Update of the In-depth Assessment of Existing and Emerging CSO Initiatives and State of Civic Space in Armenia

July 2024

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1   ACRONYMS

CSOs - Civil Society Organisations
CSAs - Civil Society Actors
DG NEAR - Directorate-General for Neighborhood and Enlargement Negotiations
EaP - Eastern Partnership
EU - European Union
GDPR - General Data Protection Regulation
GESI - Gender Equality and Social Inclusion
KIIs - Key Informant Interviews
LAGs - Local Action Groups
OCAT - Organizational Capacity Assessment Tool
OGP - Open Government Partnership
FSTP - Financial Support to Third Parties
MEAL - Monitoring, Evaluation, Accountability, and Learning
MHPSS - Mental Health and Psychosocial Support
PIN - People in Need
PTSD - Post-traumatic stress disorder

2   INTRODUCTION

This update of the in-depth assessment (initially developed in 2021) was produced within the scope of the European Union (EU)- funded project "Resilient Civil Society in the Eastern Partnership Region", implemented by People in Need (PIN). The project aims to strengthen the role of Civil Society Organizations (CSOs) as resilient, inclusive, and trusted governance actors advancing the democratization process in the Eastern Partnership region. It targets a range of grassroots and emerging CSOs that demonstrate a clear commitment to:

- Representing right-holders' needs and are oriented on achieving real changes that benefit their constituencies.
- Values of peace, freedom, equal rights and human dignity and accountability and transparency in their work.

The assessment aims to update the understanding of the civil society landscape in Armenia. It focuses on the context and needs of civil society, emphasizing new, grassroots actors. The assessment also examines their goals and challenges, particularly given current shifts and disruptions in the region. Furthermore, it explores how these changes affect men's and women's participation in civic initiatives. The results of this updated assessment will further shape the project's approaches, especially the capacity development, financial support priorities, and activities focusing on creating collaborative connections.

The document provides a brief context analysis for the period 2021–2023, detailing the developments and trends within the civil society landscape. Following the context analysis, the document presents survey data and key informant interview findings that align with the assessment aims. Each section concludes with tailored recommendations for the project implementation team, addressing the unique needs and challenges identified for CSOs in Armenia.

3   METHODOLOGY

The data collection for this study employed a multi-method approach to assess the development and capacity needs of CSOs in Armenia. It included a rapid desk review of existing studies, a structured survey distributed electronically to various CSOs, and semi-structured key informant interviews with key stakeholders. The methodology for the CSO survey incorporated a mixed-methods approach, combining both quantitative and qualitative data collection techniques to ensure a comprehensive understanding of the current state, challenges, and opportunities for CSOs. This questionnaire covered various aspects of CSO operations, including organizational demographics, operational environment, funding sources, capacity development needs, gender specifics, and advocacy engagement. Key Informant Interviews (KIIs) were conducted with selected informants who had a comprehensive understanding of the civil society landscape in their respective countries and experience in grassroots CSO development. A semi-structured interview guide was used to ensure consistency while allowing for in-depth exploration of specific themes, covering topics such as the state of civic space, major challenges, gender equality, CSO-government relationships, and recommendations for enhancing CSO effectiveness.

PIN invited Civil Society Actors and Organizations to contribute to the assessment. Data was collected using a survey questionnaire developed on the Kobo Toolbox platform, also accessible on mobile electronic devices. This questionnaire was available in both Armenian and English. 30 Armenian grassroots-level CSOs completed the survey. Moreover, 2 semi-structured discussions were conducted with experienced civil society professionals to gain valuable perspectives on Armenia's civic environment. Participants for the KIIs were selected based on their extensive understanding of civil society in Armenia.

Data analysis involved both quantitative and qualitative methods used by PIN's MEAL specialists. Survey responses were analysed to identify trends, common challenges, and opportunities across the CSOs, using descriptive statistics to summarize the data and provide a clear picture of the CSO landscape. Insights from the KIIs were analysed thematically to complement the quantitative data,

offering a richer, contextual understanding of the issues faced by CSOs and the strategies employed to navigate complex environments.

Throughout the data collection process, it was explicitly communicated that participation was voluntary. Participants were informed that all collected information would be solely used for the needs assessment, adhering to PIN's personal data protection policies and the General Data Protection Regulation (GDPR) to guarantee privacy and data security.

4   ARMENIA

4.1   Brief Country Civil Society Context

According to Civicus Monitor (one of the largest organizations monitoring the performance of civil society across the world), Civic space in Armenia has shown improvements between **2018 – 2021** when it was classified as 'obstructed', due to COVID-19 and the war in Nagorno-Karabakh which played a major role in the deterioration of the quality of civic space, **to 2022 - 2023** when it obtained an improved rating of 'narrowed',[1] due to indications of enhanced collaboration between the state and CSOs in policy-making processes[2] and increased transparency in the allocation of state funds to CSOs.[3] Freedom House Nations confirm this in Transit ratings for Armenia. According to the 2021 Freedom House Nations in Transit publications, Armenia had an overall 'democracy' score of 2.96, which was a 33% drop from the previous year (7 representing the highest level of democratic progress and 1 the lowest), compared to a score for 'civil society' of 4.50 which was the highest among all 'democracy' score components. In 2022 and 2023, Freedom House Nations in Transit 'democracy' score for Armenia increased to 3.04 and 3.11 respectively, which was 34% and 35% increases each year. The score however dropped by 35% to 3.07 in 2024 due to the effects of crisis escalation in Nagorno Karabakh. The 'civil society' score was 4.75 in 2023, showing an increase from the previous years as well.

According to the USAID CSO Sustainability Index 2020 - 2022, Armenia scored 3.6 out of 7 points (1 the most enhanced level of sustainability to 7 - the most impeded), which stayed at the same level, compared to the previous years (2018 – 2019).

