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**STRONG Civil Society Organisations
for Stronger Armenia**

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***Capacity Building Needs Assessment of
Civil Society Organisations in Armenia***

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Authors	<i>Mary Manukyan</i> <i>Irene Danielyan</i> <i>Robert Girejko (editor)</i>

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The objective of this assessment is to understand and evaluate the capacity needs and gaps of civil society organisations (CSOs) in Armenia. It essentially serves the purposes of "STRONG Civil Society Organisations for Stronger Armenia" project by providing detailed information on the most appropriate design of the subsequent capacity building activities of the project. Beyond that, it can be also used by any CSOs wanting to benchmark their organisation against the current context, and by any donor considering support to CSOs in Armenia. The publication reflects the authors' views.

Statement of originality:

This deliverable contains original unpublished work except where clearly indicated otherwise. Acknowledgement of previously published material and of the work of others has been made through appropriate citation, quotation or both.

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List of Abbreviations

CDPF	Civic Development and Partnership Foundation
CRRC	Caucasus Research Resource Centres
CSDN	Civil Society Development Network
CSF	Civil Society Forum
CSO	Civil Society Organisation
CSO DePo	CSO Development Programme
CSPN	Civil Society Partnership Network
CSR	Corporate Social Responsibility
EaP	Eastern Partnership
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
HR	Human Resources
INTRAC	International NGO Training and Research Centre
KAS	Konrad-Adenauer-Stiftung
NA/DK	Not applicable / Do not know
NGO	Non-governmental organisation
NSP	NGO Strengthening Programme
OSF	Open Society Foundations
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development

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Foreword

Dear Reader,

The aim of this assessment paper is to understand and evaluate the capacity building needs and gaps of civil society organisations (CSOs) in Armenia. This piece of research is insightful and valuable in many respects.

First, it gathers in one place the results of capacity building needs analysis of Armenian CSOs, based on reliable, comprehensive, multi-stage and multi-tool research.

Secondly, the methods used for the purpose of this research are clear, robust and innovative. External experts, professionals with many years of experience in the Armenian civil society sector, who have been asked to provide feedback on the paper, stressed the innovative approach and "fresh look" at the issues, as well as the new perspective with which these issues are presented.

Last but not least, the publication of this work is not a goal in itself. Its unique value lies also in the fact that it is one of the initiatives, with several integrated steps on the way to developing modern civil society in Armenia. Also, the results of the research and conclusions contained in the paper have a practical dimension. They will help design a comprehensive capacity building programme aimed at developing a sustainable model to strengthen the CSOs capacity and increase the efficiency of the capacity building activities they have been engaged in.

I hope you will enjoy reading this inspirational paper, at the same time I would encourage you to participate actively in the subsequent activities carried out within the framework of the project.

Jarek Zarychta
Team Leader
“STRONG Civil Society Organisations for Stronger Armenia” project

Executive Summary

This assessment paper has been produced by the European Union (EU) funded project “STRONG Civil Society Organisations for Stronger Armenia” (“STRONG CSOs”) which is aimed at increasing the capacities of civil society organisations in Armenia as independent development actors, by making them more competent, more responsive to citizens’ needs, and more proactively supporting country’s development through practical, project based approaches. The project addresses a complex and interrelated set of CSOs capacity areas: internal, external, and EU project management, the latter bringing all capacities together through a competitive sub-grants mechanism.

It has been possible to identify and assess capacity building needs of CSOs in Armenia only by a comprehensive and intensive study of the situation, and information primarily derived from operating CSOs. Thus, the assessment has been based on both primary and secondary sources. In-depth interviews, focus group discussions, online survey, field visits, expert group consultation, and public consultation served as primary sources; previously published research and data as secondary ones.

The capacities of CSOs in Armenia in terms of three capacity dimensions - internal (organisational capacity, financial sustainability), external (service provision, networking, and advocacy) and programme performance (projects implementation) - have been analysed. Furthermore, CSOs have been assigned to four development levels in accordance with a lifecycle model: birth, adolescent, consolidation and prime stages. An overview of past and present capacity building efforts in Armenia, analysing their impact in terms of ‘Who’, ‘What’ and ‘How’, has also been carried out, to consider relevant lessons learned applicable to the current intervention.

Some key observations have been made on CSOs in Armenia:

- There is a strong tendency to be opportunity driven – low clarity of strategic purposes, multiple sector focus and donor-driven actions.
- Limited financial strength and related limited impacts are evident – low operating budgets, weak financial transparency, and high staff turnover rates.
- Multiple organisational challenges related to moderate maturity profiles of CSOs – weak fundraising, limited planning, vague strategic focus, personalised rather than institutionalised set up, succession issues, poor governance in general.
- There is a contrast between low capacities of CSOs and rigorous requirements from the donors, resulting in inconsistent and limited funding, impacting overall financial health of CSOs, while other sources of funding are not well developed yet (income generating activities, membership fees, crowd funding, etc.).
- Limited impacts of CSOs, coupled with other above-mentioned weaknesses lead to low level of public trust.
- Opportunities for networking, collaboration and systemic approaches, little impact on government policies, exacerbated by unfavourable policy framework and societal perceptions on CSOs, remain largely unexploited.

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- Differentiation between Yerevan- and marz-based CSOs in terms of maturity, purpose (services provision vs. advocacy), and overall capacities, with the latter ones in need of more intensive support is clear.
- Capacity needs and interests call for comprehensive and needs-responsive support with a high level of differentiation, requiring diversified and tailored capacity building programmes.

Overall, the assessment provided robust information on the current situation in the sector, the contextual socio-economic and policy issues, and allowed:

- Mapping the CSOs in Armenia in terms of their development levels combined with location and dominant activity typology. In other words, it is now clear what types of CSOs and what institutional maturity levels currently characterise the sector.
- Prioritising capacity building programmes according to the level of demand among CSOs, so that intervention resources can be dedicated first and most of all to the priority needs of the beneficiary CSOs.

The list of top capacity building priorities identified through the study is following:

- Project management and EU project management,
- Fundraising,
- External relations and communication skills.

The assessment has confirmed a close match of the initial design of the project “STRONG CSOs” with real needs of CSOs in Armenia. The proposed way forward, based on priority treatment of capacity needs relevant to majority of CSOs, and subsequent expansion to other capacity areas, provides a solid ground for a highly relevant and needs-driven capacity support. Furthermore, CSOs will be provided with an advanced capacity building programme, guided by the comprehensive capacity development model of ‘Who-What-How’.

1 Introduction

This assessment paper has been produced within the framework of the EU-funded project “STRONG Civil Society Organisations for Stronger Armenia” which is aimed at increasing the capacities of civil society organisations in Armenia.

In 2015, a consortium of a Polish organisation, Podlaska Regional Development Foundation, and an Armenian Consulting and Support Non-governmental organisation (NGO), DAS.AM, responded to a call by the EU Delegation to increase capacities of CSOs in Armenia as independent development actors, by making them more competent, more responsive to citizens’ needs, and more proactively supporting country’s development through practical, project based approaches.

The project is focused on three specific results:

1. To increase internal capacities of 90 CSOs (225 persons) in planning, project management, financial management, entrepreneurship, etc. This evolution will be measured by pre- and post-capacity building assessment, and documented organisational changes.
2. To increase external capacities of 45 CSOs (135 persons) to better engage with their target groups, in policy making, monitoring reforms and networking. The impact of this objective will be mainly assessed on the pre- and post-capacity building yields.
3. To increase capacities of CSOs in applying for and implementing EU projects (Learning by Doing). 17-25 CSOs will gain practical capacities in EU project management. As a result, there will be 17-25 granted projects in CSOs client groups.

The overall aim of this Capacity Building Needs Assessment is to understand and evaluate the capacity needs and gaps of CSOs in Armenia. The specific objective of the analysis is to provide detailed information on the most appropriate design of all subsequent capacity building activities of the project. Data for the assessment has been collected from primary and secondary sources. In-depth interviews, focus group discussions, online survey, field visits, expert group consultation, and public consultation are among primary sources, whereas secondary sources comprise previously published research and data sets on the subject.

The paper first tries to identify and analyse the capacities of CSOs in Armenia in terms of three dimensions: internal (organisational capacity, financial sustainability), external (service provision, networking, and advocacy), and programme performance (projects implementation). Secondly, the paper illustrates four development levels of surveyed CSOs as per key elements under organisational, programmatic and partnership areas. Thirdly, an attempt is made to provide an overview of past and present capacity building efforts in Armenia, analyse their impact in terms of ‘Who’, ‘What’ and ‘How’, and identify the respective capacity needs of CSOs. Last but not least, building on the past experiences, best practices and findings obtained through this assessment, the paper proposes the way forward by formulating tailored recommendations on how to further strengthen capacities of CSOs in Armenia.

2 Methodology

2.1 Data Collection and Assessment Methods

This assessment is aimed at evaluating the capacities of CSOs in Armenia and gaining an in-depth understanding of their capacity needs and gaps which will be used to inform and design in detail all subsequent activities of the project. The assessment looks at internal, external and programme performance dimensions of institutional capacities of Armenian CSOs with the following breakdown:¹

Internal dimensions:

1. Organisational capacity
2. Financial sustainability

External dimensions:

3. Service provision
4. Networking
5. Advocacy

Programme performance:

6. Projects implementation

The following seven methods have been applied to assess the above-mentioned dimensions:

- a. Desk research
- b. Survey
- c. Field visits
- d. In-depth interviews
- e. Focus group discussions
- f. Expert group consultation
- g. Public consultation

To ensure that the project “STRONG Civil Society Organisations for Stronger Armenia” is designed and delivered as a direct response to the real needs of CSOs, using the appropriate tools and ensuring the expected impact, the Capacity Building Needs Assessment started in November 2015 with the findings scheduled to be published by May 2016. The project team met some 70 CSOs in the marzes² (regions) and Yerevan, conducted 20 in-depth interviews with field experts and practitioners, organised 7 focus group discussions (45 participants in total), and sent an online survey questionnaire to 220 CSOs nationwide, out of which a total of 139 responses were received

¹ The listing follows the structure of 2014 USAID CSO Sustainability Index. Available at https://www.usaid.gov/sites/default/files/documents/1863/EuropeEurasia_FY2014_CSOSI_Report.pdf (consulted on 19 November 2015).

² Administrative divisions in Armenia. Available at <http://www.gov.am/en/regions/> (consulted on 24 February 2016).

(146 with repetitions included). The project team also conducted an extensive desk research to obtain more insights on CSOs and relevant capacity building interventions in Armenia, as well as best practices around the world.

The database of 220 active CSOs³ has been compiled through various sources: Civil Society Partnership Network (CSPN), Civil Society Development Network (CSDN), Civic Development and Partnership Foundation (CDPF), NGO Centre, Public Network, Open Society Foundations (OSF), Save the Children Armenian Representative Office, and DAS.AM own network.

In addition, prior to the launch of the survey, with a view of disseminating the information among a broader audience and raising awareness about the project among interested CSOs, media advisories were published in Hayastani Hanrapetutyun daily, CivilNet.am online newspaper, as well as websites of various organisations and their respective Facebook pages (EU Delegation in Armenia, CSO Development Programme (CSO DePo), CDPF, Caucasus Research Resource Centres (CRRC), and Partnership and Teaching NGO).

Data for the assessment has been collected from primary and secondary sources. Primary sources (in-depth interviews, focus group discussions, online survey, field visits, expert group consultation, and public consultation) provided both qualitative and quantitative data. Secondary sources comprised previous research conducted by other local and international organisations, statistical data provided by state institutions, various websites which contain information on the issues related to the assessment, as well as national and international academic research. In-depth interviews, focus group discussions, expert group and public consultations, as primary sources of collection of qualitative data, are analysed through grouping the obtained answers into the capacity dimensions and extracting the insights, thus complementing the data of the survey. The conclusions made on the basis of the field visits support the analysis of the quantitative and qualitative data obtained through the remaining methods. The results and main findings obtained via each method are compared, combined and reflected in this paper. The final public consultation was the last stage of collecting qualitative data and feedback from a larger audience who had the possibility to contribute to the final assessment by submitting further recommendations.

a. Desk research

A comprehensive desk research served as a secondary source of data collection on all dimensions (organisational capacity, financial sustainability, service provision, networking, advocacy and projects implementation) of CSOs capacities.

The research mainly focused on the following sources:

- Previous research on the issue (Armenian CSOs and capacity building activities), including assessment reports, surveys, academic papers, policy papers, concept papers drafted/conducted by individual experts and consultants, local and international organisations, state institutions, etc.,

³ Active CSOs are considered those who have been carrying out their activities in most recent years (3 or fewer, depending when established) and are identifiable through publically available directories and/or referred to by major CSOs networks.

