mobilizing Action Against Corruption (MAAC)—has been operating since 2007 and includes a component that supports CSOs in developing innovative approaches to combat corruption. The project encourages civil society to advocate systemic changes in the government and issues grants to local NGOs for implementing anticorruption projects.

Alongside their achievements, today, local CSOs in Armenia face several constraints and challenges.



Because of limited coordination among CSOs, the sector lacks updated information and a database of NGOs. This creates an inadequate picture of these organizations and, consequently, gives people a poor perception of NGOs. This also affects the ability of NGOs to influence the decision-making process in the public administration sphere.

Today's unfavorable relevant legislative framework does not provide the NGO sector with an opportunity to acquire alternative financing. Therefore, limited and unsustainable funding from donors and the government make the NGO sector more dependent, affecting their independence and sustainability. Accountability of NGOs is a major issue. Few NGOs produce annual reports and financial statements. On the other hand, the NGO sector in Armenia is still in its developing stage and is new to society.

Stagnating leadership in NGOs is conditioned by two factors. First, founders of NGOs hold their positions for a long term, which affects the formation of independent boards of directors, and second, the instability of work in the NGO sector does not attract young specialists.

Due to the sector monopolization, access and participation of local NGOs in international and regional networks are limited. Only financially well-established organizations are involved in these networks. Underdeveloped impact assessment techniques do not allow NGOs to provide beneficiaries with adequate services and influence decision-making processes. And lastly, to provide guarantees for efficient operation of the sector, legislative amendments (which are not forthcoming) are required.

From 1988 to 1992, NGOs were heavily involved in responding when the country faced hardships, including an influx of refugees, the post-earthquake recovery, border closure, and the energy crisis. Recognition of NGOs' contributions to the strengthening of civil society fostered a new stage of expanded cooperation between state bodies and nonprofit organizations.

Government–Civil Society Relations

From 1988 to 1992, NGOs were heavily involved in responding when the country faced hardships, including an influx of refugees, the post-earthquake recovery, border closure, and the energy crisis. Recognition of NGOs' contributions to the strengthening of civil society fostered a new stage of expanded cooperation between state bodies and nonprofit organizations. Over the last 5 years, the government has passed decrees, regulations, memorandums, and agreements related to cooperation with NGOs, and formed institutional bodies and units ranging from community to national levels.

Today, government programs focus on NGO partnerships and participation on various levels. The government has become more willing to cooperate and enter into dialogue with NGOs. The previous confrontation between the government and NGOs has dissipated and shifted to dialogue. Both sides seek mutual solutions, and thus the environment for government–NGO cooperation has improved.

Some state bodies are open to social partnerships for their programs. These bodies have developed partnerships with NGOs and signed agreements to jointly implement projects.

Below are some examples of cooperation between government structures and NGOs:

The **Ministry of Labor and Social Affairs (MLSA)**³ considers itself a pioneer in cooperation with NGOs. MLSA has introduced innovative approaches that have led to successful outcomes. MLSA made amendments to its charter and is committed to closely cooperate with NGOs. The Ministry has also specified its cooperation spheres with NGOs: i) exchange of information; and ii) teamwork in developing and discussing legal draft bills. The following methods for joint cooperation have been developed and are being implemented: public relations awareness campaigns; seminars for journalists; public discussions on pension reforms and integral social services; and publication of educational posters, brochures, and books (such as a book on the “Ethical Code for Journalists in Dealing with Disabled People”).

Presently, MLSA cooperates with the National Assembly Public Network and with the Network for the Protection of Disabled People's Interests and Rights. Moreover, leaders of some NGOs are members of the Collegial Board to the Minister with equal voting rights. For more than 2 years, MLSA has delegated services to NGOs with partial financing from the state budget. In the case of one NGO, Bridge of Hope, AMD51.3 million (\$134,000) was allocated from the state budget for salaries of the NGO's four branches. Presently, the Ministry cooperates with about 200 local NGOs. MLSA considers NGOs as flexible organizations that can provide qualified and low-cost services by engaging volunteers.

Other ministries closely collaborating with NGOs are the Ministry of Health, the Ministry of Education and Science, and the Ministry of Justice.