Indeed, from 2020 to 2023, Armenia's civil society faced significant challenges and transformations due to geopolitical crises, particularly the Nagorno-Karabakh conflict, and ongoing tensions with Azerbaijan. These factors reshaped the landscape for CSOs impacting their focus, operational environment, and relationship with the government.

The 44-day war in Nagorno-Karabakh in 2020 profoundly affected Armenia. Martial law, declared on September 27, 2020, limited freedoms of assembly and expression, while the war's aftermath led to a humanitarian crisis. CSOs shifted priorities to address urgent needs such as providing food, shelter, and healthcare for displaced people from Nagorno-Karabakh and support for families affected by military casualties.

The November 9, 2020, ceasefire agreement, unfavourable to Armenia, triggered societal shock and anti-government protests. Following the ceasefire, CSO engagement with the government diminished as the administration distanced itself from the civic sector. Decision-making processes became less inclusive, and measures restricting freedom of expression were proposed amidst widespread misinformation and public criticism of officials. Nonetheless, the parliamentary elections on June 20, 2021, helped alleviate some tensions and partially restored stability. [4]

The **relationship between the government** and **CSOs** fluctuated during the 2021 - 2023 period. Initially, there was a strain due to political instability and the government's focus on security and recovery post-conflict. In 2021, according to the CSO Meter report, CSOs in Armenia navigated a landscape of increased regulatory scrutiny but with operational freedoms largely intact. The full

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[1] The scale used by CIVICUS for a country's civic space rating is: 'open', 'narrowed', 'obstructed', 'repressed', 'closed'.

[2] https://monitor.civicus.org/explore/more-protests-call-release-kin-held-after-nagorno-karabakh-war/ and

[3] https://csometer.info/updates/armenia-launches-electronic-platform-state-grants

[4] CSO Meter 2021: Armenia Country Report

implementation of annual reporting requirements for public organizations brought heightened oversight, although it did not drastically alter the freedom of association. The government's legislative framework allowed CSOs to seek funding from diverse sources, but practical obstacles, such as insufficient incentives for donations and entrepreneurial activities, remained.

In 2022, there was a notable shift towards more cooperative engagement as confirmed by improvements in the country's civic space and democracy scores, mentioned above. The Armenian government began recognizing the importance of CSOs in promoting democratic reforms and social cohesion. This was evident in initiatives aimed at enhancing dialogue between the state and civil society, although challenges remained in terms of mutual trust and collaboration. For example, two documents adopted by the Government in 2022, the Strategy of Public Administration Reform and the new Open Government Partnership Action Plan 2022-2024, have addressed the issues of participation, planning steps and mechanisms for better engagement in decision-making, state communication, assessment of compliance to freedom of information provisions, etc.[5] In 2023, the Law on Volunteer Work was adopted, aimed at regulating the concept of volunteering and protecting volunteer rights, which is a positive development.[6] Despite these improvements, up to 2023, there was no specific policy or strategy on CSO development, though various national strategies and legislative provisions determine principles of participation and cooperation.

According to CSO Meter reports for Armenia (2021 – 2023), **digitalization** played a crucial role in shaping civil society activities. The COVID-19 pandemic accelerated the adoption of digital tools, enabling CSOs to reach wider audiences and enhance their advocacy efforts. Online platforms became pivotal for organizing events, disseminating information, and mobilizing support. This shift not only increased the visibility of civil society initiatives but also fostered greater inclusivity by engaging younger demographics and remote communities.

The **media** environment remained largely free and pluralistic but was deeply polarized over the issue of Nagorno-Karabakh and the conflict with Azerbaijan. International observers also reported an unprecedented level of disinformation and hate speech.[7] The government, however, adopted several legal amendments addressing access to information and tackling hate speech,[8] However, in 2023, deterioration in terms of access to information was reported by the CSO Meter, reporting continuing practical challenges in getting information from the authorities.

The geopolitical context, particularly Armenia's relations with neighbouring countries and the influence of international actors, significantly impacted civil society dynamics. International organizations and foreign governments provided support through funding and capacity development programs. This external assistance was important in sustaining CSOs, particularly those working on human rights, peacebuilding, and democratic governance.

Following Azerbaijan's offensive in September 2022, many CSOs in Armenia were forced to revisit their priorities and concentrate on issues of national security and the protection of those who had suffered from Azerbaijani aggression. CSOs working in the south-eastern region of Armenia focused more on humanitarian assistance than on development programs.[9] Since September 2023, with the deterioration of the humanitarian crisis in Nagorno-Karabakh, which forced more than 120,000 ethnic Armenians living there to flee west, a significant number of CSOs concentrated their efforts on helping people forcibly displaced, providing informational, psychological, social, and legal support, implementing fact-finding initiatives on human rights violations, and raising funds to provide the basic needs of food, shelter, clothes, and hygienic goods.

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[5] CSO Meter 2022: Armenia Country Report

[6] CSO Meter 2023: Armenia Country Report

[7] https://www.amnesty.org/en/location/europe-and-central-asia/eastern-europe-and-central-asia/armenia/report-armenia/

[8] https://freedomhouse.org/country/armenia/freedom-net/2023#footnote3_dgck6y1

[9] CSO Meter 2022: Armenia Country Report

In 2023, protests by the opposition and other political initiatives demanding the prime minister's resignation continued with more intensity following the ethnic cleansing in Nagorno-Karabakh in September of that year. Several assemblies were also held to raise international organizations' attention to humanitarian issues in Nagorno-Karabakh. Incidents of violations of assembly participants' rights and the lack of accountability of police officers continued to be the main challenges affecting the freedom of peaceful assembly in 2023.[10]

Political polarization and governmental crackdowns on dissent posed threats to civil liberties and the operational space for CSOs. The challenges for CSOs to meaningful participation, and insufficient state protection persist and require measures to be addressed. Nevertheless, during 2021 – 2023, the resilience of civil society was evident in its adaptability and continued advocacy for reforms.