- Statistical yearbooks and other data sets,
- EU documentation including EU Country Roadmap for Engagement with Civil Society: Armenia 2014-2017, Annual Action Programme 2015 in favour of the Republic of Armenia (Action Document for the Civil Society Facility, Armenia) and other relevant documents,
- Legal documents, including the Law on Public Organisations, Concept on CSOs legislative and institutional improvement, etc.,
- Websites of civil society organisations, international organisations, state institutions, etc.

b. Survey

The survey was conducted among 220 CSOs representatives through sending the online questionnaire to the e-mail addresses of recipients. The timeline of the online survey was from 1 December through 13 December 2015. Based on the requests received from several CSOs and with the aim to get responses from a wider range of CSOs, the deadline was extended until 17 December 2015.

As mentioned above, the database of CSOs was compiled on the basis of the lists provided by various organisations, field visits and through public announcements. Before the launch of the survey a pre-test was conducted among 5 CSOs representatives to make sure that the survey is easily accessible and user friendly, formulations are understandable, and there are no technical problems. In order to ensure the smooth completion of the survey and collection of accurate and comprehensive data from respondents, reminder e-mails were sent and follow-up telephone calls were made to elaborate on the purpose of the survey, request the CSOs representatives to complete the questionnaire and offer assistance, if needed.

As for the questionnaire, it was composed of a total of 36 open-ended and multiple-choice questions in Armenian to get factual data on each dimension. It was developed through Google Docs survey design tool.

The survey had the following structure:⁴

- Background information,
- Organisational capacity (governance, human resources (HR), technical capacity),
- Financial capacity (financial management, sources of funding),
- Service provision (sector and services, target groups, service quality),
- Networking (relationships with target groups, partnerships with businesses, CSOs, media, donors, government institutions),
- Advocacy (legal environment, lobbying, engagement in policy making),
- Programme performance (programme and projects design, planning, implementation, monitoring and evaluation),
- Capacity development needs (self-assessment with identification of priorities).

⁴ See the survey questionnaire template in Annex 2.

c. Field visits

With the purpose of getting more specific qualitative data, a series of field visits were conducted with 70 representatives of CSOs in the marzes and Yerevan. These CSOs were selected from the database of 220 active CSOs invited to take part in the survey.

During the field visits the interviewer worked one-to-one with the representatives of CSOs. A semi-structured questionnaire was developed to provide quantitative and qualitative data on the CSOs through open-ended questions. Field visits were important in terms of feeding information on visited CSOs leadership, years of operation, mission and vision, activities, human resources, technical capacity, as well as existing needs and gaps. Most importantly, they have been very informative as the very fact of being on site provided the opportunity to get authentic insights on the capacities of the organisations.

The information obtained via field visits was primarily used to back up or contradict the quantitative and qualitative data collected by means of other methods.

d. In-depth interviews

In-depth interviews were the primary qualitative data assessment method. The interviews were conducted among 20 high-profile experts and practitioners (state authorities, local and international CSOs, international organisations/donors, media) in Armenian or English and lasted between 1 and 1.5 hours. Reports of the interviews were prepared and sent to interviewees for further review and approval. Interview participants have been also requested to allow quoting the most interesting and relevant statements in the paper.

The aim of this method was to get in-depth insights from selected knowledgeable respondents based on an open-ended questionnaire, mainly focusing on CSOs gaps and needs in terms of capacity building.

The questionnaires were drafted around the following topics:⁵

- History of evolution and future of civil society in Armenia,
- Public credibility of CSOs,
- International best practices,
- CSOs needs and gaps, and best approaches to capacity building,
- Cooperation between CSOs and other stakeholders,
- Overview of capacity building in Armenia in terms of *Who, What* and *How*.

e. Focus group discussions

The aim of the focus group discussions was to concentrate on the public perception of CSOs and get better insights in terms of the expectations of the society at large. The focus groups created a favourable environment for group discussions enabling participants to reflect on the proposed cases for discussions and engage into a free and open discussion flow.

⁵ See the templates of questionnaires in Annexes 3 and 4.

The focus group discussions had a total of 45 participants and were conducted in Ijevan (8 participants), Vanadzor (9 participants), Gyumri (10 participants), Yeghegnadzor (4 participants), Goris (4 participants), Kapan (5 participants), and Yerevan (5 participants). The duration was about 1 hour. A report on the focus group discussions was prepared in Armenian and English and sent to participants for their information.

Participants of the focus groups were citizens outside of the CSOs sector, representatives from various fields such as education, art, business, media, and government. The focus group discussions were facilitated by a team member who did not intervene nor guide participants in their answers. The facilitator asked questions or raised a specific topic and let the participants brainstorm and engage into a group discussion. In case of necessity, to balance the level of participation in the group, the facilitator gave the floor to different participants.

The focus group discussions were built on the following items:⁶

1. General overview of the project and the ongoing needs assessment with a special focus on the importance of involvement of this specific target group.
2. Group discussion facilitated by a team member around the below-mentioned questions and issues through cases for discussion:
 - When someone tells you “civil society organisation”, what are the words that spring first to your mind?
 - How a CSO can find volunteers and involve them in the organisation’s activities?
 - What should a CSO do when there is a risk that after the departure of the head of the organisation the latter might be dissolved?
 - What should a CSO do to gain trust among the community?
 - How can CSOs raise their voices to the Government and cooperate effectively to solve the presented systemic issue?
 - How can CSOs ensure their financial sustainability? Which fundraising mechanisms can you suggest?
3. Wrap-up and closing remarks by the facilitator.

f. Expert group consultation

The qualitative part of the assessment included also an expert group discussion prior to the public consultation. Key experts in the field of civil society provided their opinions on the assessment findings and recommendations, as well as further exchanged views on capacity building best practices in Armenia. The duration of the expert group discussion was about 2 hours.⁷

⁶ See the focus group discussions report in Annex 5.

⁷ The expert group consultation was held on 25 March 2016. Lusine Hakobyan from USAID Armenia, Armen Ghalumyan from Civic Development and Partnership Foundation, and Tatevik Margaryan, Freelance Specialist, were invited to the consultation to provide their feedback/recommendations on the paper. See the expert group consultation report in Annex 6.

g. Public consultation

After discussing the draft assessment paper with the field key experts and incorporating the required changes into the paper, a public consultation took place on 14 April 2016 in Yerevan in the form of a national conference.

The aim of the consultation was to share, refine and validate the findings of the assessment with a larger audience. Representatives of surveyed CSOs, consulted experts, representatives of international organisations/NGOs, Embassies, European Union Delegation to Armenia were invited to the final public consultation.

The public consultation constituted of 2 parts: the 1st part was a presentation of preliminary findings and recommendations on CSOs capacity needs and gaps assessment to the audience; the 2nd part was a consultation/collection of feedback from the audience. During the 2nd part the project team conducted four parallel group discussions for the purpose of reflecting on the findings of the paper and coming up with feedback. Once the group work was finalised, one appointed presenter of each group summarised the group's recommendations which found their way into the final assessment paper as relevant.⁸

2.2 Limitations and Constraints of the Assessment

As any applied research, the assessment could not provide absolutely true, definite and fully precise answers to the issues studied. The following limitations are worth considering:

- Field data: As there is no comprehensive database of CSOs in Armenia, contacts of active CSOs have been compiled from various sources. In addition, prior to the launch of the survey, with a view of disseminating the information among a broader audience and raising awareness about the project among interested CSOs, media advisories were published in several media outlets and websites. Furthermore, the survey announcement has reached a big number of CSOs through snowball effect.
- Time limitation: The timeline of the online survey was from 1 December through 13 December 2015. Based on the requests received from several CSOs and with the aim to get responses from a wider range of CSOs, the deadline was extended until 17 December 2015.
- Duplication of responses: There have been cases when the same respondents submitted the survey questionnaire twice. As a result, out of 146 total responses only 139 were considered for the purposes of the assessment.
- Objectivity of responses/Non-answers: The analysis carried out by using the information obtained via the survey was mainly based on the responses provided by CSOs. It is understandable that the respondent CSOs representatives might have had the desire to portray a positive image of their organisations. However, in doing so they risk missing the possible learning opportunities which address the real needs and gaps their organisations face.

⁸ See the public consultation report in Annex 7.

In addition, the fact that in some cases CSOs have not provided any answers to a set of questions has had an impact on the scores, leading to their categorisation into different development levels.

- Irrelevant and/or general answers: A set of general and/or irrelevant answers provided to the questions on identifying capacity building directions and key areas of improvement have been taken out. Only relevant answers have been considered and further analysed.
- Prioritisation of responses: In some questions respondents have not been given the possibility to prioritise their responses, or else, they have not been limited to one answer only. This created limitations for the research team in terms of deriving accurate and specific information for further analysis.

Notwithstanding the above constraints, the assessment is considered highly informative of the current situation of CSOs in Armenia and in that sense very useful for building a better understanding, as well as related interventions.

3 Historical Overview

3.1 Evolution of Armenian Civil Society Organisations

According to Diamond (1999) and agreed by most scholars, civil society is:

“[...] the realm of organised social life that is open, voluntary, self-generating, at least partially self-supporting, autonomous from the state, and bound by a legal order or set of shared rules. It is distinct from “society” in general in that it involves citizens acting collectively in a public sphere to express their interests, passions, preferences, and ideas, to exchange information, to achieve collective goals, to make demands on the state, to improve the structure and functioning of the state, and to hold state officials accountable.”⁹

To exclude some of the organisations that may have “uncivil” intentions, while defining civil society J. Paturyan and V. Gevorgyan (2014), added the following statement by Hall (2000) and Trentmann (2000):

“civil society is guided by principles of non-violence, tolerance and inclusiveness.”¹⁰

This combined, complete and clear definition referred to above has been used for the purposes of this Capacity Building Needs Assessment paper.

When it comes to the evolution of civil society organisations in Armenia, a method used by Brenda Lipson and Martina Hunt (2008)¹¹, identifying the different phases of organisational growth in a “Lifecycle Model” proves to be very useful. An attempt has been made to place the evolution of Armenian CSOs within the suggested model.

⁹ Larry Diamond, *Developing Democracy: Toward Consolidation*, Baltimore and London quoted in Yevgenya Jenny Paturyan and Valentina Gevorgyan, *Armenian Civil Society after Twenty Years of Transition: Still Post-Communist?*, 2014, Yerevan, p. 12.

¹⁰ John A. Hall, *Reflections on the Making of Civil Society* and Frank Trentmann, *Introduction: Paradoxes of Civil Society* in *Paradoxes of Civil Society. New Perspectives on Modern German and British History*, 2000 quoted in Yevgenya Jenny Paturyan and Valentina Gevorgyan, *Armenian Civil Society after Twenty Years of Transition: Still Post-Communist?*, 2014, Yerevan, p. 13.

¹¹ Brenda Lipson and Martina Hunt, *Capacity Building Framework*, A values-based programming guide, INTRAC, 2008, UK, p. 17.

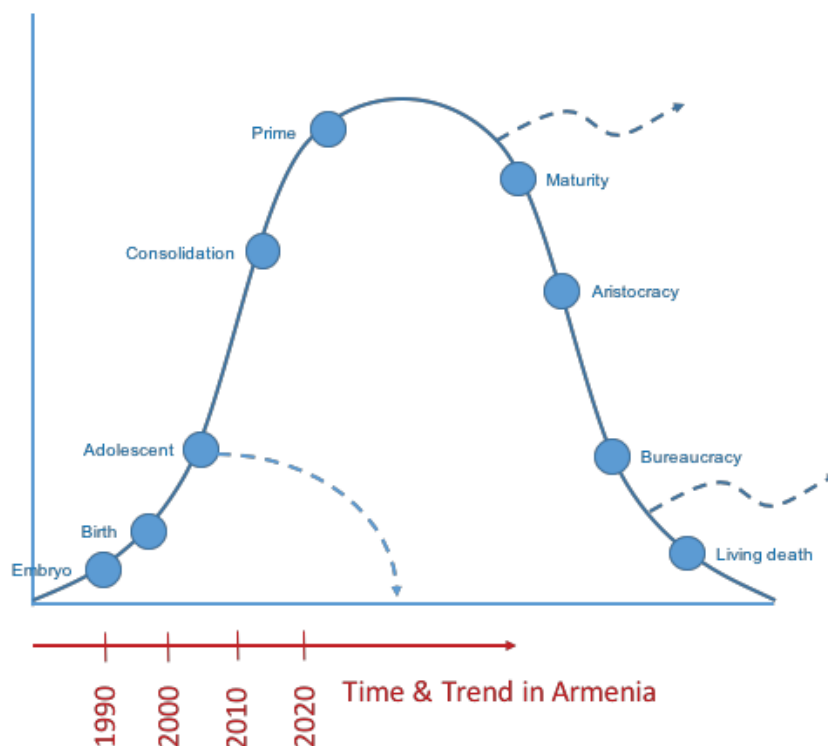


Figure 1: Lifecycle Model

During the Soviet Union era, there were some underground groups and movements that were genuine elements of civil society, leading their existence outside of the main power relationships. Along those underground groups, there were also “pseudo-civil society groups” to the service of Government.¹² This 60 years’ period forged and shaped the ecosystem in which the new civil society organisations were built. It shaped the weak structures of the post-communist era CSOs, it moulded the perception of the public opinion, and most importantly, it affected the modus-operandi of the new-born CSOs.