The Legal Framework for Civil Society

The first law on CSOs was adopted on 22 December 1996. Currently, CSO activities are regulated by an improved law on CSOs adopted on 4 December 2001. The law states that Armenia recognizes the crucial role of NGOs in the development of civil society and aims to promote the establishment of NGOs as legal entities. The 2001 law specifies that “an NGO is a not-for-profit organization that, in accordance with legislation, unites individuals to carry out activities and protects the basic human rights of individual members and other citizens.” An NGO may be founded by at least two individuals, or it may be created through the reorganization of an existing NGO. An NGO's charter should be adopted during a general meeting of the founders. The same meeting shall elect the

NGO's management and the board. An authorized representative of the newly founded NGO should deliver the organization's charter for state registration. The charter should express an NGO's main goals. Members of an NGO have the right to be present during NGO meetings, to be elected as members of the board, to familiarize themselves with documentation belonging to the NGO, and to appeal decisions made by the NGO's governing body.

Many NGOs believe that the adoption of a Law on Social Cooperation by the Government of Armenia is required for NGOs to operate more efficiently. The 2004 World Learning "Assessment of RA NGO Sector" survey² found that 64% of NGOs are not satisfied with the existing law or with the current legislative framework on NGOs, while 18% of them were not even aware of the relevant legislative framework. They believe that the amended law should include a provision allowing them to undertake income-generating activities and paid services. Many NGOs want the law to be further amended so that they can perform income-generating services in order to raise funds for development activities.

In 2010, the government reviewed and amended the law. The new draft bill on regulating NGOs' activities submitted by the government has been criticized by civil society. More than 300 NGOs expressed opposition to changes in the law and demanded that the Ministry of Justice recall the draft legislation from the National Assembly. NGO representatives claimed that the proposed amendments would violate the independence of NGOs, create unnecessary administrative delays, and enable the government to interfere with NGOs' activities. The National Assembly conducted hearings of the draft bill, which was sent to the government for revision and is still pending.

Tax Treatment of CSOs

Although CSOs and NGOs are nonprofit organizations, the state tax policy is applicable to both commercial and noncommercial organizations. NGOs are subject to the same taxes as commercial entities. The only tax privilege is provided by Article 8 of the RA Law on Profit Tax. This article states that assets (such as property, monetary funds, and services), which are provided to NGOs *gratis*, are exempted from profit tax. Value-added tax (VAT) exemption for NGOs is granted for implementing certain projects funded by international donors, such as the United Nations, World Bank, USAID, Technical Aid to the Commonwealth of Independent States (TACIS), and Asian Development

Bank (ADB). The relevant commission can grant a VAT exemption to charity projects on a case-by-case basis. NGO representatives frequently request a more favorable tax regime for NGOs. However, the issue has not been resolved.

Registration Requirements for NGOs

For an NGO to register in Armenia, the founders must submit an application to the Ministry of Justice. The application must also include the minutes of the general meeting, the organization's charter, and the passport data of founders of the organization. The authorized state body shall examine the application and supporting documents within 21 days and give a final answer in writing. The registration fee is AMD10,000 (\$27).

The registration requirements and rules regulating the activities of local NGOs are equally applicable to international NGOs operating within Armenia. All registered NGOs are entered into a centralized State Registry within the Ministry of Justice. Information on the registration procedure is publicly available. Upon request, the Ministry of Justice provides information on individual NGOs for a fixed fee.

According to the law, authorized state bodies may require an NGO to submit information on its activities. In addition, NGOs have to present quarterly and annual reports on their finances to the Tax Inspectorate.

Today, government programs focus on NGO partnerships and participation on various levels. The Government has become more willing to cooperate and enter into dialogue with NGOs. The previous confrontation between the Government and NGOs has dissipated and shifted to dialogue.



Umbrella and Coordinating Bodies

Cooperation between the National Assembly and NGOs occurs through the Public Network⁴ of NGOs, unions, and foundations registered in Armenia. It was founded in 2008 to support the establishment and development of civil society and strengthen public participation in the law-making process. The main goals of the Network are to

- provide an objective assessment of the problems in society,
- present civil society groups' concerns and views at the National Assembly,
- improve the effectiveness of decision-making processes,
- encourage public initiatives, and

- improve the Armenian laws through wider participation of civil society representatives.