4.2   Survey and Interview Results

4.2.1   Operational Environment, Perceived Challenges and Opportunities

In 2023, there were 6,331 public organizations registered in Armenia, according to the State Registry of Legal Persons of the Ministry of Justice.

Key Informant Interviews (KIIs) undertaken confirmed that the civic space in Armenia reflects a dual reality. On one hand, there is a noticeable evolution largely influenced by international donor funding. The influx of resources has promoted the growth of CSOs over the years, especially in areas prioritized by donors like human rights and environmental issues. However, this reliance on external funding remains a significant challenge, highlighting the need for diversification of financial sources.

Despite the development, there is a lingering lack of trust and understanding towards CSOs within Armenian society. Misconceptions perpetuated by negative rhetoric have eroded public trust, with many individuals associating CSOs with anti-national sentiments without clear knowledge of their activities. This is particularly pronounced in rural areas where perceptions are tied to individuals rather than organizational efforts. According to Caucasus Barometer 2021 data for Armenia[11], 37% of respondents distrust NGOs, while only 25% trust them, which signifies a trust deficit towards CSOs in Armenia. This suggests that CSOs may face significant public scepticism regarding their activities and intentions, necessitating strategic efforts to enhance their credibility, transparency, and public engagement. 25% of respondents gave neutral responses (neither trust nor distrust) which highlights the potential for CSOs to improve their trust levels by effectively demonstrating their impact and increasing public awareness of their contributions.

The dual reality, where growth in CSOs is driven by international funding amidst significant public scepticism, suggests a misalignment between CSOs' perceived roles and public understanding. This dichotomy highlights the necessity for CSOs to not only diversify their funding sources but also actively engage in trust-building measures, clear communication, and transparency to counter negative perceptions and demonstrate their value to the broader community.

Looking more specifically at surveyed smaller, grassroots-level CSOs, their focus areas are diverse. Newly registered CSOs primarily focus on areas such as socio-economic and community development, youth empowerment, environmental action, cultural preservation, tourism development, healthcare improvement, and advocacy. They aim to support socially disadvantaged families, children, youth, and women while advocating for women's and marginalized groups' health rights. On the other hand, surveyed registered grassroots CSOs with over three years of experience focus on youth empowerment and community development, inclusive education, rights advocacy, and social-psychological rehabilitation services. They also advocate for human rights, particularly for women, girls, LGBTQ+ individuals, and persons serving sentences or former convicts, while providing social services for marginalized groups. Lastly, one surveyed community-based group mainly focuses on youth capacity development and non-formal education initiatives.

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[10] https://www.amnesty.org/en/location/europe-and-central-asia/eastern-europe-and-central-asia/armenia/report-armenia/

[11] https://caucasusbarometer.org/en/cb2021am/TRUNGOS/

In terms of the CSO **operational environment,** 50% of surveyed CSOs, indicated that the environment is challenging but manageable, suggesting they can navigate difficulties effectively, while 36.7% perceive the current operational environment as supportive and conducive to their activities. This confirms the improvements noted in the civic space during the past years in Armenia.

A portion of the civil society actors surveyed have experienced changes in their activities or priorities due to recent shifts in the political or social landscape. 10 CSOs, comprising 33.3% of total responses, affirmed experiencing adjustments due to these shifts. Conversely, 9 CSOs, constituting 30% of total responses, reported no changes in their activities or priorities in response to the evolving landscape. However, for 11 CSOs, representing 36.7% of total responses, assessing the impact of recent shifts proved challenging, leading to an uncertain stance on whether changes occurred.

The reasons for changes in activities or priorities among the 33.3% surveyed CSOs can be summarized as follows:

1. **Focus on Humanitarian Assistance:** The military aggression against Nagorno-Karabakh and the ensuing forced displacement have redefined organizational priorities, notably emphasizing humanitarian assistance and support for displaced individuals from Nagorno-Karabakh, with a particular focus on women.
2. **Social Problems and Discrimination:** Social problems associated with forced displacements, including social homophobia and discrimination, have increased. This has led to a greater focus on addressing these issues within organizational priorities.

The survey data highlights a diverse array of **funding sources** utilized by CSOs to finance their projects and initiatives. Predominantly, CSOs rely on grants from international donors (80.0%), donations or crowdfunding (33.3%) and entrepreneurial activities (20.0%). Government contracts or subsidies (13.3%), membership fees or dues (13.3%) and corporate sponsorships or partnerships (10.0%) also contribute to funding strategies. A small percentage of CSOs report other sources, such as private sector engagement (6.7%).
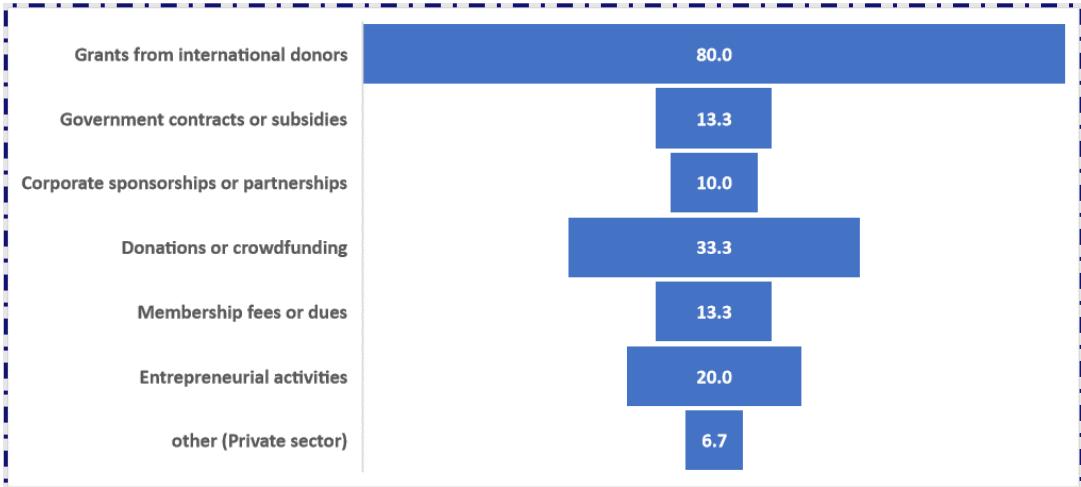