In the 90s, CSOs were formed irregularly and spontaneously, following the regained independence of the Republic of Armenia. This process was chaotic and was led mostly by intellectuals and ex-‘Komsomols’ who felt the need to create a civil society. This may be called the **Embryo** period.

The **Birth and Infancy** period came in the late 90s and early 2000. During this period CSOs were barely organisations with basic or no policies, and no systems in place. This period was characterised by discovery and testing, where amateurism, trial and error were common practice. It is during this period when many people created their CSOs, often opportunistically, due to the economic situation. The “one-man show” prevailed over organisations. Most, if not all CSOs, remained vulnerable to changes in the external environment and continued to be opportunity-driven. Also, during this period international organisations, Armenian Diaspora charities and some

¹² Yevgenya Jenny Paturyan and Valentina Gevorgyan, *Armenian Civil Society after Twenty Years of Transition: Still Post-Communist?*, 2014, Yerevan, p. 15.

bilateral donors (mainly Western) started looking for local expertise and partners. Some of the civil society organisations were able to grab these opportunities, became known to the partners/donors, and with a snowball effect, gained more opportunities. In addition, throughout this period, CSOs were “jacks of all trades and masters of none”. They were doing too many things and an utterly diverse range of activities. Unfortunately, some CSOs in Armenia remain at the Birth and Infancy stage today.

As organisations expand and become more successful, they face new challenges. The **Adolescent** period is characterised by two phenomena. The first one is the drop out, death and end of the organisations, and the second phenomenon is the inevitable experience of “growing pains”. The second phenomenon of Adolescent period is the ongoing challenge that survivors face, and where founders often try to control every aspect of the organisation. During this period, these controls become less and less feasible, and the need to depersonalise the leadership and develop standardised administrative systems creates considerable institutional tensions and challenges. This is also the period where founders are not willing to ‘let go’ despite the need of handing over their responsibilities.

It is noteworthy that this challenge is widely spread among Armenian CSOs today. The prevalence of CSOs in Adolescent period has been confirmed by some of the interviewed field experts who qualify this period as the one during which:

- *“Structures/institutions were created,*
- *Inactive CSOs were filtered/reduced,*
- *CSOs realised that there are limitations in terms of the availability of charitable money,*
- *There was a move from all over/multi-profile CSOs to a more focused/targeted mission.”¹³*

According to the Ministry of Justice there were 4,320 public organisations, 963 foundations and 216 unions of legal entities registered in Armenia as of 1 October 2015.¹⁴ The findings of this assessment stipulate that the survivors of the Adolescent period do not exceed 10-15% of the figure communicated by the Ministry of Justice. The rest of CSOs are either dormant, or have actually (but not formally) dropped out, or are going through extreme “growing pains”.

Predominantly, the Armenian CSOs community is currently in the **Consolidation** period. Previous capacity building initiatives and efforts helped many CSOs to ‘graduate’ from the Adolescent period and move to the next stage. During this period organisations devote resources to establish sound management and administrative bases, personnel policies, financial management systems, and priorities for long-term planning and coordination.

It might be unfair to think that not a single CSO in Armenia is in the **Prime** period but it is safe to say that some CSOs are doing their utmost to reach that stage. Obviously, external environment is not necessarily favourable, and the challenges faced are considerable. This being said, very few

¹³ In-depth interview with representatives of Eurasia Partnership Foundation, December 2015.

¹⁴ Report on the statistics of organisations registered with State Register of Legal Entities within the Ministry of Justice. Available at http://moj.am/storage/files/legal_acts/legal_acts_4404747911081_registr.hashvetvutyun.01.10.2015.pdf (consulted on 5 January 2016).

CSOs are able to claim that their organisation finds itself in the most effective period, with a strong strategic approach and clear goals, well-established support systems, with most risks mitigated.¹⁵ It is estimated that by 2020, a handful of CSOs will be able to prove that they have reached the Prime period, provided that the external environment does not hamper their efforts.

The next periods are Maturity, Aristocracy, Bureaucracy, and Living death. **Maturity** appears as the first stage of the downhill slope that weakens the organisations. Further on, lack of innovation and risk avoidance lead to the **Aristocracy** period. The latter is the stage when the contact with the reality ceases, and the organisations become a pure **Bureaucracy**, followed by the last unavoidable stage of **Living death**.

It is worth mentioning that the downhill tendency surfacing after the **Prime** period of the Lifecycle Model does not necessarily apply to all organisations and civil society sector at large. Nevertheless, it is not excluded that organisations can move along the cycle, upwards or downwards equally.

Having in mind the Lifecycle Model, an attempt has been made to categorise surveyed CSOs into four development levels in line with the periods of Birth, Adolescent, Consolidation and Prime as described in detail in Sub-chapter 4.5.

3.2 Capacity Building Activities in Armenia

As a general term, capacity building has often been overused, remained vague, and diverted from its objective of doing good and having an impact. This worldwide phenomenon applies to the context of Armenia as well.

Historically, capacity building was viewed as a means to develop individual's resources to do, to achieve, or to develop. However, with time, scholars and practitioners added new dimensions and enlarged the circle to incorporate organisations, social relationships, and even the larger circle of ecosystems. Two simple definitions meet this holistic understanding of capacity building in the development sector. The first definition focuses more on the outcomes, whereas the second one covers the organisational performance:

- ***“The ability to perform tasks and produce outputs, to define and solve problems, and make informed choices.”***¹⁶
- ***“The ability of individuals and organisations or organisational units to perform functions effectively, efficiently and sustainably.”***¹⁷

¹⁵ Brenda Lipson and Martina Hunt, *op. cit.*, note 11, p. 18.

¹⁶ European Commission, *Institutional Assessment and Capacity Development, Why, What and How?*, 2005, p. 6. Available at: http://ec.europa.eu/europeaid/sites/devco/files/methodology-tools-and-methods-series-institutional-assessment-capacity-development-200509_en_2.pdf (consulted on 24 December 2015).

¹⁷ United Nations Development Programme, *Capacity Assessment and Development in a Systems and Strategic Management Context*, 1998, p. 10. Available at:

Prior to going deeper in the capacity building analysis, different capacity building interventions carried out in Armenia during the last 20 years have been reviewed. A brief description of capacity building interventions financed by international organisations (and most referred to by interlocutors during the assessment) is provided below. Yet, one has to be aware that other initiatives, organisational efforts, individual interventions, and even academic and governmental efforts were made to build the capacities of CSOs in Armenia. Among the organisations/donors that have extensively invested in promoting civil society in Armenia and, more specifically, in capacity building activities, are: the European Union, United States Agency for International Development (USAID), World Bank, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), Open Society Institute, OXFAM, etc. Depending on the objectives and priorities of specific projects and programmes, the assistance packages were quite diversified, including trainings, consultancy and grants.

a. European Union

The European Union is one of the donors investing extensively in the development of civil society organisations in Armenia. The current commitment of the EU toward strengthening civil society sector is reflected in the EU Country Roadmap for Engagement with Civil Society for 2014-2017. More specifically, the document identifies the following priorities:

- Enhancing efforts to promote a conducive environment for civil society actors in Armenia,
- Promoting a meaningful and structured participation of CSOs in domestic policies of Armenia, EU programming cycle and international processes, and
- Increasing Armenia’s civil society actors’ capacity to perform their roles as independent development actors more effectively.¹⁸

Most of the assistance of the European Union has been provided through European Neighbourhood Partnership Instrument (€281.5 million in 2007-2013) and now under the European Neighbourhood Instrument (Neighbourhood Civil Society Facility) with a bilateral assistance ranging between a minimum of €140 million and a maximum of €170 million for the period of 2014-2017. Other than this, support to civil society is being provided through EU thematic programmes such as European Instrument for Democracy and Human Rights and Civil Society Organisations and Local Authorities.¹⁹ Finally, the European Endowment for Democracy, which is another mechanism to promote civil society, supports local and civic activists in their actions to improve democracy in the EU Neighbourhood.²⁰

During the last years the EU has been actively engaged in interactions with CSOs at various levels, ranging from consultations and capacity building actions to providing direct financial support to

<https://www.cbd.int/doc/pa/tools/Capacity%20assessment%20and%20development.pdf> (consulted on 24 December 2015).

¹⁸ EU Country Roadmap for Engagement with Civil Society, Armenia, 2014-2017, pp. 17-19. Available at: http://eeas.europa.eu/delegations/armenia/documents/eu_armenia/20141027_eu_armenia_cs_roadmap_en.pdf (consulted on 25 January 2016).

¹⁹ European Commission website. Available at: http://ec.europa.eu/enlargement/neighbourhood/countries/armenia/index_en.htm (consulted on 25 April 2016).

²⁰ European Endowment for Democracy website. Available at: <https://www.democracyendowment.eu/about-eed/> (consulted on 25 April 2016).

implement projects in a variety of fields. When it comes to consulting CSOs, the EU has involved the latter in the consultations within the Single Support Framework preparation in 2012, several Civil Society Dialogue consultative meetings, as well as consultations for preparation of the European Neighbourhood Policy Progress Report in 2013. Besides this, the EU has also created an online consultation tool which allows CSOs to register on the website (www.eucso.am) and provide their opinions on a range of topics relevant and important for further development of EU-Armenia relations.²¹

In addition, about 200 Armenian civil society organisations are members of the Armenian National Platform of the Eastern Partnership Civil Society Forum which was created in 2009 and aims at strengthening civil society in the EaP countries, as well as at fostering cooperation and the exchange of experiences between civil society organisations from partner countries and the EU.²²

Furthermore, the EU has also supported the strengthening of civil society organisations in Armenia through various projects which are composed, *inter alia*, of capacity building components as well. The below-mentioned projects are indicative of recent EU support:

- Strengthening Non-State Actors’ Capacities to promote reform and increase public accountability ("Civil Society. Dialogue for Progress", 2013-2016): The project is led by Konrad-Adenauer-Stiftung (KAS, Germany) and is composed of a Consortium of 8 other organisations among which 6 are NGOs from Eastern Partnership countries. The project aims at supporting civil society organisations in the Eastern Partnership countries to become stronger players in policy dialogue. By empowering CSOs and strengthening their capacities the project intends to create a more level playing field, thus giving them the best possibilities to get involved with their respective national and local authorities. The project offers: (i) research and mapping, (ii) training and capacity development, (iii) support for EU project applications and management, and (iv) engagement in policy dialogue.²³

As for relevant capacity building activities in Armenia, 6 (in 3 modules) tailor-made face-to-face trainings were held for 20 CSOs from Yerevan and marzes on topics such as organisational development, advocacy, policy influence and public policy monitoring. In addition, 4 CSOs representatives have taken part in the Training of Trainers Programme and will further use the acquired know-how, skills and competences in their own trainings to be implemented throughout May 2016.²⁴

- Support to Democratic Governance in Armenia (2014-2015): The project was aimed at fostering the process of bringing Armenia closer to the EU and strengthening democracy and good governance through support to democratic institutions, civil society and increasing awareness of the Armenian population on the process of EU-Armenia relations. The project was implemented by the British Council in cooperation with its implementing

²¹ EU Country Roadmap, *op. cit.*, note 18, pp. 11-12.

²² Eastern Partnership Civil Society Forum website. Available at: <http://eap-csf.eu/en/about-eap-csf/our-role/> (consulted on 26 January 2016).

²³ Civil Society. Dialogue for Progress project website. Available at: <http://www.csdialogue.eu/about/project-0>, <http://www.csdialogue.eu/about/consortium> (consulted on 25 January 2016).

²⁴ Information provided by the representative of European Integration NGO, member of the Consortium, January 2016.

partners CDPF, Grant Thornton and Thomson Foundation. The total budget of the project was € 949.670. One of the components of the project is specifically aimed at strengthening the capacity of civil society with special focus on carrying out social entrepreneurship and becoming more engaged in policy reforms.²⁵ In terms of capacity building within the framework of the project 50 CSOs representatives were engaged in workshops on CSOs organisational development, social enterprise development, and policy making and monitoring.²⁶

- EU Advisory Group to the Republic of Armenia (2010-2014) which offered comprehensive support to a number of state institutions through high-level advisers who provided tailored policy advice on legal, democratic, economic and institutional issues. The total budget of this action was €4.2 million.²⁷ As for the civil society dimension of the Group, it was primarily directed toward strengthening the cooperation between state institutions (Government and National Assembly) and civil society organisations.²⁸

b. United States Agency for International Development

As a donor agency, USAID has been involved in local capacity building interventions in Armenia for years starting from 1998.²⁹ One of the biggest programmes was Armenia Strengthening Programme (World Learning)³⁰, which was launched in 2000. World Learning joined USAID in a cooperative agreement to implement a 4-year Armenia NGO Strengthening Programme (NSP) with a total budget of \$6.5 million. The NSP mandate covered advanced NGOs primarily located in Yerevan, as well as the more nascent NGO community in the marzes. NSP also worked with the Government of the Republic of Armenia to refine its NGO-related laws to help create a more favourable environment for NGO action throughout the country.