The Public Network's main activities are expert consultations, permanent consultations with the National Assembly standing committees and ministries, special meetings, and public discussions. Currently, the Network has 108 member organizations, and it has signed a cooperation agreement with the National Assembly.

Civil Society Community Gateway

The Civil Society Community Gateway provides information on NGOs, public funds, and CSOs. Its website (www.armgateway.org) includes contact information and a short description of their goals and objectives.

The Government is implementing its 2009–2021 Sustainable Development Program (SDP), which is the revised version of the Poverty Reduction Strategy Program (PRSP).⁵ The SDP Civil Cooperation Network operates within the framework of the Program and includes 140 organizations. NGOs' roles in the PRSP include participation in the Program's development, implementation, monitoring, and revision procedures. Public participation is obligatory for the Program, and NGOs have equal voting rights in the Program's Steering Committee and in the working groups.

Public Counsel (PC) was established in 2009 under the President of Armenia. NGOs are consolidated in various committees and subcommittees.

Unfortunately, there is no NGO coordination center in Armenia. However, there are several sector-specific groups of NGOs.

In 2003, Oxfam Great Britain Armenia initiated the **Civil Society Partnership Network (CSP)**, and today, it comprises 26 local organizations. CSP's priorities include advocating for quality and affordable primary health care for the most vulnerable and poor populations, supporting rural smallholders and small farmers' livelihoods, and strengthening good governance at the local level.

Environmental Public Alliance (EPA) was created in 2002 and now includes 40 NGOs engaged in environmental, social, legal, human rights, and anticorruption concerns. EPA's main goal is to address ecological, social, and legal issues. The Alliance holds meetings and discussions with National Assembly deputies; EPA experts participate at National Assembly sessions. Currently, EPA cooperates with the Ministry of Nature Protection and the Ministry of Agriculture.

Civil Society Directories

Information on NGOs, by sector, is currently available at these sites:

Who's Who in Armenian NGOs contains a list and brief description of 835 NGOs.

Armenian Assembly of America
NGO Training and Resource Center
20 Yeznik Koghbatsi Street
Yerevan 0010, Armenia
ngoc@ngoc.am
www.ngoc.am

The Professionals for Civil Society NGO (PFCS) was founded in December 2004 by the staff of World Learning, Inc. PFCS has been implementing projects on the sustainability and strengthening of Armenian NGOs. It maintains a website ([www.ngo.am/NGO Directory](http://www.ngo.am/NGO_Directory)) with an Armenian NGOs database and is regularly updated. It currently includes 977 organizations.

Professionals for Civil Society NGO
Azatutyan 24/2, Yerevan, Armenia
pfcs.professionals@gmail.com
www.ngo.am

Some Distinguished Local NGOs in Armenia

In 2008, Shen celebrated its 20th anniversary. In the last 10 years, Shen has shifted its activities to sustainable development by applying an integrated community development approach. The NGO works mostly in poor rural communities. The organization's activities focus on creating job opportunities in poor villages and enhancing communities' capacity through training and workshops. Communities are required to contribute up to 20% of a project's cost.

Shen
110 Nalbandian Ave.
Yerevan 0001, Armenia
Tel +374 10 567031
www.Shen.am

The NGO Center (NGOC) of the Armenian Assembly of America began operations in Yerevan in 1994. NGOC compiled comprehensive information on local and international NGOs. NGOC's goals are to encourage citizen participation, promote social justice, support research tracking civil society dynamics, and promote civil society participation in anticorruption processes. NGOC has implemented a number of programs with local and international organizations, but currently it is not fully operational due to lack of technical and financial resources.

NGO Center
45 Nalbandian Street, 4
Yerevan 0025, Armenia
Tel +374 10 522986
www.ngoc.am

Oxfam Great Britain (OGB) Armenia focuses its efforts on the most remote and isolated rural communities of Armenia. Building on experience and local knowledge, OGB Armenia and its local partners deliver initiatives related to health and economic security for more than 165 rural and isolated communities.

The Government of Armenia has developed policies for NGOs' participation in state programs and aims to strengthen NGOs' capacities. Although NGOs provide a wide array of services related to sustainable development, a considerable number of them have low capacities and are grant dependent.