Chart 1. Surveyed grassroots CSO funding sources

The survey data indicates a heavy reliance on international donor grants which remains the main source of funding for grassroots CSOs.

Crowdfunding presents an interesting potential for Armenian CSOs by allowing them to mobilize support from a broad base of individuals both locally and internationally. However, challenges such as limited public awareness, regulatory hurdles, and competition for donor attention may hinder its effectiveness as a sustainable funding source in the long term. Membership fees, corporate sponsorships, and entrepreneurial activities represent additional, albeit less utilized, funding avenues that contribute to the financial sustainability strategies of some CSOs.

Unlike in some other countries, where laws facilitate donations to CSOs through mechanisms like the 2% law in Moldova,[12] Armenia lacks such provisions. This limits CSOs' financial sustainability and hampers their ability to carry out their missions effectively.

Moreover, CSOs are subject to complex tax regulations and limitations on turnover tax eligibility when engaging in entrepreneurial activities. This creates barriers to generating income and financial independence for CSOs, as they are required to comply with VAT and income tax regulations, which are often not conducive to their operations.

The need for capacity and expertise diversification is crucial for CSOs aiming to tap into diverse fundraising sources like crowdfunding, and corporate partnerships, which will be quite hard to achieve by grassroots CSOs with a limited number of stable staff members and weaker capacities in this regard.

In terms of the **main challenges** faced by the surveyed CSOs, the most commonly reported one by 32% of respondents is limited funding opportunities. This can be explained by the fact that internally, Armenian CSOs face constraints such as limited organizational capacity and expertise, which hinder their ability to effectively apply for and manage grants. Externally, they encounter stiff competition for limited international funding and insufficient local government support (only 13.3% of respondents reported this source of funding), which restricts access to financial resources. Despite donations or crowdfunding being reported by 13.3% of surveyed CSOs as a source of funding, the lack of a robust local philanthropic culture and corporate sponsorship opportunities further exacerbates their funding challenges.

The survey data presents other various challenges faced by CSOs:

- **Challenges in recruiting and retaining qualified staff or volunteers:** 11 CSOs (13.1%) mentioned difficulties in recruiting and retaining qualified personnel.
- **Competition with other CSOs or stakeholders:** 10 CSOs (11.9%) cited competition for resources or attention as a challenge. This competition may strain relationships and hinder collaboration among CSOs.
- **Insufficient support from government or regulatory bodies:** 8 CSOs (9.5%) highlighted this issue.
- **Security risks or threats:** 7 CSOs (8.3%) reported security risks or threats, which can jeopardize the safety of staff and volunteers and disrupt operations.
- **Difficulty in measuring or demonstrating impact and outcomes:** 5 CSOs (6.0%) faced challenges in measuring and demonstrating the impact of their work, which can affect accountability and fundraising efforts.
- **Team burnout and/or internal conflicts:** 2 CSOs (2.4%) reported experiencing team burnout or internal conflicts.

Meanwhile, according to KIIs, the main challenges facing CSOs are:

- Security concerns pose a cross-cutting challenge for all CSOs operating in the country.
- Violations of human rights, freedom of expression, and instances of corruption are prevalent challenges facing CSOs.
- Passiveness within the CSO community hampers proactive engagement and the ability to articulate positions effectively.
- Negative public perceptions, such as CSOs being labelled as "grant-eaters", persist and require transparent communication and trust-building efforts.
- CSOs must enhance accountability to target groups and diversify funding sources to reduce dependency on donors.

Despite facing significant challenges, CSOs recognize and are poised to leverage various opportunities that can facilitate their development and enhance their impact. Key opportunities reported by respondents include collaboration with other CSOs and stakeholders (18.1% of **total responses**), capacity strengthening and skill development (16.0% of total responses), and expanded networks with local and international organizations (12.8% of total responses). Mentorship from experienced

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[12] Individuals can allocate 2% of their income tax to a CSO of their choice pre-approved by the public authorities.

organizations and opportunities for advocacy and policy influence would further bolster CSO efforts. Their willingness to collaborate, focus on capacity development, expand networks, and seek mentorship and advocacy opportunities demonstrates their proactive approach to overcoming obstacles and achieving their goals. This resilience is crucial for the sustainability and effectiveness of civil society in navigating complex and challenging environments.