NSP was aimed at:

- Providing support to NGOs outside of Yerevan to strengthen their basic organisational capacity, with focus on internal management and accountability,
- Supporting advanced advocacy-focused NGOs throughout Armenia to strengthen their institutional and programmatic capacity and to improve their ability to represent the needs and interests of their persons of concern,
- Improving the legal and regulatory framework for NGO operations,
- Developing mechanisms for increased NGO networking and cooperation with the Government, media and private sector,
- Facilitating grants to support nascent NGOs, advocacy, and special initiatives.

²⁵ British Council website, Support to Democratic Governance in Armenia project. Available at: <http://www.britishcouncil.am/en/programmes/education-society/democratic-governance> (consulted on 25 January 2016).

²⁶ Support to Democratic Governance in Armenia project information materials.

²⁷ Delegation of the European Union to Armenia website. Available at: http://eeas.europa.eu/delegations/armenia/projects/list_of_projects/249947_en.htm (consulted on 25 January 2016).

²⁸ Eduardo Lorenzo Ochoa, *Strengthening Civil Society and its Interaction with State Institutions*, Policy Paper, EU Advisory Group to the Republic of Armenia, 2012, Yerevan.

²⁹ USAID website. Available at: <https://www.usaid.gov/history-7> (consulted on 26 January 2016).

³⁰ Armenia NGO Sector Assessment, USAID, 2001, Yerevan.

In total, more than 176 NGOs from Yerevan, and almost all marzes received a total of \$2 million in the form of grants for organisational capacity building and special initiatives on human rights, advocacy, women rights, elections, etc.³¹

Another long-term programme funded by USAID was Civil Society and Local Government Support Programme³², which was implemented by Counterpart International Armenia (2010-2014). The programme aimed at increasing the level of informed and effective civic activism at the local and national levels, along with more participatory, decentralised, effective and responsive local governance.

The objectives defined in the programme were:

- Fostering participatory community strategic planning for community development and improved local democracy,
- Supporting civic participation, advocacy and citizen activism,
- Facilitating decentralisation and local fiscal autonomy.

Last but not least, CSO Development Programme is one of the programmes currently being implemented (2014-2019) with the financial assistance of USAID. The programme fosters sustainable civil society development through strengthening the capacity of CSOs as critical actors to advance and oversee reform, improve services and contribute to the development of more effective governance in the economic, democratic, health and social spheres. The programme is being implemented by Eurasia Partnership Foundation in a Consortium with 5 other organisations.³³

c. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Capacity building activities were initiated by GIZ within the framework of a programme to Promote Food Security, Regional Cooperation and Stability in the South Caucasus implemented from 2002 through 2006. Capacity building comprised a set of workshops, trainings and consultancies provided to representatives of local self-governance and civil society. The capacity building component of the programme aimed at:

- Developing competent, responsive and accountable self-governance institutions,
- Supporting the evolution of civil society players and organisations to participate equally in local decision-making processes,
- Working on conflict, trust and peace building.

In total, out of 321 targeted groups/organisations 273 participated in trainings representing 62 communities and 1775 persons respectively. As a follow-up of trainings, civil society representatives were given the opportunity to carry out practical activities in their communities.³⁴

³¹ Richard Blue and Yulia Ghazaryan, *Armenia NGO Sector Assessment*, A cooperative study, World Learning for International Development/NGO Strengthening Programme, Yerevan, 2004, p. 28.

³² Civil Society and Local Government Support Programme fact-sheet.

³³ CSO DePo website. Available at: <http://hkdepo.am/en/page/about> (consulted on 26 January 2016).

³⁴ GIZ, *Strengthening Civil Society Organisations in Good Governance Processes, Capacity Building of Civil Society in Armenia*, Practitioner’s Guide, pp. 2-4.

4 Assessment Findings and Analysis

4.1 Background Information

This chapter provides basic factual data on the surveyed civil society organisations in terms of geographical coverage, legal status, geographical scope of operations, years of operation, dominant sector of activities, main types of activities, current employment, as well as annual budget and main purpose of the organisation.

As indicated in the chapter on methodology, 139 CSOs from Yerevan and marzes out of 220 completed the online questionnaire. According to the results obtained, out of 139 CSOs 56 (40%) are located in Yerevan, whereas 83 (60%) are based in various marzes.

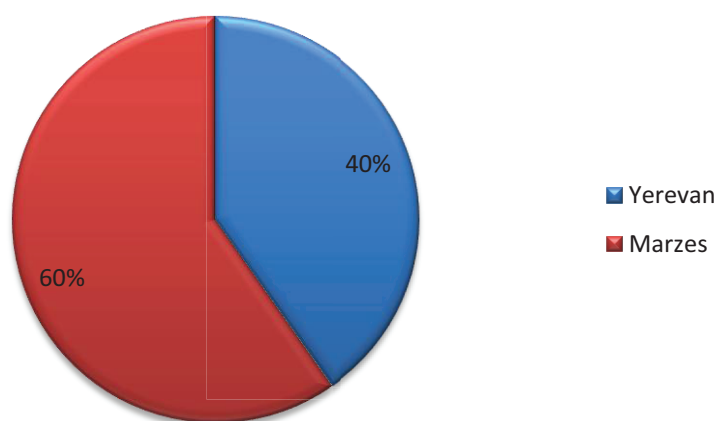


Figure 2: Geographical coverage (%) - Q2

The representation of CSOs from different marzes is the following:

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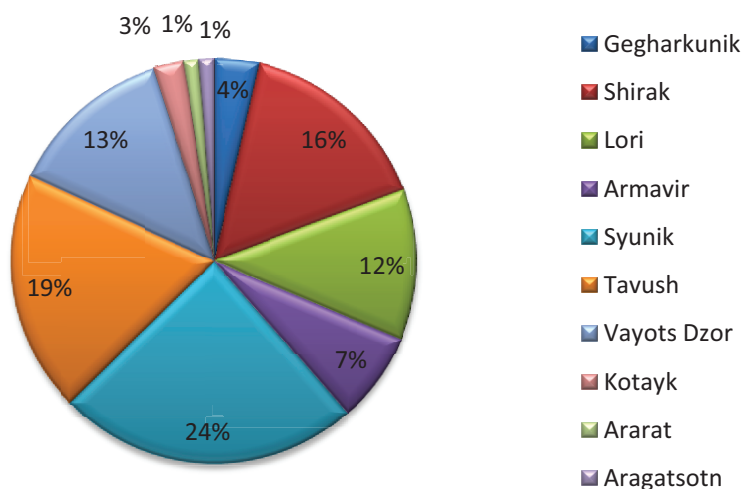


Figure 3: Marz coverage (%) - Q2

Thus, out of 83 marz-based CSOs the biggest number of organisations that took part in the survey are located in Syunik (20 CSOs), followed by Tavush (16 CSOs), Shirak (13 CSOs), Vayots Dzor (11 CSOs), Lori (10 CSOs), Armavir (6 CSOs), Gegharkunik (3 CSOs), Kotayk (2 CSOs), Ararat, and Aragatsotn (1 CSO each).

With reference to the legal status of CSOs, a considerable number of CSOs reported being registered as NGOs (81%, 113 NGOs), whereas the remaining 26 CSOs are distributed among foundations (15), charities (3), associations, unions and institutions (1 each), and other entities (5 among them international NGOs, branches, consumer cooperatives and union of legal entities).

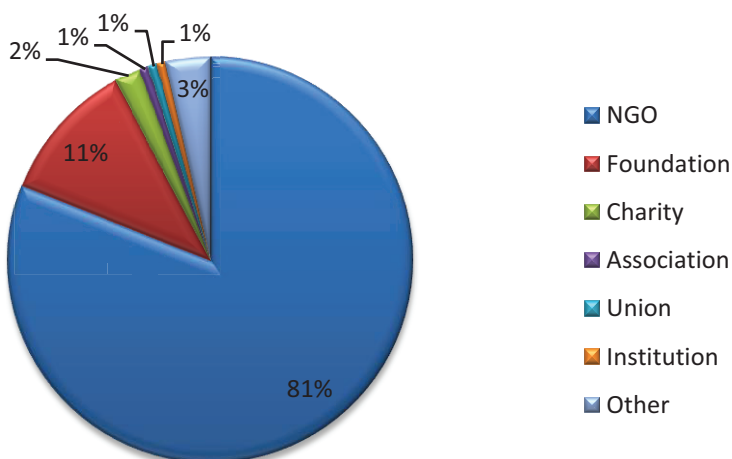


Figure 4: Legal status (%) - Q6

The distribution of CSOs according to the geographic coverage of their activities demonstrates that most of the CSOs are operating at the regional and national levels (42 and 54 CSOs accordingly). 24 respondents mentioned community (local) level as the main scope of their operations, and finally, 19 CSOs carry out activities at the international level.

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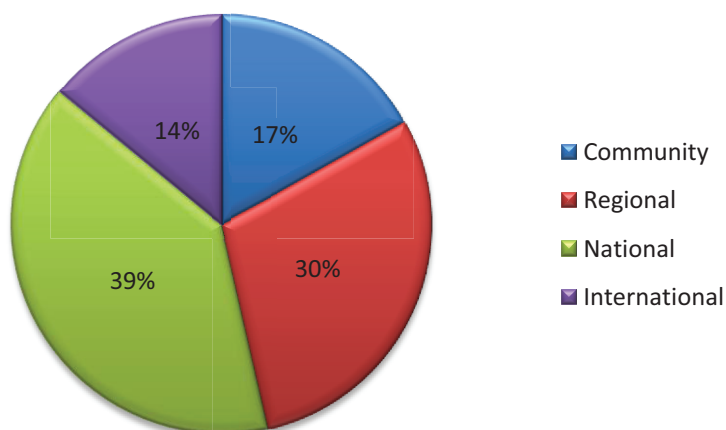


Figure 5: Geographical scope of operations (%) - Q7

Regarding the years of operation, more than half of the organisations reported operating for more than 10 years (55%). Seven organisations are newly established entities with only up to 1 year in operation. The detailed distribution in terms of years of operation is indicated in the figure below.

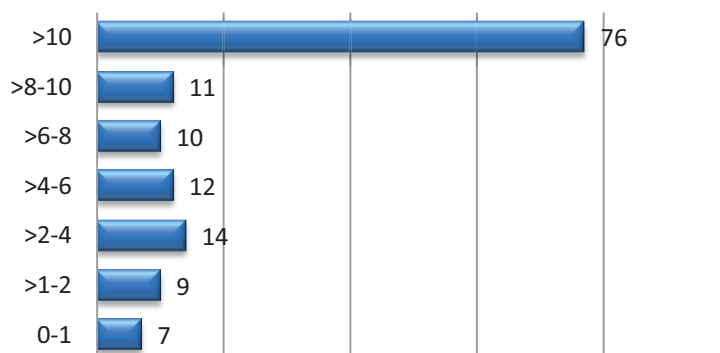


Figure 6: Years of operation of the organisation (N) - Q8

With reference to the priority sector of activities (multiple responses) 90 organisations out of 139 indicated “Education” as their dominant sector, followed by “Community development” (89 CSOs), “Children/Youth” (85 CSOs), and “Human rights” (80 CSOs). A detailed distribution in percentages is shown below.