Oxfam Great Britain Armenia

3a Teryan Street, Apt. 10

Yerevan 0010, Armenia

Tel +374 10 501464

www.oxfam.org.uk/oxfam_in_action/where_we_work/armenia.html

The Mobilizing Action Against Corruption (MAAC)⁸ Activity supports government initiatives aimed at systems-level solutions, working initially with the Anti-Corruption Strategy Monitoring Commission, the newly independent Chamber of Control (CoC), and the Human Rights Defender (HRD). These agencies play a central role in supporting government anticorruption efforts.

MAAC supports the Anti-Corruption Strategy Monitoring Commission to review and apply international best practices to the new Anticorruption Strategy. It also provides technical assistance, training for local experts, and other types of support. MAAC facilitates the transfer of corruption information analyzed by the Advocacy and Assistance Centers so that it can be used by the Commission to consider specific reforms and actions.

MAAC assists the CoC in several areas, such as strengthening its audit function; developing internal policies and procedures, ethics codes, and standards of conduct; training CoC auditors; and designing a permanent training center for the CoC to train new auditors and provide continuing professional development.

MAAC's support to the HRD aims to make HRD more effective in fighting corruption and increasing transparency and accountability.

Mobilizing Action Against Corruption Activity

105/1 Teryan Street, Suite 804

Yerevan 0009, Armenia

Tel +374 10 514834

Fax +374 10 514836

info@casals.am

www.maac.am

The Center for Community Dialogues and Initiatives (CCDI) focuses on raising awareness among citizens of Armenia and also to foster citizens' initiatives. CCDI provides consulting and information services, free of charge, to Armenian residents and organizations to strengthen civil society and democracy. Within the country, CCDI functions through a network that involves eight marzes.

Center for Community Dialogues and Initiatives

Komitas 8, Apt.15

Yerevan 0033, Armenia

Tel +374 10 275463

Fax +374 10 273484

ccdi@ccdi.am

www.ccdi.am

Eco-Globe's goals are to facilitate the implementation of international environmental agreements and treaties in Armenia, promote the development of organic agriculture, and develop actions aimed at consumers' ecological rights advocacy.

Eco-Globe Environmental NGO

18 M. Heratsi Street, Apt. 3

Yerevan 0025, Armenia

Tel +374 10 575527/541951

nuneemil@yahoo.com

www.ecoglobe.am

Araza focuses on supporting the establishment of a legal, democratic state with a developed economy and high living standards through (i) participation in creation of the legal and state reform processes for raising the labor, employment, and social rights protection of vulnerable groups of society; (ii) free provision of legal, information, and consultation services in the area of labor and employment, including professional orientation and vocational trainings services to the vulnerable groups of population; and (iii) participation in developing and implementing policies and projects on small and medium-sized business and community development. In 2007, together with the Civic Development and Partnership Foundation and the Armenian Public Relations Association, Araza developed the Strategic Plan on advocacy and public relations capacities.

Araza
26 Aram Khachatryan Street, Apt. 50
Yerevan 0012, Armenia
Tel +374 10 227097/278906
Fax +374 10 227097
araza@arminco.com
www.araza.info.am

Strengths and Weaknesses of Civil Society in Armenia

The limited studies and surveys on NGOs in Armenia offer insight into NGOs' development, achievements, and challenges. First, data from the State Register of Armenia show that the number of local NGOs increased from 2,585 in 2001 to 2,750 in 2004 and to 5,700 by 2009.

Second, World Learning's "Assessment of RA NGO Sector" survey in 2004 found that, in the 1990s, 70% of NGO leaders were women. However, by 2001, 58% of NGO leaders were men, and in 2009, the percentage of male NGO leaders was 63%. While the Government of Armenia and the Armenian CSOs are committed to gender mainstreaming, particularly enhancing women's roles in decision-making processes, men came to view NGOs as a job opportunity and a means to further their careers.

Third, 75 international NGOs were operating in Armenia in 2004, but recently, the number has decreased. The number of registered international NGOs at the State Register was only 45 in 2009. The reason for this decline may be the stable economic growth in Armenia in 2006 and 2007. Many NGOs believe that if donor organizations leave Armenia, the scope of NGOs' activities will be curtailed and many of NGOs will become nonoperational due to a lack of funding.