4.2.2 Gender Equality

In the civil society sector, according to PIN's previous report respondents (2021), the number of men and women involved in campaigns and civic initiatives is either relatively balanced or dominated by women. When it comes to leadership roles though, just like in the political sphere, organizations tend to be headed by a man.[13]

The gender composition of the surveyed CSOs' teams confirms the above-mentioned trend towards female representation within this sector. The majority of surveyed CSOs (50%) report predominantly female team compositions: 36.7% have teams mostly composed of women (70-99%), and 13.3% are entirely composed of women. Conversely, 13.3% of CSOs report teams primarily composed of men or entirely male, and 23.3% have balanced gender teams.
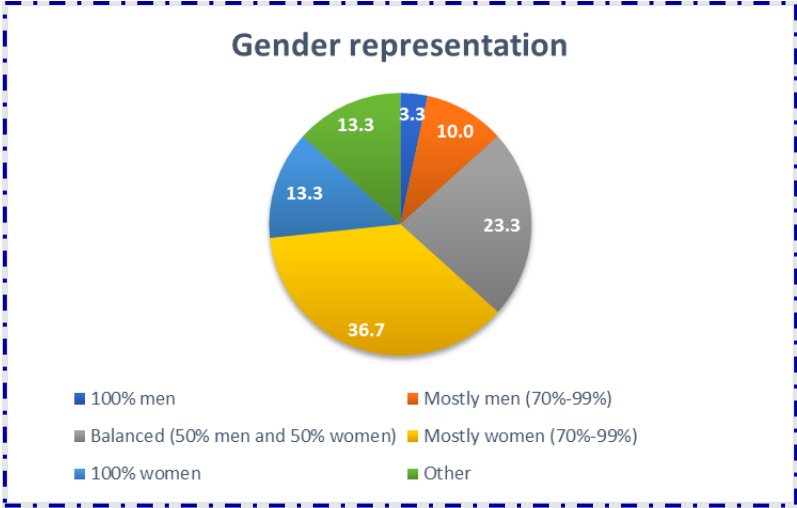

Chart 2. Gender composition of the surveyed CSO teams

The recent disruptions have had various degrees of influence on the participation of men and women in civic initiatives within grassroots CSOs. The survey data gives some insights into these shifts.

Firstly, a notable portion of CSOs (**20%**) reported a general **decrease** in participation by both men and women. This trend can be attributed to economic instability and limited access to resources, which have created significant barriers to involvement in civic activities. Economic hardships can force individuals to prioritize immediate survival needs over civic engagement, leading to reduced participation in community and advocacy efforts.

Interestingly, **16.7%** of CSOs reported increased participation by both men and women, driven by heightened awareness and urgency around recent disruptions. This indicates that in some cases, crises can galvanize broader community involvement, prompting both men and women to engage more actively in civic initiatives. Such a response reflects a collective recognition of the importance of civic action in addressing and mitigating the impacts of disruptions.

Furthermore, the data shows that **33.3%** of CSOs experienced increased participation by women and decreased participation by men. This shift may be influenced by changing societal norms and priorities, where women are increasingly stepping into civic roles. This could be a positive sign of growing gender

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[13] UNDER THE SPOTLIGHT: A Close Look into the Established and Emerging Civil Society Actors in Moldova

and the South Caucasus, People in Need, 2021.

inclusivity in civic spaces, where women are finding more opportunities and motivation to participate despite the broader challenges.

2 CSOs (**6.7%**) noted decreased participation by women and increased participation by men, potentially exacerbating gender disparities in civic engagement due to traditional gender roles and responsibilities.

Despite these variations, **23.3%** of CSOs reported no significant change in participation levels for either gender. This stability suggests that for these CSOs, the disruptions did not significantly alter the gender dynamics of civic engagement, possibly due to established patterns of participation or resilience within those communities.

To enhance gender equality and inclusivity, and take into consideration the diversity of CSOs situations, conditions should be created for them to integrate Gender Equality and Social Inclusion (GESI) principles into projects, promote gender mainstreaming, foster inclusive environments, implement gender-sensitive approaches, prioritize human-rights based approaches, and advocate for inclusive policies at the state level. These strategies can help ensure that civic initiatives are accessible and equitable for all individuals, regardless of gender or background.

4.2.3   CSO Capacity Development

The majority of surveyed CSOs, comprising 62.1%, have conducted an Organizational Capacity Assessment and Capacity Development Action Plan within the past 2 years. Conversely, 34.5% of CSOs have not undertaken such assessments during this timeframe, while 3.4% are uncertain if they have done so. This indicates a significant level of engagement among CSOs in evaluating and enhancing their organizational capacities over the specified period. Respondent CSOs recognize the value of capacity assessment and development programs in enhancing professionalism, competitiveness, and project effectiveness. Despite some identified challenges (limited staff and organizational capacity), there is a clear willingness to engage in such activities and recommend them to other colleagues for organizational growth and impact.

Based on the most responses, the top 5 needs for capacity development, which represents a mix of organizational and technical aspects, among the respondent grassroots CSOs are:

1. **Fundraising:** This includes learning how to write successful project proposals and diversify funding sources, with 24 responses indicating a need in this area.
2. **Community Engagement:** Tools to engage target groups and communities in service/activity design and implementation, as well as growing accountability towards them, is another significant need, with 14 responses highlighting this area.
3. **Advocacy:** Advocating for issues important to target groups and ensuring their voices are heard, was indicated by 11 responses.
4. **Financial Management:** Enhancing budgeting and financial reporting is identified as a crucial need by 10 responses.
5. **Communication skills and MEAL skills** also gathered the same number of 10 responses.

Other important areas for capacity strengthening include stakeholder engagement (9 responses) and policy engagement (9 responses).

The identified needs for capacity development among grassroots CSOs reflect their multifaceted challenges in organizational management and program implementation. Fundraising, community engagement, advocacy, and financial management emerge as critical areas where these organizations seek to strengthen their skills and expertise, indicating a strategic focus on enhancing their operational capacity and amplifying their impact within communities. This underscores the evolving landscape of civil society development, where grassroots organizations recognize the importance of robust organizational structures and effective strategies in navigating complex social contexts and driving positive change.

In terms of CSO **operational needs** reported, based on the responses, the 4 main ones, along with their respective shares, are as follows:

- **Organizational Development:** This includes strategic planning, governance improvement, and developing relevant policies and procedures.