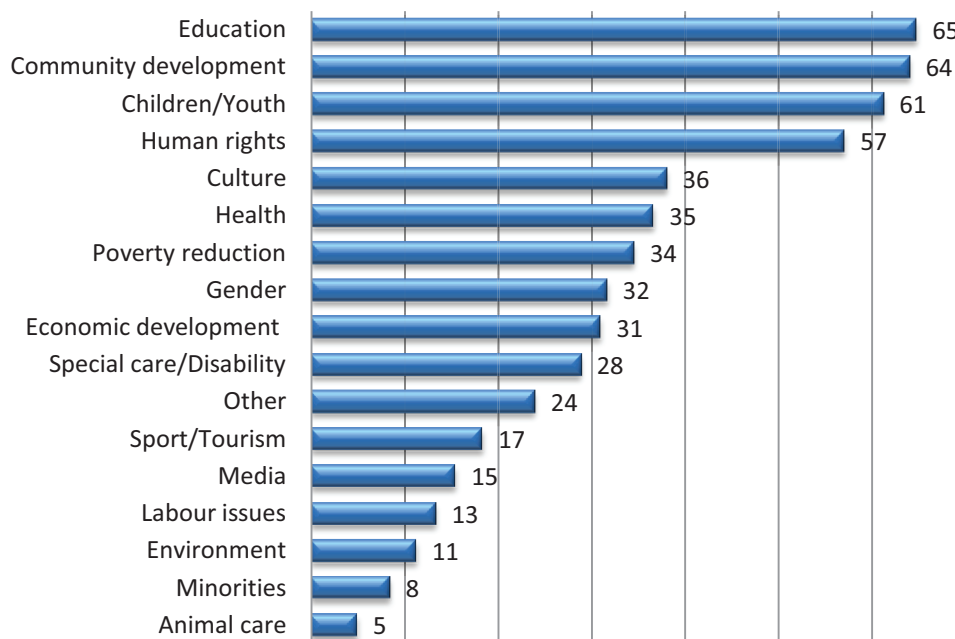


Figure 7: Dominant sector of activities (%) - Q9

Interestingly, while analysing the responses, one can state that only 32 CSOs out of 139 mentioned 1-3 sectors of activities, which basically means that the bulk of surveyed CSOs keep the areas of their activities quite broad and do not focus on specific sectors. This might be explained by the fact that many organisations operate in fields which are not necessarily in line with their vision and mission, but are rather driven by the donors’ agenda and priorities, and other opportunities. As mentioned by one of the interviewed key experts, “[...] there are some “universal NGOs” that are engaged in all fields irrespective of their capacities, expertise and mission.”³⁵ On the other hand, the high percentage (45%) of CSOs involved in more than 7 sectors makes one think that the picture would have been more accurate, if the surveyed CSOs could have indicated only one dominant sector of activities.

Number of selected sectors	N	%
1-3	32	23
4-6	45	32
7+	62	45
Total	139	100

Table 1: Distribution of CSOs in terms of number of selected sectors - Q9

As already mentioned above, “Education” is the most widespread sector of activities among surveyed CSOs. However, it is questionable whether there is indeed such a big number of CSOs working in this field. To explain the rationale behind this result, it can be assumed that while selecting “Education” many CSOs have probably considered it as the means or method of work, rather than a sector of activities. This assumption is backed up by the research conducted by J.

³⁵ In-depth interview with a state official, December 2015.

Paturyan and V. Gevorgyan (2014) where, when asked to specify which of the mentioned sectors is the most important for the organisation, it turns out that “Human rights” is the sector selected the most, followed by “Other” (NGO-specific group of answers), whereas “Education/employment issues” is listed only the third. By combining these two data sets, it is plausible to conclude that “Human rights”, “Education/employment”, “Community development”, and “Children/Youth”, are the most popular fields of activity of CSOs in Armenia.

<i>Sector</i>	<i>N</i>	<i>%</i>
Human rights	40	21
Other	33	18
Education/employment issues	20	11
Community development issues	15	8
Sports/youth issues	14	7
Environmental issues	13	7
Health issues	9	4.8
Economic development	9	4.8
Childcare	7	3.7
Gender issues	6	3.2
Culture	6	3.2
Business relations	5	2.7
Charity/welfare	4	2.1
Consumer interests	3	1.6
Poverty	2	1.1
Religious activities	1	0.5
Humanitarian aid	1	0.5

Table 2: Most important sector of operation³⁶

With reference to the main type of activities, according to the results of the survey (multiple responses), a vast majority of CSOs (126 in total) are engaged in “Awareness raising” activities, whereas 117 CSOs mentioned “Capacity building” as one of the main types of their activities. The third main type of activities the surveyed CSOs are involved in is “Consultancy” which was pointed out by 102 CSOs respectively. In general, the survey results demonstrate that out of 139 CSOs, 83 provide services (25 CSOs in Yerevan and 58 CSOs in marzes) and 56 CSOs claim to be engaged in advocacy, policy issues and research (31 CSOs operate in Yerevan, 25 CSOs in marzes).

³⁶ Yevgenya Jenny Paturyan and Valentina Gevorgyan, *op. cit.*, note 12, p. 77.

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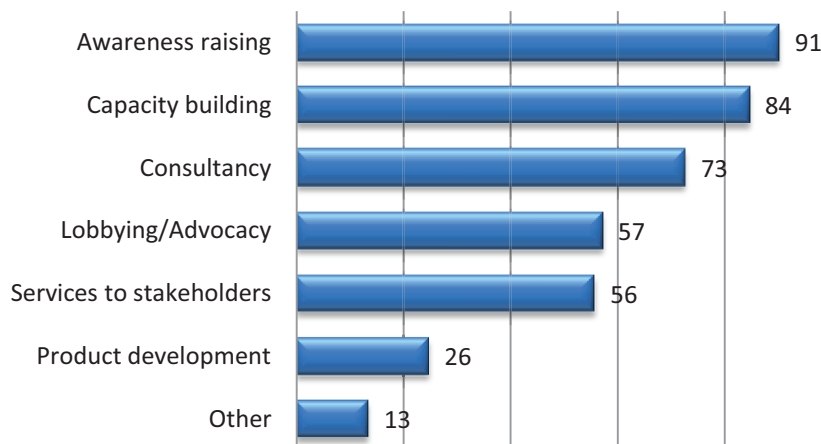


Figure 8: Main type of activities (%) - Q10

To a large extent this can be explained again by the “donor-oriented” behaviour of CSOs. In the last 20 years, donors have given priority to CSOs engaged in advocacy, policy issues and awareness raising. This left the service providing CSOs in a shadow, as indicated in Figure 8. Taking into account that advocacy and awareness raising activities are long-term interventions, and the impacts may not be very tangible, it is plausible to consider that the CSO public image may have been indirectly (and negatively) affected by this phenomenon. No quick wins, little tangible impact, limited social benefits automatically lead to lack of trust from the public.

As indicated in Figure 9, 39% (54 CSOs) of surveyed CSOs have a minimum number of full time employees (1-3), and only 9% (13 CSOs) have more than 11 full time employees. Regarding the number of part time employees, almost half of surveyed CSOs (47%) have 1-3 employees working in their organisations. Finally, as for volunteers, most organisations (34%) have more than 11 volunteers who are involved with the organisation. This number is the highest as opposed to the rest of the numbers under “11+” category for other types of employment (only 9% of CSOs have 11+ full-time employees, 8% have 11+ part time employees and 14% 11+ external collaborators). Other details regarding the distribution of human resources within the surveyed CSOs are highlighted below:

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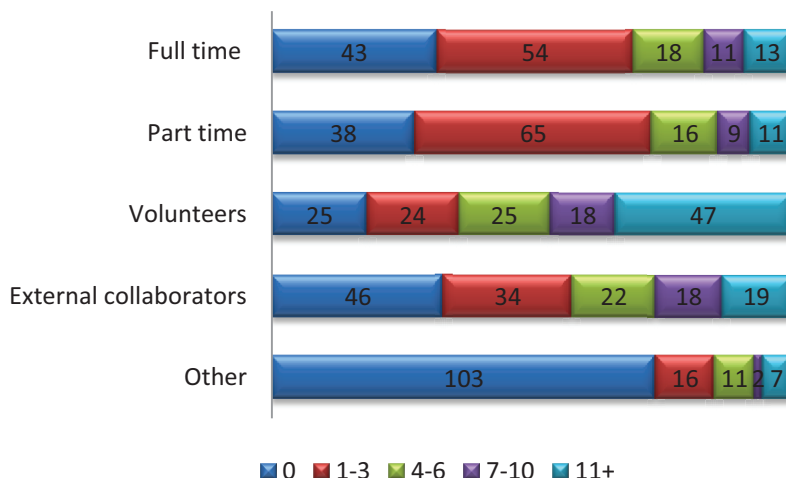


Figure 9: Current employment (2015 in N) - Q11

Regarding the average recent employment within CSOs (2013-2015), one cannot record any considerable positive or negative variations. Numbers have remained by and large the same. However, it is noteworthy that the number of organisations having 0-10 employees on average has slightly increased in 2015, accounting for 94 CSOs as opposed to 81 in 2013. On the other hand, the number of organisations having 11-20 employees on average has decreased from 26 to 22 in 2015. This is an illustration of the high turnover rates of staff referred to during the in-depth interviews.

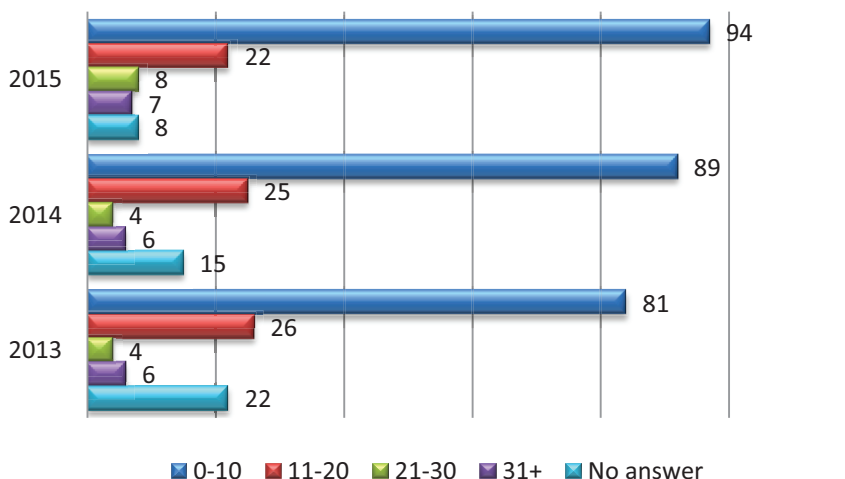


Figure 10: Average recent employment (2013-2015 in N) - Q12

When it comes to the annual budgets, the figure below demonstrates that most of the organisations indicated the range €1,000-3,000 as approximate amount of their annual budget (20% in 2013, 21% in 2014 with a slight increase in 2015 accounting for 24% of CSOs). It is questionable what would be the level of impact that a CSO may have on persons of concern, when the average annual salary in the country is €3,000. On the other hand, as many as 16% of organisations have been reluctant to provide any information on their respective annual budgets

which basically demonstrates that the question of financial transparency and accountability of CSOs is still very much present.

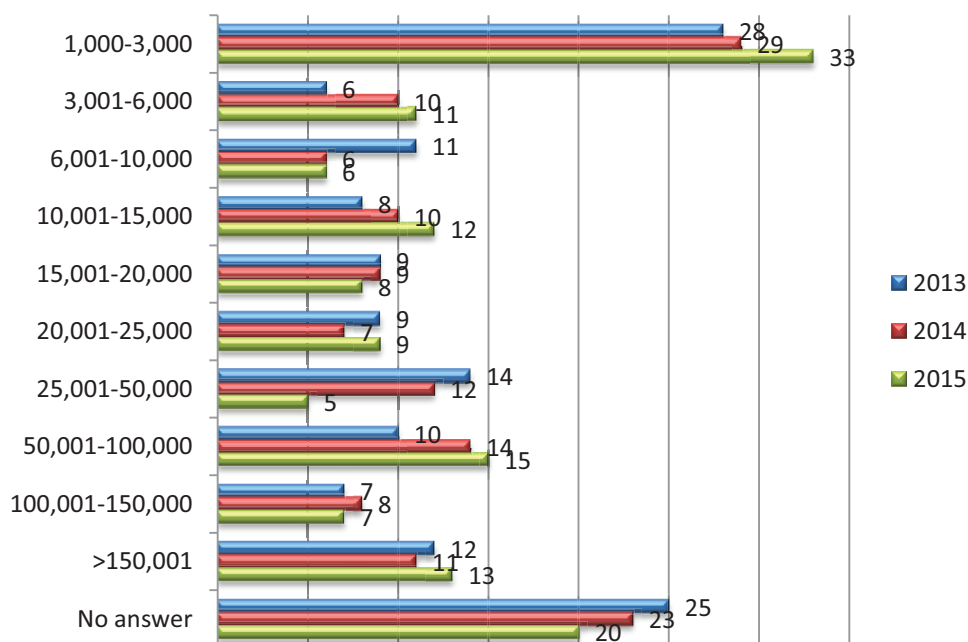


Figure 11: Approximate annual budget (2013-2015 in N) - Q13

Last but not least, CSOs have been also requested to shortly state the main purpose of their organisations via an open-ended question. The answers provided have been distributed into three categories (“Clear”, “Partially clear” and “Not clear”). The main purpose of surveyed CSOs has been considered to be “Clear” in case the formulations are understandable, meaningful and specific, whereas when the purpose is defined vaguely, is very sophisticated and long, lacks focus and direction and contains a lot of terminology, the purpose has been considered as “Not clear”. Finally, the purpose has been listed under “Partially clear” when it is specific in terms of structure but lacks information on the organisation, cause, target group, action and/or end result.

Having this in mind, 63% (87 CSOs) have been categorised as organisations whose main purpose is “Clear”, 25% (35 CSOs) have a “Partially clear” purpose and 12% (17 CSOs) have a purpose which is not clearly defined. Yet, to what extent these organisations are committed to and driven by the stated purposes in their activities is still debatable. During most of the in-depth interviews the issue of mission has been highlighted time and again by key experts from the sector especially with reference to the fact that organisations are not faithful to their mission and do not have a clear *raison d’être*. More importantly, CSOs missions are often forgotten, not individualised, and lack a clear focus and target.

