

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 but their activities were somewhat limited. NGOs' inability to meet growing demand for emergency services and operations was due to the lack of local NGO skills, knowledge, capabilities, and absence of an appropriate legal framework.

Even though most of the NGOs were located in Yerevan, local NGOs began emerging in the marzes (provinces) too. 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. 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 less than 15% can be considered operational. As of these operational ones, most are small outfits which are not active and some have vague and obscure missions. The following are missions of few of such NGOs:

□ The main goal of the organization is to participate actively in social and legal life of the country in order to promote free and safe life for the youth.

□ The main goals of the organization are to develop the art and psychology and to form civil society.

□ To organize and collect all the recipes of Armenian national cuisine and publish it. To participate in international contests, seminars, and meetings.

Table 1 presents a list of operational NGOs and their fields of activities but not all are necessarily active.

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

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

A survey conducted by World Learning revealed 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 do not practice gender discrimination to cause this shift; therefore, this shift could be based on the fact that men came to view NGOs as a job opportunity and a means to further their careers.

In 2004 there were approximately 75 international NGOs operating in Armenia but recently the number has decreased. The reason for this decline may be the stable economic growth in Armenia in 2006 and 2007.

2

Table 1 - List of NGOs

Source: The Professionals for Civil Society NGO

Government Involvement

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. 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 government has also passed decrees, regulations, memorandums, and agreements related to cooperation with NGOs, and formed institutional bodies and units in community and national levels.

Voluntarism

NGOs in Armenia utilize informal and less structured volunteering process when they are interacting with the society in comparison to Armenian NGOs in Diaspora. NGOs in Armenia also have issues with volunteer mismanagement; sporadic volunteer recruitment; lack of skills assessment, orientation, and training for volunteers; and recognizing volunteer contributions.

Engaging volunteers in long-term regular commitments, instead of ad hoc projects could better utilize this important resource.

Because voluntarism for social society was not a common practice during Soviet era, there is a need to widely publicize the value of volunteerism to get more people interested in becoming volunteers for different causes. Presently this important resource is underutilized by NGOs in Armenia. NGOs also should realize the expectations of the volunteer in order to retain involvement and commitment over time. A non-profit organization with a strong and committed volunteer base is more likely to attract new funds.

Human Rights, Public Policy 154 Yerevan 522

Youth 80 Vanadzor 104

Humanitarian Assistance 71 Gyumri 82

Women Issues 67 Goris 38

Community Development 66 Yeghegnadzor 31

Children, Family Issues 65 Kapan 20

Economic Development 62 Martuni 14

Health, Medical Problems 52 Ashtarak 12

Environment, Ecology 51 Noyemberian 11

Education 43 Sisian 11

Handicapped Issues 43 Stepanavan 11

Professional Association 43 Ijevan 10

Art, Culture 32 22 other cities with less 88

National Heritage 28 than 10 in each one

Agriculture 27

Science, Technology 26

Mass Media 20

International Relations 13

National Minorities 12

Refugee Issues 12

Sports, Hobbies 9

Total 954

By Field of Activity By Location

3

Democratic Governance

The internal democratic governance of NGOs in Armenia is another issue that needs to be

addressed. NGOs have developed written policies for democratic governance but often do not

follow these policies. NGOs hold elections to select their internal leadership, yet the rotation rate

of such leadership is low. Typically founders of NGOs hold their positions for a long term, which

affects the formation of independent boards of directors.

Most Armenian NGOs have bylaws and constitutions that outline their governance mechanisms

but it seems sometimes these mechanisms are developed to get the required permits and to

attract new funds, rather than a genuine intention of democratic management.

Members are also

often excluded from decision-making processes. Unless NGOs embrace these democratic

procedures into their regular operations they cannot establish a credible reputation in the

community.

Funding Sources

Financial sustainability is one of the main challenges that local NGOs in Armenia face. It is this challenge that limits their capacity for impact and distorts the image of civil society as a financially dependent sector. It is necessary to diversify source of funding by fostering partnerships with a full variety of potential funders, such as individuals, corporations, and government. NGOs in Armenia undertake fund-raising activities through various events, exhibitions, concerts, and other activities. However, the majority of NGOs have difficulty with fundraising because they lack experience in fundraising methods, basic marketing, and financial management skills.

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.

Many NGOs believe that if donor organizations leave Armenia, the scope of NGOs' activities will be curtailed and many of NGOs will become non-operational due to lack of funding.

The Civil Society Fund 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 individual grants are between \$8,000 and \$10,000.

Today's unfavorable legislative framework related to the donations to nonprofit organizations 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. The Armenian business sector does not invest in NGO development. If they do support them, the investment is limited to one-time, project or event base charitable contributions. Often NGOs take funding for a project that is not in line with their mission, values, and principles, but project requirements are determined by the donor's agenda, which then affects credibility of the organization. Armenia's state budget allocates some funds for NGOs on a competitive basis. Lack of transparency and accountability is another issue with NGOs where most of them do not produce and disseminate annual reports and financial statements. The majority of NGOs claim that their financial information is publicly available, yet on closer inspection, it becomes clear that they rarely report to their beneficiaries when it comes to the finances and the quality of their work. The majority of Armenian NGOs think that the preparation of reports requires additional financial expenditure. Reporting of finances and activities would improve the public's perception of NGOs.

4

Effectiveness of NGOs

One of the underlying causes of civil society's weak impact on policy and pressing social issues is that the sector's achievements are predominantly due to the support of only a small segment of the Armenian population. The NGOs have failed to extend their outreach and rally greater support and higher levels of citizen participation in their activities. Long-term financial insecurity stands as another hindrance to the levels of CSO organizations in

Armenia. Armenian NGOs have relied solely or predominantly on international donor funding, without diversifying their income sources or developing a long-term strategy to change this situation. As a result, the instability of work in the NGO sector does not attract young specialists. Increasing the professional skills of CSOs, through trainings and staff development could help strengthen the level of organizational development and achievement. What is of most importance is to focus on staff retention, and retain the professionals in the sector, as well as to establish a culture of information sharing and knowledge transfer. Fragmentation and competition among NGOs occur frequently, resulting in an ineffective system for Armenian CSOs. Because of limited coordination among NGOs, 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. Some issues facing the civil society include a short-term approach, lack of strategic thinking, clustering around pro government or opposition groups, and poor organizational capacity. In order to increase citizen participation and sponsorship, NGOs need to realize that they need to be deriving their legitimacy from the society, as they depend on popular support. Increased transparency and accountability are vital to support this action. This includes reporting to their beneficiaries just as they do to their funders and presenting an inclusive account of all aspects of their activities. Improvements in these fields will contribute towards increased levels of trust towards the civil society sector by broader society and will foster increased

citizen participation.

Sources

Civil Society Briefs, Asian Development Bank, Armenia Resident Mission, November 2011.

Armenian Civil Society: from Transition to Consolidation, CIVICUS, Civil Society Index Policy

Action Brief, 2010.

The Professionals for Civil Society NGO, database of NGOs, World Learning, Inc.