- **Administrative Costs:** Covering staff salaries, office rent, utilities, and other administrative expenses is crucial.
- **Testing New Funding Models:** Exploring crowdfunding, social entrepreneurship, corporate social responsibility, and other funding avenues is important for sustainability.

All these needs included above were cited by 16 CSOs, representing 53.3% of the total responses.

- **Communication:** Ensuring effective communication through marketing materials, website maintenance, public relations efforts, and communication strategy is essential. It is cited by 13 CSOs, representing 43.3% of the total responses.

In addition to the four main operational needs previously mentioned, several other critical areas were identified:

- **HR Management and Retention:** 11 CSOs, comprising 36.7% of the total responses, emphasized the importance of effectively managing human resources and implementing strategies to retain valuable staff members.
- **Research and Thematic Expertise:** 8 CSOs, representing 26.7% of the total responses, highlighted the need for research and thematic expertise to support advocacy and policy dialogue efforts, ensuring informed decision-making and impactful initiatives.
- **Well-being and Resilience Strategies:** 6 CSOs, accounting for 20.0% of the total responses, recognized the significance of fostering personal resilience among civil society activists.

The CSO operational needs data suggests a strategic emphasis on enhancing organizational development, addressing administrative costs, exploring innovative funding models, and ensuring effective communication strategies to bolster operational efficiency and sustainability. Furthermore, the reflection of aspects connected to human resource management, research capabilities, and well-being and resilience strategies underscores the diverse array of challenges faced by these CSOs, highlighting the imperative for comprehensive approaches to capacity development and resilience-strengthening efforts within the grassroots civil society.

4.2.4 Advocacy, Policy Dialogue and Stakeholder Engagement

The analysis of responses regarding participation in advocacy/policy dialogue reveals that 43.3% of respondents actively participate, demonstrating a commitment to influencing decision-making processes. 30.0% engage to some extent, showing a willingness to contribute to advocacy efforts and policy discussions. 10.0% report limited participation, indicating potential barriers to more extensive involvement. 16.7% do not participate, highlighting an opportunity for growth in advocacy involvement, provided it would be in line with the CSO mission.

The barriers preventing CSOs from being more involved in advocacy and influencing policy concerning their target groups include:

- **Lack of Funding:** This is cited by the majority (63.3%) as a significant barrier, indicating financial constraints hindering advocacy efforts.
- **Time and Staff Capacity:** 36.7% identify this as a challenge, mentioning limited human resource capacity for conducting advocacy work effectively.
- **Advocacy skills** 20.0% express uncertainty in how to conduct advocacy.
- **Small Organization Size:** 20.0% feel their organization's small size makes it challenging to gain the attention of government actors.
- **Lack of Mechanisms for Engagement:** 16.7% note a lack of mechanisms enabling civil society organizations to engage with government actors, indicating structural barriers to advocacy participation.

Other barriers mentioned include uncertainty about which government actors to approach, and a lack of relevant partners to amplify their voice.

Effective collaboration between CSOs and government authorities is essential for advancing societal development and addressing critical issues. However, according to KIIs this collaboration often faces challenges due to the lack of institutional mechanisms, differing priorities, and resource constraints.

According to KIIs, CSOs have various avenues to influence policy-making processes, albeit with varying degrees of effectiveness and accessibility. Cooperation may depend largely on individual goodwill rather than structured processes. Participation in Public Councils, although formal, provides a platform for engagement, despite challenges with functionality and efficacy. Additionally, legislative requirements mandating public hearings for draft laws and the availability of the e-draft portal offer formal channels for input. Moreover, CSOs can engage directly with Parliamentarian commissions and sectoral committees, as well as participate in National Assembly public hearings. Practical education initiatives, such as those provided through USAID-funded projects, equip CSOs with data collection and evidence-based argumentation skills, enhancing their ability to contribute meaningfully to policy dialogues. However, the effectiveness of these opportunities hinges on both government officials and CSOs demonstrating activism, presenting data-proven facts, and possessing strong strategic communication skills.

However, joint advocacy by CSOs is crucial for reforming Armenia's legal framework, addressing barriers like complex tax regulations, financial burdens on grants, and outdated legislation affecting CSOs.

CSOs face several barriers in conducting consultations and engaging with citizens and marginalized communities. **Limited financial resources** are the most significant challenge, identified by 46.7% of respondents, followed by a **lack of capacity or expertise** (36.7%). **Time constraints** affect 26.7%, while 6.7% report that **donor administrative tasks** impede their engagement efforts.

The above data indicates significant operational challenges faced by CSOs in effectively engaging with citizens and marginalized communities, primarily due to limited financial resources and inadequate expertise. It also highlights the need for streamlined administrative processes and better time management to enhance their outreach and engagement efforts.

KII respondents also identified several successful strategies for promoting collaboration and partnership among CSOs and other stakeholders (government, private sector, donor agencies):

1. **Promoting Consortiums**: The KIIs highlighted the effectiveness of consortia that partner established with grassroots CSOs in promoting collaboration and leveraging complementary strengths. There is a risk, however, of power imbalances where the more established organizations may dominate the consortium, potentially sidelining the voices and priorities of grassroots CSOs. This could undermine the autonomy and local relevance of grassroots initiatives. Hence the importance of sufficient preparation and partnership facilitation support is highlighted.

2. **Networking and Exchange Events and International Experience Exchange**: Facilitating opportunities for CSOs to exchange experiences and best practices at national and international levels was identified in the KIIs as a strategy that enhances collaboration and promotes learning. With these activities, however, it is important to make sure that the knowledge is relevant and applicable to local contexts.