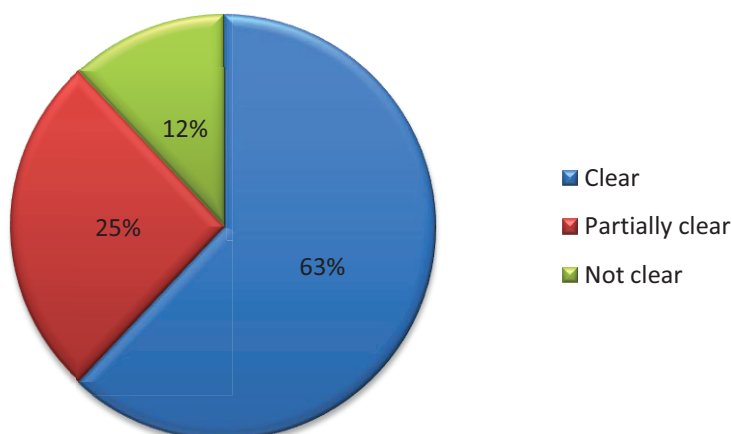


Figure 12: Main purpose of the organisation (%) - Q14

Highlights:

- CSOs claim to operate in **multiple sectors**.
- Donor-oriented behaviour of CSOs may have led to the **abundance of CSOs engaged in advocacy, policy issues and research**.
- More than 60% of surveyed CSOs claim to have a clear purpose, however with many without a clear expression of their *raison d'être*.
- More than 20% of surveyed CSOs have an annual budget of less than €3,000. This illustrates one of the reasons why some CSOs have little impact.
- **Limited disclosure of incomes** by CSOs may indicate that they are reluctant to provide information relating to their finances. Thus, financial transparency and accountability is still one of the issues that need to be addressed.
- **High turnover rate of staff** is a major concern of most CSOs.

4.2 Internal Dimensions

4.2.1 Organisational Capacity

Organisational capacity includes a wide range of capabilities, knowledge and resources that organisations need to acquire and develop to be able to operate effectively. In general, 5 components of organisational capacity are necessary for high performance: 1) governance and leadership, 2) mission, vision, and strategy, 3) internal operations and management, 4) programme delivery and impact, and 5) resource development. These interdependent factors all contribute to the health and performance of organisations, whether public, non-governmental (CSOs) or private.

Despite the 20 years of capacity building efforts, and acknowledging some of the extremely fruitful results of those efforts, it is considered that many CSOs in Armenia are still in their Adolescent period of the Lifecycle Model, as explained earlier in the paper. In order to substantiate this observation, a closer look into the above-mentioned 5 components is useful.

Governance and leadership: Governance and decision-making are an integral part of organisational processes and impact every single aspect of an organisation. In any effective organisation, leaders of organisations are expected to ensure transparent, accountable and visionary governance.

The survey results show that most analysed CSOs have a horizontal governance model, where executives, management team, board members, and staff members have almost equal engagement (high to very high) in the decision-making process (87%, 74%, 67%, and 64% respectively). Even volunteers are fairly involved in this process (30%).

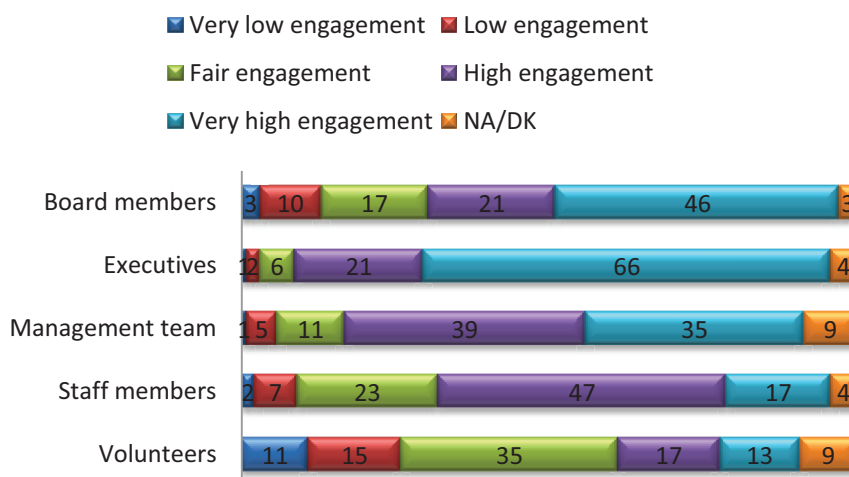


Figure 13: Staff engagement in the decision-making process (%) - Q15

However, differently to survey results, most of the in-depth interview respondents stated that vertical governance model is typical of Armenian CSOs sector, and even of the Armenian culture at large. The “one man show” is still very much present, meaning that persons who have been holding leadership positions for years, tend to put forward their personalities, rather than their organisations. This phenomenon may not be unique to Armenia and not necessarily subject to criticism, provided that there is a robust governance structure behind.

As for the mechanisms for replacement of key employees, according to the results of the survey, out of 139 surveyed CSOs 35 respondents (25%) have no mechanisms of ensuring the succession of key employees, other 35 respondents (25%) have some mechanisms that do not prove to be effective, and 22 (16%) respondents did not provide any answer which leads to the assumption that they might not have any mechanisms in place. Only 47 respondents (34%) indicated to have mechanisms and provided a detailed description of the replacement process.³⁷

Mechanisms	N	%
No mechanisms	35	25
Yes, but not effective	35	25
Yes, very effective	47	34
NA/DK	22	16
Total	139	100

Table 3: Mechanisms for replacement of key employees - Q16

Mission, vision and strategy: The issue of mission, vision and strategy was explained in the chapter on Background Information, where around 90% of CSOs claim to have a clear or partially clear mission and vision. Yet, in practice, most of CSOs have been able to juggle between the designed direction of their organisations and the availability of funds. It is worth noting that during the field visits it was realised that the CSOs who have remained consistent with their visions were able to move forward despite the “growing pains” of Adolescent period. As for strategies, to be able to come up with a long-term strategy, organisations should be, first and foremost, financially sustainable. Interestingly, most of surveyed CSOs have identified strategic planning as one of the capacity building directions of interest and relevance to them, as well as one of the key areas of their organisational capacity which requires further improvement.

Internal operations and management: Internal processes and procedures designed and used within an organisation are an important dimension for the overall development level and organisational capacity of a particular organisation. According to the survey results, 72% of all respondents are using processes and procedures in their organisations from “Often” to “Mandatory” level. Processes and procedures of “Reporting” and “Fundraising” are on the top of all activities (86% and 82% respectively). Although most of CSOs responded that they use reporting mechanisms

³⁷ The answers have been categorised into “Yes, but not effective” in case surveyed CSOs referred to the organisation’s charter, simple recruitment mechanisms, without any mention of proper staff replacement processes and procedures. As for answers under “Yes, very effective”, surveyed CSOs have indicated that participatory management practices and clear replacement procedures are in place, regular trainings are conducted for staff members, and relevant growing and learning opportunities are being provided.

intensively, the low level of public trust does not fully confirm this. It is noteworthy that this issue came up during face-to face in-depth interviews and focus group discussions as well. Most experts mentioned that the level of trust of the general public toward civil society organisations is low, which is also proven by “Caucasus Barometer” results (CRRC 2013 data) which indicate that the level of trust towards CSOs is below the average in comparison with other institutions (14th out of 17 institutions followed by Executive Government, Parliament and Political parties) in Armenia.³⁸ As mentioned during the in-depth interviews and focus group discussions, lack of trust towards CSOs has other reasons as well, particularly: (i) CSOs not being able and not having the willingness to ensure transparency and accountability in terms of their actions, (ii) post-soviet legacy of public opinion towards CSOs, (iii) efforts of the Government to discredit CSOs (especially the ones operating in the advocacy and human rights fields), and (iv) CSOs not paying much attention to communication and visibility. It is critical that CSOs ensure a high level of reporting and accountability not only to donors but also to their constituencies and public at large.

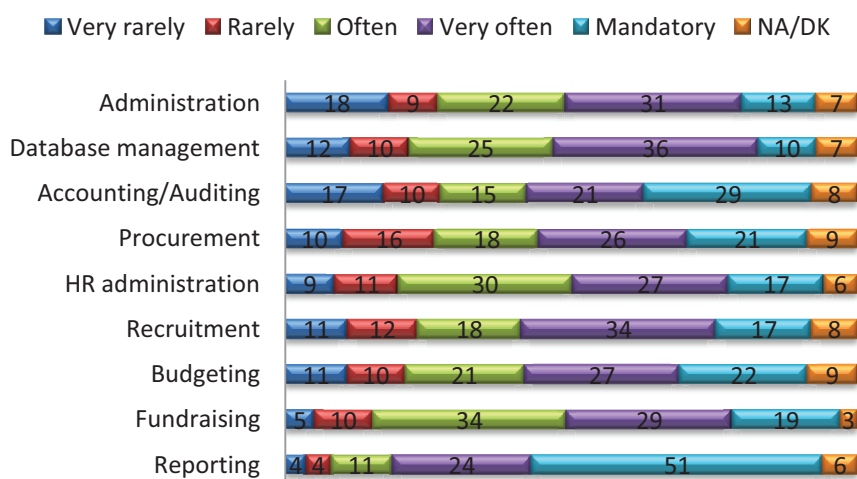


Figure 14: In-house or internationally recognised organisational processes and procedures (%) - Q17

Programme delivery and impact: This aspect is studied separately under Sub-chapter 4.4: Programme Performance due to its specifics and significance.

Resource development: Human resources are central to the development of CSOs since people are both the driving force for and the target of development initiatives. Human resources are not just about staff quantity, but about staff quality in the first place (professional qualifications and ability to fulfil tasks) in any given organisation.

³⁸ Caucasus Barometer, *Public Perceptions on Political, Social, and Economic Issues in South Caucasus Countries*, CRRC 2013 data. Available at: http://www.crcc.am/hosting/file/_static_content/barometer/2013/CB2013_public%20presentation_English.pdf (consulted on 5 January 2016).

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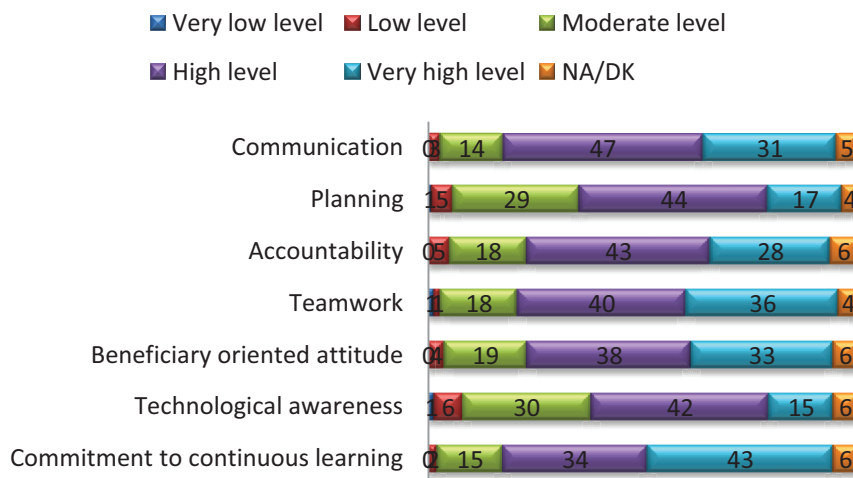


Figure 15: Perceived skills of personnel (%) - Q18

Data presented in figure above shows the level of individual abilities and skills of personnel in the areas that are most common for CSOs. In the questionnaire the respondents were asked to self-evaluate their abilities and perceived skills according to the ranking from 1-very low to 5-very high level. Based on the survey, 70% have responded that their staff members generally accomplish their duties at high and very high levels, while only about 4% replied that staff lacks skills in their respective areas. “Communication” (78%) and “Commitment to continuous learning” (77%) ranked the highest. At the same time, “Planning” and “Technological awareness” are the areas that are covered less by surveyed CSOs. It is interesting that during the interviews some experts stated that in majority of Armenian CSOs there is lack of professional staff (experts in specific areas), which is partly due to lack of financial resources, but also due to high turnover and/or lack of engagement of professionals as volunteers.

Physical infrastructure and facilities are among essential elements of any organisation, especially for CSOs working in the fields of education, human rights, health and community development. The assessment shows that most of Armenian CSOs have basic equipment and have managed to invest in essential office needs, such as desktops with internet connection, telephone, fax, office furniture. Data in Figure 16 suggests that approximately 50% of respondents need more advanced technical resources (computers, printing and scan machines, projectors). 19% have indicated that they either do not have office space or the existing one does not meet the basic needs of their staff and beneficiaries, and further improvement is needed. There is much need in specific equipment and transportation means especially for marz-based CSOs (24%). Only 11 respondents have indicated that their organisations are fully equipped with all required technical assets.