The Armenian business sector does not invest in NGO development. If they do support them, the investment is limited to one-time, ad hoc charitable giving. Of the 5,700 registered local NGOs, only 977 organizations are operational. The rest are either nonoperational, newly established, or operate only when awarded grants.

Fourth, transparency for NGOs should consist of at least producing and disseminating annual reports and financial statements. However, the majority of Armenian NGOs think that the preparation of reports requires additional financial expenses. Reporting by NGOs needs stronger regulation by the government. Requiring NGOs to report on their finances and activities would improve the public's perception of NGOs.

The Government of Armenia has developed policies for NGOs' participation in state programs and aims to strengthen NGOs' capacities. Although NGOs provide a wide array of services related to sustainable development, a considerable number of them have low capacities and are grant dependent.

Civil Society Funding in Armenia

Activities of Armenian NGOs are heavily reliant on external funding. Some donor organizations work directly with NGOs, while others operate on a bilateral or multilateral basis. The Armenian Diaspora also assists the local NGO sector by allocating funds or providing in-kind assistance.

Since independence, Armenia has received considerable external funding. The major multilateral sources of funding have been the International Monetary Fund; World Bank; International Development Agency; United Nations agencies; European Bank for Reconstruction and Development; European Union; ADB; and other bilateral donors, including France, Germany, the Netherlands, Sweden, Switzerland, and the United Kingdom.

Out of the technical assistance to the Commonwealth of Independent States (TACIS) during 2002 and 2003, €10 million was allocated to Armenia and an additional €0.6 million provided for education and culture aimed at promoting democracy and governance.

In 2003, USAID allocated \$12.5 million directly to the Armenian CSOs and NGOs. Among the 75 international NGO recipients, 17 closely cooperated with local NGOs.

Within the scope of Counterpart International Armenia's Civic Advocacy Support Program (CASP),⁶ the Partnership and Teaching NGO (P&T) was selected by CASP as an Intermediate Service Organization to build institutional capacity of the local P&T NGO and establish creative partnerships. Accordingly, P&T received funds to develop the capacity of its organization's staff. The funds allocated for the NGO are shown in the table below.

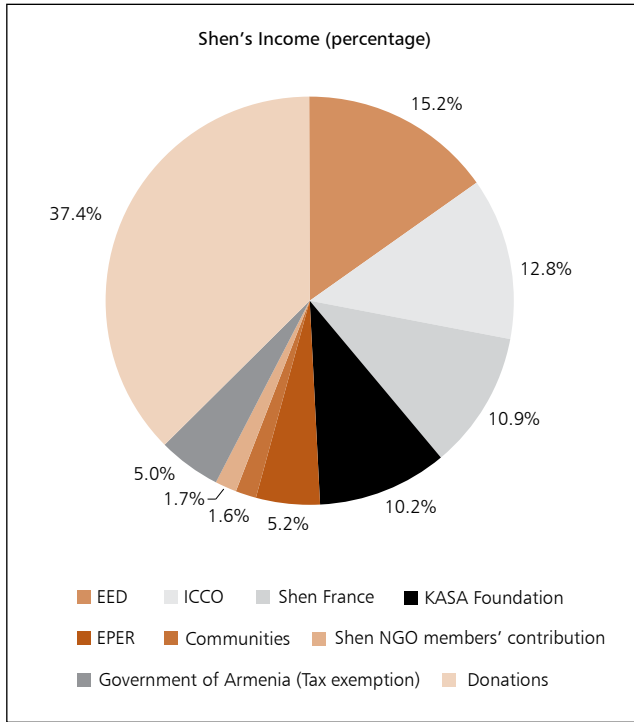
Year	Amount Given by CASP (in AMD)	NGO Contribution (in AMD)
2005	50,000	0
2006	2,833,352	242,000
2007	1,644,650	167,750
2008	3,386,495	2,123,913

AMD = dram, CASP = Civic Advocacy Support Program,
NGO = nongovernment organization.