3. **Multi-stakeholder Events**: The KIIs highlighted the value of organizing multi-stakeholder events involving government, businesses, CSOs, and INGOs, which elevate the role and responsibility of government authorities while fostering collaboration across sectors. With these events, however, there is also the potential for grassroots CSOs to be overshadowed by larger, more influential stakeholders, which can dilute their impact and marginalize their contributions. In this case, participatory design and facilitation will play an essential role.

4. **Constituency Engagement**: Stimulating community-based participatory forums and events emerged as a strategy in the KIIs that increases CSOs' responsibility and engagement with the people they support, enhancing accountability, collaboration, and partnership at the grassroots level. However, it is important to acknowledge that this is a time-intensive activity, hence it should be approached strategically by grassroot CSOs taking place at key stages of a project or strategy implementation.

The data suggests that promoting effective collaboration between CSOs and various stakeholders requires careful management to avoid power imbalances, especially in consortiums where established organizations might overshadow grassroots partners. Networking, exchange events and multi-

stakeholder forums are essential for sharing best practices and fostering collaboration, but they must ensure context relevance and inclusivity to prevent larger players from dominating. Community-based participatory forums enhance grassroots engagement but require strategic planning and resource allocation due to their time-intensive nature. Grassroot CSOs should be supported to strengthen this awareness, for them to make strategic choices based on their priorities.

4.2.5   CSO Cooperation and Resilience

During the interviews in 2020, some CSOs representatives reported that there was limited cooperation and exchange of information with peer organizations on topics of interest. As a result, there was a lot of overlapping of activities simply because the organizations would not inform one another about their actions and plans. One of the often-cited reasons for this is competition for funding and donor-driven, rather than community-rooted or self-identified, agendas of some of the established CSOs.[14]

However, current KII respondents noted that crises often serve as catalysts for improved collaboration and partnership among CSOs and stakeholders, highlighting increased cooperation during emergencies.

Collaboration with another civil society organization on joint advocacy actions or outreach activities was deemed highly important by the majority of respondents: 21 respondents (70.0%) view collaboration as very important, emphasizing the significance of joint efforts to address shared challenges, amplify messages, and promote common objectives. Additionally, 8 respondents (26.7%) consider collaboration important, further highlighting the value of working together to achieve mutual goals. Only 1 respondent (3.3%) expressed that collaboration is not important.
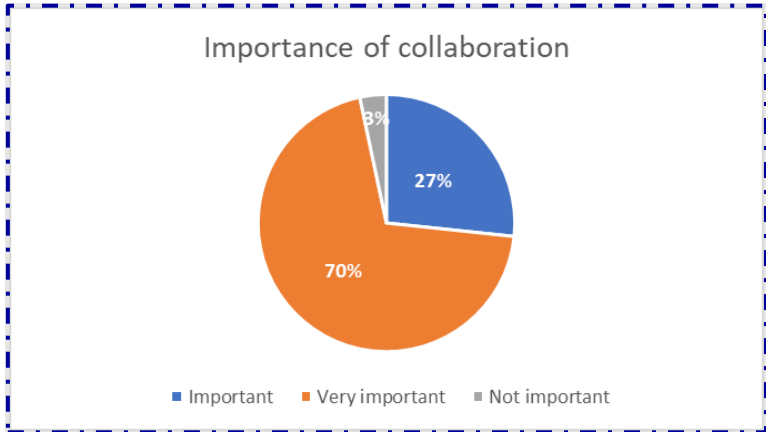

Chart 3. CSO responses to the question on importance of collaboration with another civil society organization on a joint advocacy action or outreach activity

The overwhelming consensus among respondents underscores the critical role of collaboration between civil society organizations in addressing shared challenges and advancing common objectives. With 96.7% of respondents valuing collaboration as important or very important, it is evident that joint efforts are seen as essential for amplifying messages and maximizing impact in advocacy actions and outreach activities.

While there is a clear recognition of the value of joint efforts in addressing shared challenges and advancing common objectives, competition for funding and resources remains a significant factor shaping interactions among CSOs. This duality suggests that while collaboration is increasingly seen as crucial, the competitive environment within which CSOs operate continues to influence their behaviour and decision-making processes. This underscores the need for a nuanced approach to

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[14] UNDER THE SPOTLIGHT: A Close Look into the Established and Emerging Civil Society Actors in Moldova

and the South Caucasus, People in Need, 2021.

fostering collaboration among CSOs, for example by promoting transparency and information sharing, facilitating joint funding opportunities, organizing experience sharing events etc. By acknowledging and addressing the underlying factors driving competition, the sector can move towards a more cooperative and effective model of collective action.

CSOs in Armenia contribute to building resilient communities by providing crucial support, leveraging resources, offering valuable expertise, and fostering effective coordination including during times of crisis. In terms of their understanding of resilience, the survey data indicates that CSOs primarily focus on staff individual resilience over broader organizational one. Although a few responses highlight the importance of developing risk management plans, crisis communication strategies, flexibility, risk evaluation, collaboration, and financial stability, these are less frequently acknowledged, suggesting a need for a more comprehensive approach to strengthening organizational resilience that goes beyond individual staff support. This emphasizes the need for CSOs to expand their focus to include structured organizational strategies and processes to enhance their resilience and sustainability.