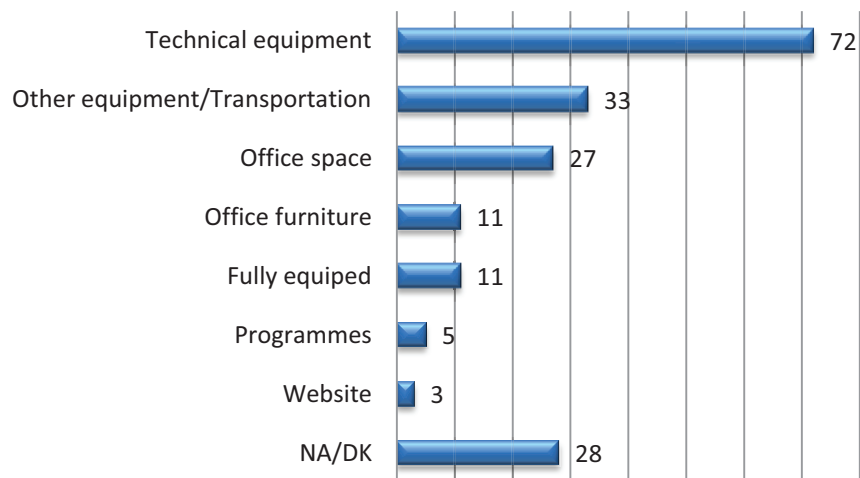


Figure 16: Technical assets needed for the organisation to operate more effectively (N) - Q19

Highlights:

- According to the results obtained through the survey, organisational and programme implementation capacities of CSOs are fairly developed for the time being, although the majority of respondents mentioned that there are many **challenges in fundraising, planning and other internal issues** which hinder further development of organisations.
- Another issue that many CSOs face is the **lack of clarity in terms of mission and vision** of the organisation. Often, mission statements are very vague and miss specific focus and target. In addition, many CSOs are not committed to their own mission as most of the time they are merely adjusting the organisation to various external factors (funding sources, various priorities and agendas). Long-term strategies, likewise, continue to be an issue CSOs need to address.
- Armenian CSOs are **personalised rather than institutionalised**. In addition, generational change continues to be one of the critical issues CSOs currently face. Despite the claim that CSOs are managed horizontally, with some 70% of staff involved in the decision-making, there is also an indication that leaders/founders/presidents of CSOs are the main actors. Strong leadership leads to good governance; however, overconcentration of power around the leader makes organisations vulnerable in the long run.
- CSOs can better achieve their objectives in case they base specific aspects of operation and implementation on good governance principles. The organisation's decision-making power and the executive should be separate; members, volunteers and staff members should have a clear understanding of the organisation's decision-making process, and more importantly be part of it. **CSOs governance processes are still relatively weak.**
- When it comes to human resources, **CSOs lack professional staff** (experts in specific areas). As for internal efficiency, it is largely influenced by external factors among them available funding, legal framework, and public support. Therefore, to minimise the potential impact of external factors, resources must be invested to strengthen internal efficiency, create better internal motivation and attract human resources - specialists in their field, loyal to the objectives of the organisation.

4.2.2 Financial Sustainability

Financial sustainability of civil society organisations is one of the most important components and challenges in the development of the third sector. According to the CSO Sustainability Index 2014, financial sustainability of Armenian CSOs is ranked 5.2 on the 7-point scale.³⁹ The financial viability of CSOs has not changed since 2007 and is the lowest among all 7 dimensions of CSO Sustainability Index in Armenia. Like in most developing countries, in Armenia as well, the biggest financial support for the CSOs comes from foreign donors, and as a result of this, the development of the sector is directly dependent on this support.⁴⁰

The findings in Table 4 indicate that the majority of surveyed CSOs are dependent on international donors. This study also shows that the tendency of donors is to empower relatively stronger CSOs, which are able to draft proposals and have good reporting and monitoring and evaluation processes. This might have had a considerable impact on underdeveloped CSOs which either vanished with time or struggle to continue their operations.

Government grants, support from private sector and individual donors, and self-generated revenues (including social entrepreneurship) comprise a very small portion of financial inflows of CSOs sector. On average, 74% of surveyed organisations have not received any funding from above-mentioned sources. Yet, for the ones who received some funding, the amounts were mostly insignificant. It is noteworthy that during the public consultation CSOs highlighted the fact that the governmental funding directed to the CSOs sector is indeed very limited. Furthermore, they emphasised the need to reform and expand it and make the whole procedure more transparent.

Large companies with Corporate Social Responsibility (CSR) policies collaborate with CSOs on individual projects but rarely provide grants to them. Businesses lack sufficient tax incentives to donate to CSOs, and some business executives find the procedures for accessing tax deductions for charity purposes too complicated.⁴¹

Comparatively, more CSOs receive funding from membership contributions and endowments (33% and 45% respectively), but again the portions are too small. Few CSOs collect membership fees, as they require the provision of receipts and collection of documentation for accounting purposes. CSOs which collect membership fees do so mainly to promote member engagement, rather than financial sustainability. During the public consultation it was mentioned that CSOs membership is

³⁹ 2014 CSO Sustainability Index, USAID, p. 23. Available at: https://www.usaid.gov/sites/default/files/documents/1863/EuropeEurasia_FY2014_CSOSI_Report.pdf (consulted on 6 January 2016). The CSO Sustainability Index uses a seven-point scale, with 1 representing the highest and 7 the lowest level of sustainability. These levels are clustered into three general stages: Sustainability Enhanced (1 to 3), Sustainability Evolving (3.1 to 5), and Sustainability Impeded (5.1 to 7).

⁴⁰ Tatevik Margaryan and Arpine Hakobyan, *CSO Engagement in Policy-making and Monitoring of Policy Implementation: Needs and Capacities*, Mapping Study, 2014, Yerevan, p. 33. Available at: http://www.csdialogue.eu/sites/default/files/mapping_armenia_1.pdf (consulted on 5 January 2016).

⁴¹ Athina Markantoni, *Support to Democratic Governance in Armenia*, Mapping Study, 2012, Yerevan, p. 42.

crucial as on the one hand it increases the financial inflows in the form of membership fees, and on the other hand, it creates a more trustworthy and recognised organisation which should ultimately bring larger financial inflows.

Budget (€)	Gov. grants	Donors	Private sector	Individual donors	Endowments	Member. fees	Generated revenue
0	79	29	71	74	55	67	81
1-1,000	8	11	16	16	28	29	8
1,001-3,000	5	9	6	4	11	3	2
3,001-6,000	3	6	2	2	1	0	3
6,001-10,000	1	6	1	1	1	1	2
10,001-15,000	1	6	1	1	1	0	0
15,001-25,000	0	6	1	1	1	0	2
25,001-50,000	1	8	2	1	1	0	1
50,001-100,000	1	10	0	0	0	0	1
>100,001	1	9	0	0	1	0	0

Table 4: Total value of grants the organisation received from the above sources during the last 3 years (2013-2015 in %) - Q20

Data presented in the figure below indicates that on average 43% of surveyed organisations have had only €0-5,000 of overall funding per year (2013-2015) from all financial sources.

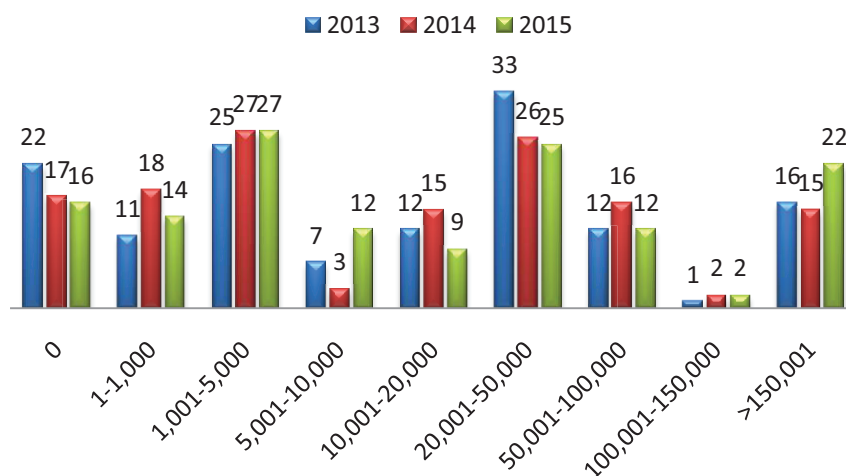


Figure 17: Total value of grants your organisation received from all resources (2013-2015 in N) - Q20

The assessment suggests that the main factors that impair financial sustainability may be rigorous donor requirements that affect the majority of CSOs, insufficient level of fundraising skills and weak governance. All these factors have a significant negative correlation with the overall financial situation of Armenian CSOs.

There is a recent tendency among international donors, supported by the new draft Law on Public Organisations⁴², to encourage income-generating activities to enhance financial sustainability. Many of interviewed experts share the point and support the idea of CSOs generating revenues. Some others question the ability of CSOs of “running business”, and, more importantly, share a concern on the eventual amalgam between profit and revenue, and a possible diversion from the core mandate of the CSOs. It is also worth noting that despite the high hopes of income generation, realistically speaking, very few CSOs worldwide succeed in becoming self-sustainable through incomes (excluding donations).

The figure below shows that 70% of all respondents have accountability mechanisms for financial resources. Due to capacity building activities and grant project requirements, CSOs continue to improve their financial management systems and reporting to donors and state tax authorities. However, transparency to the public is a low priority for most CSOs. Only a few public organisations publish financial reports online, while only foundations are obligated to do so.

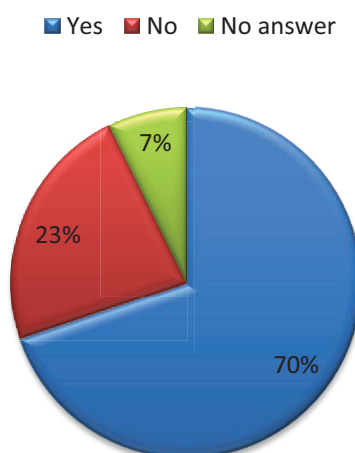


Figure 18: Availability of accountability mechanisms (%) - Q21

Highlights:

- **Rigorous donor requirements and limited funding opportunities** are major hindrances to consistent funding. Additionally, inadequate fundraising skills, weak governance, low rates of paid services, and low profitability of income-generating activities, significantly affect financial sustainability efforts.
- The recent **draft Law on Public Organisations seems promising** as far as CSOs financial sustainability is concerned.
- Budgetary funds provided by the Government should be distributed in a more **transparent way** and on the basis of **clear procedures and criteria**.⁴³
- CSOs should work on **increasing the number of members** which will increase financial

⁴² Draft Law on Public Organisations. Available at:

<http://parliament.am/drafts.php?sel=showdraft&DraftID=38981> (consulted on 5 January 2016).

⁴³ Recommendation submitted during the public consultation, April 2016.

inflows and have a positive impact on the overall image, credibility and legitimacy of the organisations.⁴⁴

- Private philanthropists can also play an important role in terms of supporting CSOs. This may require some time because **trust is considered a critical element for donations**, but it is essential that CSOs put more effort in building their network of donors, including businesses.
- **Diaspora remains a largely untapped market.** Much more can and should be done in building the bridge between Diaspora-based organisations (charity or businesses) and CSOs in Armenia.
- As a means of **diversifying funding sources** CSOs should consider using **new creative ways** through obtaining some financial resources from individuals and businesses. Crowd funding and other online social tools and mechanisms may be new opportunities to be explored, despite the fact that the Armenian society may not yet be ready and/or keen to donate to CSOs through these innovative tools.

⁴⁴ Recommendation submitted during the public consultation, April 2016.

4.3 External Dimensions

4.3.1 Service Provision

CSOs gradually become more influential actors in terms of ensuring development at the national level. In many countries, the provision of basic services is assumed to be a major responsibility of CSOs. The range of services provided by CSOs is very wide, including social groups such as children and youth, elderly, people with disabilities and rural populations.⁴⁵ However, services are not limited to “hardware” only; they also include “software”, such as research and analysis, monitoring, awareness raising, etc. The most critical issues relating to CSOs in service provision concern: accountability, quality and access.⁴⁶

On the subject of service provision, the survey covered the defined needs of beneficiaries, recent impact of CSOs on their constituencies and quality of services provided. As for bringing concrete evidence that the goods and services provided by the organisation reflect the needs of their beneficiaries, the figure below suggests that, unfortunately, only 20% of CSOs provided detailed evidence, while 32% moderate evidence, and the remaining 48% either had no particular evidence of meeting their beneficiaries’ needs or did not reply to the question at all.