The Civil Society Fund, formerly known as the Small Grants Program,⁷ is one of several programs supported by the World Bank, which has provided grants since 1999 to NGOs and other CSOs in Armenia. The grants support activities related to civic engagement, and the focus is on empowering people who have been excluded from society’s decision-making processes. The maximum individual grant is equivalent to about \$10,000. So far, 61 local NGOs have received grants. The amount of funds disbursed by the World Bank’s Yerevan Office totaled \$348,000.

Shen’s annual budget comes from external donors’ sources. Shen is fairly typical of large local NGOs in Armenia in its funding structure. The table below shows donor contributions for 2008:

Source	In € thousand
Church Development Service (Evangelischer Entwicklungsdienst - EED)	245,578
Interchurch Organisation for Development Cooperation (ICCO), the Netherlands	100,000
Shen France	83,893
KASA Foundation	71,723
Swiss Interchurch Aid (EPER)	67,225
Communities	34,086
Shen members’ contributions	10,628
Government of Armenia (Tax exemption)	10,850
Donations from abroad and from Armenia	32,643
TOTAL	656,626



The Armenia Resident Mission was opened in 2008 and provides the primary operational link between ADB and the government, private sector and civil society stakeholders in its activities.

Local NGOs face difficulties in finding alternative sources of financing. Armenia’s state budget allocates some funds for NGOs on a competitive basis.

NGOs in Armenia undertake fund-raising activities through various events, exhibitions, concerts, and other activities. However, the majority of NGOs have difficulty with fund-raising because they lack experience in fund-raising methods, basic marketing, and financial management skills.

ADB–Civil Society Cooperation in Armenia

Armenia became a member of ADB in September 2005 and was classified as a Group B1 country, making it eligible for resources from the Asian Development Fund (ADF), as well as ADB’s ordinary capital resources (OCR). Armenia is the 32nd largest shareholder among all members.

ADB’s Economic Report and Interim Operational Strategy (ERIOS) for Armenia was prepared in consultation with the Government of Armenia, key development partners, and other major stakeholders. In line with the government’s current priorities, promoting rural development, encouraging the private sector, and deriving benefits from enhanced regional cooperation have been identified as potentially suitable broad-based goals for ADB’s operational strategy.

The Armenia Resident Mission (ARRM) was opened in 2008 and provides the primary operational link between ADB and the government, private sector and civil society stakeholders in its activities. ARRM engages in policy dialogue and acts as a knowledge base on development issues in Armenia.

ADB-Supported Activities Involving Civil Society

2009

Yerevan Sustainable Urban Transport Project \$1.1 million (technical assistance)	<p>The project goal is to upgrade city infrastructure to improve living standards and make them more competitive platforms for economic growth. It will also contribute to country outcomes by (i) improving service delivery in municipal infrastructure within the evolving decentralization process, and (ii) reducing road transportation constraints on economic activity.</p> <p>Nongovernment organizations (NGOs) participated at the project presentation at Yerevan Municipality and they met with ADB experts.</p> <p>Further, NGO participation includes the NGO For Sustainable Human Development to conduct research and monitoring related to social and ecological damage, resettlement, and public awareness.</p>
North–South Road Corridor Investment Program (a multitranche loan program) \$500 million Project 1 started implementation in 2010 with a tranche of \$60 million	<p>The program will upgrade the main corridor road to improve connectivity, boost trade, and increase livelihood opportunities in the Caucasus and Central Asia. In Armenia, the focus is on upgrading the Agarak–Kapan–Yerevan–Bavra road, which links with Georgia's southern corridor.</p> <p>Project 1 is reconstructing 18 kilometers of road corridor between Yerevan and Ashtarak to the north, and between Yerevan and Ararat to the south.</p> <p>The NGO Center for Bird Lovers is expected to be involved in monitoring of environmental issues and in raising public awareness.</p>