4.3   Recommendations for the project

Capacity Assessment

- Allocate additional attention during Organizational Capacity Assessment Tool (OCAT) discussions on how CSOs communicate their mission, build trust within their communities, and address public scepticism (OCAT sections 1.1 *Purpose and context*, 2.2 *Formal and informal collaborations/partnerships* and 2.3 *Communication approach*). This can involve actionable tasks such as conducting community surveys, organizing focus group discussions with community members, and developing communication approaches that prioritize transparency/ engagement as well as capacity strengthening that needs to happen connected to that.
- The importance of the new OCAT section 4.3 *Change management* was confirmed by the survey and KII data. This section should analyse and strengthen the CSOs team's adaptability and resilience in navigating their operational environments by incorporating examples of approaches to manage evolving political and social landscapes, respond to emerging challenges such as post-war displacement and social issues, and adjust their priorities accordingly.
- Emphasize OCAT section 3.4 *Resource mobilization* assessing reliance on diverse funding sources, with a focus on the effectiveness in managing donor relationships and CSO ability to innovate their fundraising efforts.
- The importance of CSOs developing and regularly updating strategic plans and forward-thinking approaches to navigate changing environments, optimize resources, enhance impact, and ensure long-term sustainability was confirmed.

Capacity Development

- Enhancing CSOs' ability to communicate their work and values transparently can help counter negative rhetoric, build trust and increase accountability towards constituents. Depending on Capacity assessment results, place an emphasis on strategic communication and effective public engagement in the capacity development package, also leveraging the advantages offered by digital technologies. Topics such as: developing clear communication approaches, using social media and digital tools to share impact stories, and creating mechanisms for regular feedback and accountability to the communities they serve, will be of relevance to grassroot CSOs.
- Provide grassroots CSOs with training in fundraising and funds diversification, project cycle management, monitoring and evaluation, and financial management aspects tailored to their needs. This will equip them with the skills necessary to effectively manage projects, secure diverse funding sources, and ensure transparent and efficient financial and operational practices.
- Training aimed at strengthening human resource management and well-being strategies are also crucial for building resilient grassroots CSOs.
- Based on the feedback included by surveyed CSOs, it is important to ensure that training programs offered to CSOs have a strong experiential learning and practical component.

- While training programs offer valuable structured learning opportunities, mentoring and peer learning provide personalized guidance, real-world insights, and ongoing support tailored to the specific needs and challenges of grassroots organizations. Mentors, however, should be aware of power dynamics in this relationship and strive to empower the CSOs to find their own answers based on the expertise shared.
- Additionally, peer learning forums offer opportunities for grassroots CSOs to share experiences, exchange ideas, and collaborate on solutions to common challenges, fostering a culture of mutual support and collective learning, which is generally weak in Easter Partnership (EaP) countries.
- To address the barriers hindering grassroots CSO involvement in advocacy and policy dialogue, prioritize capacity development focused on advocacy skills development, based on capacity assessment results. This could include organizing training workshops and mentorship opportunities tailored to enhance CSOs' understanding of advocacy strategies, policy processes, and duty bearer's engagement mechanisms. Additionally, where applicable, facilitating connections with larger CSOs or networks during *Unconference* events can provide smaller CSOs with access to resources and expertise, to amplify their advocacy efforts.

Financial Support to Third Parties (FSTP):
- Continue keeping the focus on flexible funding mechanisms that accommodate CSOs with varying levels of experience, with simplified application processes and reporting requirements. This allows newer or smaller CSOs to participate and innovate without the burden of complex administrative demands.
- PIN's FSTP learning by doing approach will become of utmost importance for Armenian grassroot CSOs. It will be important to allocate sufficient PIN team capacity and resources for FSTP colleagues to offer step by step support with grant application and management.

Gender equality
- Promote gender inclusive practices, by offering training and mentorships that equip CSOs with tools and methodologies for gender mainstreaming in their projects and organizational practices. The focus should be on the implementation of gender-sensitive approaches in project planning and execution, human-rights based frameworks and advocacy for policies that support gender equality at the local and state levels.

CSO cooperation and resilience
- Newly registered CSOs emphasized the importance of cooperation with other CSOs to strengthen their operations and broaden their impact. Connected to this, it is important to establish structured collaboration framework that promotes meaningful partnerships among CSOs while mitigating common pitfalls (Output 3) such as lack of clarity, unequal power dynamics, and exclusionary practices, CSOs can maximize their collective impact and drive meaningful change in their communities.
- Establish project level mechanisms for ongoing evaluation and reflection to assess the impact of collaborative initiatives, identify lessons learned, and adapt strategies accordingly (valid for all project countries).
- During the strategic planning workshop promote the need for a more comprehensive approach to strengthening organizational resilience that goes beyond individual staff support. This can include considering the unique challenges and contexts faced by CSOs in Armenia during SWOT analysis, allowing for flexibility and adaptation of set strategic goals, allocating sufficient attention to risks and mitigation strategies during action planning.

5   FINAL CONCLUSIONS

Based on the data from Armenia, several patterns and trends in the civic space and grassroots CSOs can be identified. In **Armenia**, from 2020 to 2023, civil society faced challenges from geopolitical crises determined by the Nagorno-Karabakh conflict and political instability, yet it showed a high level of resilience and adaptability. Despite improvements in civic space scores, challenges like media polarization persist. Grassroots CSOs, numbering over 6,300, rely heavily on international donor funding, posing sustainability concerns. They demonstrate adaptability in focusing on diverse areas like socio-economic development and youth empowerment. Despite a relatively balanced or female-dominated participation in civic initiatives within the civil society sector, leadership roles tend to be male-dominated, reflecting broader gender disparities. Challenges include funding limitations and security risks, with opportunities seen in collaborative initiatives and further capacity strengthening.

Based on Armenia's geopolitical context, characterized by the aftermath of the Nagorno-Karabakh conflict and ongoing regional dynamics, the country faces external pressures that influence its civil society landscape. The conflict has reshaped Armenia's governance and societal dynamics, impacting its civil society's operations and relationship with external powers, notably Russia. The challenges anticipated in the foreseeable future include potential constraints on civil liberties and democratic norms due to external influences. Strengthening alliances with international stakeholders supportive of democratic reforms is essential to counteract external pressures and support Armenia's European integration aspirations.