2007

Rural Road Rehabilitation Sector Project \$47.9 million (loan) Ongoing	<p>Rural road rehabilitation is designed to increase mobility and improve accessibility to basic social service delivery institutions, employment opportunities, and domestic markets for communities and enterprises in rural and urban areas in four regions.</p> <p>NGO participation: the NGO Environmental Survival monitored four villages in the Sevan region of Gegharkunik marz and raised public awareness as well</p>
Water Supply and Sanitation Sector Project \$36 million Ongoing	<p>The project focuses on optimizing the operation of existing infrastructure and maximizing the operating efficiency of service providers. This will allow the project to economize the investment, achieve considerable development impacts, and ensure sustainability of the water supply and sewerage system with sound technical and financial management. The project will cover 16 towns and 125 villages. The project will improve public health and the environment for about 576,000 people living in the project towns and villages, about 25% of whom live below the poverty line.</p> <p>The project has a Governing Council, and the following four NGOs serve as members on a rotational basis:</p> <ol style="list-style-type: none"> 1. Environmental Survival carried out monitoring and related public awareness in four villages of Sevan region of Gegharkunik marz. 2. Armenian Women for Health and Healthy Environment (AWHHE) NGO monitored pipelines in four villages of Ararat marz and raised public awareness as well. Under this project, AWHHE published two informational booklets. www.awhhe.am 3. Sustainable Water Environment monitored the project. 4. The NGO Tapan Eco-Club is expected to be involved in monitoring of environmental issues and raising public awareness.

Not many Armenian NGOs are currently involved in ADB technical assistance and loan projects. ARRM acts as the focal point for ADB's relations with CSOs in the country. ADB's operations departments and the NGO and Civil Society Center collaborate to keep ADB informed of challenges faced by the institution's operations and to acquire feedback on how NGO concerns are being addressed.

Since 2007, seven Armenian NGOs have joined the NGO Forum on ADB, which is a network of NGOs that monitors ADB's work. Among the Armenian NGOs participating in the forum are For Sustainable Human Development, Environmental Survival, Armenian Women for Health and Healthy Environment, Center for Bird Lovers, Araza, Khazer, and Ecolur.

Endnotes

- ¹ CIVICUS. Civil Society Index survey 2010.
- ² World Learning. 2004. *Assessment of the Armenian NGO Sector: Comparative Analyses*.
- ³ Interview with the Head of the PR Division, the Republic of Armenia Ministry of Labor and Social Affairs.
- ⁴ Interview with the Head of Araza NGO, who is also the Coordinator of the National Assembly Public Network.
- ⁵ Sustainable Development Program 2008 report.
- ⁶ Counterpart International 2005–2008 report on NGO activities.
- ⁷ www.worldbank.org.am, Social Development Civil Society Fund Program.
- ⁸ www.maac.am, Cooperation with Government Agencies.

For more information on ADB's work in Armenia, visit www.adb.org/Documents/Fact_Sheets/ARM.pdf

Definition and Objectives of Civil Society Collaboration

Civil society is a very important stakeholder in the operations of the Asian Development Bank (ADB) and its borrowers and clients. It is distinct from the government and the private sector and consists of a diverse range of individuals, groups, and nonprofit organizations. They operate around shared interests, purposes, and values with a varying degree of formality and encompass a diverse range—from informal unorganized community groups to large international labor union organizations. Of particular relevance to ADB are nongovernment organizations, community-based organizations and people's organizations, foundations, professional associations, research institutes and universities, labor unions, mass organizations, social movements, and coalitions and networks of civil society organizations (CSOs) and umbrella organizations.^a

ADB recognizes CSOs as development actors in their own right whose efforts complement those of governments and the private sector, and who play a significant role in development in Asia and the Pacific. ADB has a long tradition of interacting with CSOs in different contexts, through policy- and country strategy-level consultation, and in designing, implementing, and monitoring projects.

In 2008, ADB launched Strategy 2020, which articulates the organization's future direction and vision until 2020.^b Above all, Strategy 2020 presents three complementary strategic agendas to guide ADB operations: inclusive economic growth, environmentally sustainable growth, and regional integration. These agendas reflect the recognition that it is not only the *pace* of growth, but also the *pattern* of growth, that matters in reducing poverty in the region. In this new strategic context, partnerships with a range of organizations, including CSOs, will become central to planning, financing, implementing, and evaluating ADB projects.

^a ADB. Forthcoming. *Strengthening Participation for Development Results*. Manila.

^b ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

Armenia Resident Mission
Vazgen Sargsyan 26/1
Erebuni Plaza Business Centre
Yerevan 0010
Republic of Armenia
Tel +374 10 546371/72/73
Fax +374 10 546374
www.adb.org/armenia