The overall assessment shows that CSOs increasingly value the importance of addressing the real needs of their constituents. Yet, there is still need to increase the involvement of beneficiaries into CSOs activities, since in many cases beneficiaries and stakeholders are not involved in the entire lifecycle of the projects, from conception to impact evaluation.⁴⁷

⁴⁵ 2014 CSO Sustainability Index, *op. cit.*, note 39, p. 26.

⁴⁶ Andrew Clayton, Peter Oakley and Jon Taylor, *Civil Society Organisations and Service Provision, Civil Society and Social Movements Programme*, Paper Number 2, United Nations Research Institute for Social Development, 2000, p. 1. Available at: [http://www.unrisd.org/80256B3C005BCCF9/\(httpAuxPages\)/19AB2640214382A380256B5E004C94C5/\\$file/intrac.pdf](http://www.unrisd.org/80256B3C005BCCF9/(httpAuxPages)/19AB2640214382A380256B5E004C94C5/$file/intrac.pdf) (consulted on 5 January 2016).

⁴⁷ In-depth interview with a freelance specialist, December 2015.

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■ Real evidence ■ Moderate evidence ■ No evidence

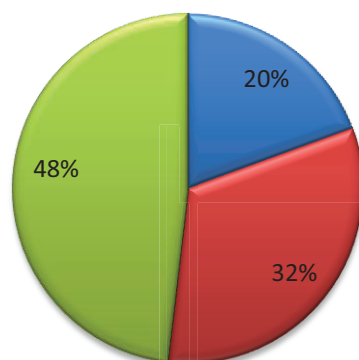


Figure 19: Evidence that the goods and services provided by the organisation reflect the needs of constituents (%) - Q22

Furthermore, the figure below indicates that among the organisations providing some evidence of needs-responsive services (real or moderate), 21 out of 139 (15%) declared that they conduct thorough needs assessment activities (meetings with beneficiaries, analyses of research data, survey results and applications received from their target groups) prior to the development of strategies and implementation of projects. 22 surveyed organisations that brought supporting evidence on their services being needs-driven are engaged in providing community or country level services (policy development, monitoring of elections) which are of high importance to every citizen. This is the case where no specific group of beneficiaries can be identified, thus, no specific mention of any evidence providing needs-driven goods and services. 16 respondents mentioned the increasing number of satisfied beneficiaries as an indicator of positive correlation between the needs and the range of services provided by their organisations. Finally, 11 organisations indicated that they have in place participatory and cooperative management approaches and highly value the integration of their constituents in their activities.

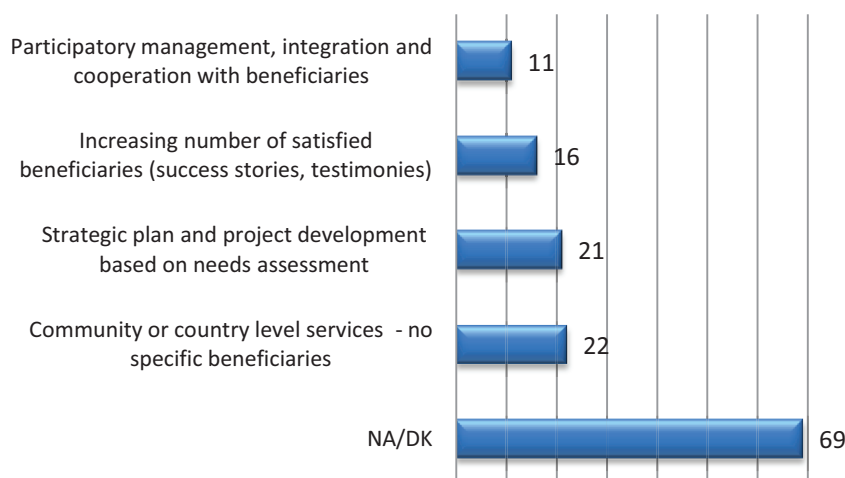


Figure 20: Evidence that the goods and services provided by the organisation reflect the needs of constituents (N) - Q22

With reference to this question, it can be assumed that the reason behind the limited number of CSOs providing evidence might be due to the fact that many CSOs are donor-driven and very much dependent on the support provided. Therefore, sometimes funding opportunities, rather than the already identified needs are prioritised. On the other hand, as indicated by some in-depth interview experts, beneficiaries are not informed and mature enough to raise their needs. Also, many service providing CSOs lack sufficient financial resources to conduct appropriate needs assessment activities since the big portion of donor funding goes to the CSOs more active in advocacy, policy issues and research activities, as demonstrated by the assessment.

Overall findings suggest that though CSOs gradually realise the importance of being closer to the target group whom they are supposed to serve, still they lack capacity and resources to carry out systematic needs assessment activities. Interestingly, marz-based CSOs declare to be better connected to their beneficiaries as opposed to Yerevan-based CSOs. The possible explanation is offered by the fact that marz-based CSOs are more engaged in social and community development activities, and the interaction with local community is a high priority. Yerevan-based CSOs differently - majority are engaged in advocacy, policy issues and research activities, and are comparatively “distant” from citizens.

Another question referring to service provision was related to identifying the impact that CSOs recently made on their beneficiaries. Based on the survey, almost 88% of respondents answered that their recent activities had a significant impact.

Further on, respondent CSOs identified the main directions of activities, in which trainings, capacity building, and informative meetings with constituents comprise the largest portion of recent activities, followed by “Policy change/Advocacy/Monitoring” and “Organisation of clubs, public events” (see the figure below). These activities do ensure certain impact; however, the latter tends to be recognised as intangible. The number of organisations that did not provide any response to these questions is very high which justifies the conclusion that they possibly have had no impact recently on their constituents. Interestingly, “Social support/Healthcare”, “Community development” and “Construction and restoration” activities cover merely a small portion of overall recent activities within CSOs.

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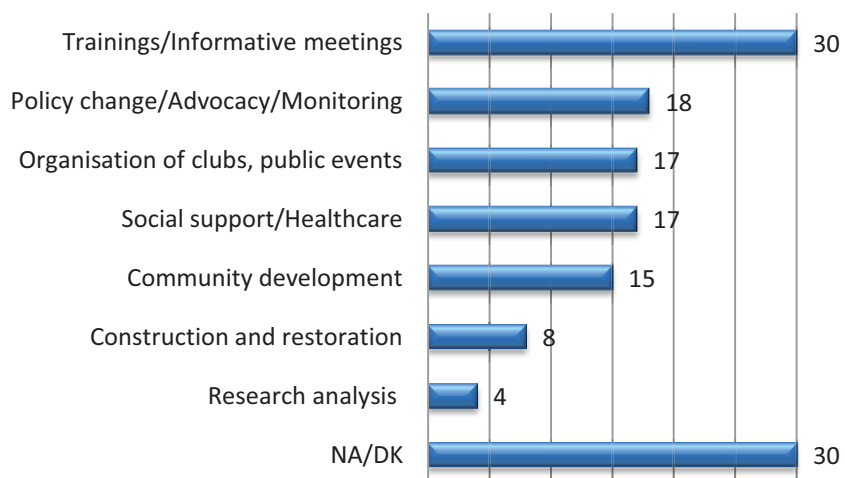


Figure 21: Biggest impact that the organisation made on beneficiaries in 2015 (N) - Q23

The last question to measure the level of service provision relates to the quality of offered goods and services.

■ No improvement ■ Moderate improvement ■ Well-improved ■ NA/DK

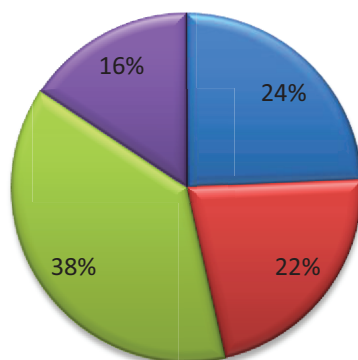


Figure 22: Recently introduced improvements to the offered goods and services (%) - Q24

Data in the figure above shows the improvement levels of services offered by CSOs. It is encouraging to note that 38% of surveyed organisations have improved the quality of their services, and provided detailed examples to demonstrate these improvements. Unfortunately, the portion of organisations that have not improved or not answered the question is very high, 40% of all respondent CSOs.

Highlights:

- CSOs should be primarily **accountable to their target groups** whom they are supposed to serve, rather than to international donors. This is not fully the case among CSOs in Armenia.
- The **effective and meaningful partnership between the Government and CSOs is critical** from the perspective of CSOs involvement in service provision. Certainly, the way

to provide effective and quality services is through making full use of the respective strengths and responsibilities of each party. Also, CSOs need to ensure that they are able to maintain their own distinctive contribution to development and not merely become contracting agents of the state.

- One general finding of the assessment is that **CSOs tend to be most successful when they implement projects in particular sectors where they have built up considerable experience and expertise**. On the contrary, they are less successful in undertaking broadly ranging and highly diversified interventions.

4.3.2 Networking

Networking is an essential dimension of CSOs capacities to interact and build networks with various stakeholders including beneficiaries, state authorities, other CSOs, businesses, local and international donor institutions, and philanthropists. A recent study observed that Armenian CSOs have been creating more networks and coalitions to collaborate more closely for their shared interests.⁴⁸ This section of the paper assesses the level of collaboration of CSOs with different stakeholders, the main issues of beneficiaries, as well as the public credibility of CSOs.

The figure below illustrates the level of collaboration of CSOs with different stakeholders. The majority of surveyed CSOs claim to have effective or very effective cooperation with their beneficiaries (68%) and other CSOs (65%). CSOs also report that they have improved their linkages with their constituencies, and now have a better understanding of their constituents’ needs.

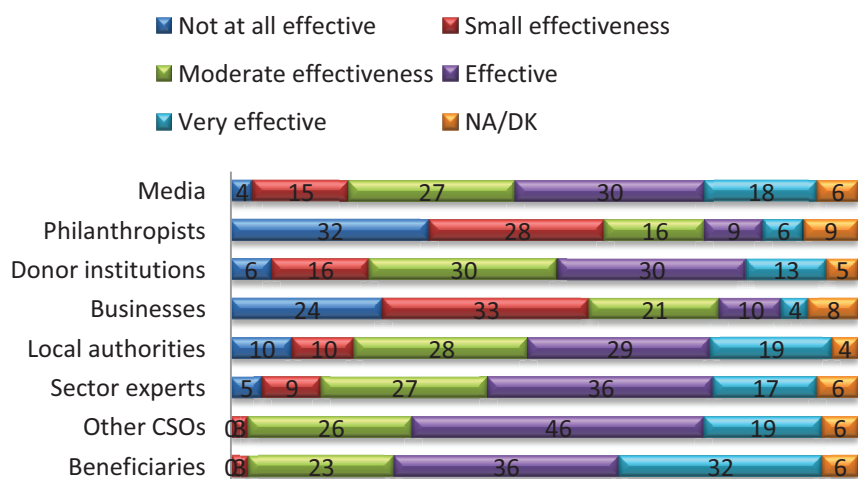


Figure 23: Level of collaboration with different stakeholders (%) - Q25

Surprisingly, another point of view has been identified among some experts during interviews regarding the cooperation between different CSOs. As mentioned by one of the experts, cooperation among CSOs is not very effective due to competition among them. However, marz-

⁴⁸ Tatevik Margaryan and Arpine Hakobyan, *op.cit.*, note 40.

based and local CSOs seem to collaborate more effectively than Yerevan-based CSOs.⁴⁹ The same opinion was shared by another expert in the field, stating that the issue can be solved by creating concrete cooperation mechanisms (e.g. experienced organisations share their experience on specific topics with newly established ones).⁵⁰

In this respect, it is noteworthy that there are good examples of collaboration, though rather sporadic. Collaboration is either practical needs-based, or strongly encouraged by international donors through the partnership (consortium) model.

The survey shows that sector experts, local authorities, media and donor institutions also have a decent level of cooperation with CSOs (53%, 48%, 48%, and 42% respectively). As for the cooperation with the Government, the survey and in depth interviews showed that the collaboration of CSOs with local authorities is much tighter than with the central Government. Yet, the cooperation with local self-government is not free of challenges such as attempts by some Local Government Units to politicise and dominate CSOs or ‘keep them in the circle of influence’.⁵¹

Unfortunately, there is a low level of effective cooperation of CSOs with businesses and philanthropists. The most common types of association between businesses and CSOs are in sponsorship of CSOs events, in-kind donations and in some cases, establishing partnership to implement community-based projects.

The figure below presents examples of recent effective collaboration of CSOs with different stakeholders. As one can see, the cooperation with local authorities has the highest level (46 CSOs), followed by cooperation with other CSOs (41 CSOs) in consortiums, networks and groups. Donors are the third category, followed by sector experts and public institutions (16 CSOs). Unfortunately, when asked to bring a concrete example of cooperation, only 7 organisations that work with beneficiaries have been identified, even though in the previous figure it was shown that the effectiveness of cooperation with beneficiaries is at the highest level. It can be thus concluded that CSOs are not providing a full picture of the real situation. The limited number of examples of cooperation with businesses (4) and philanthropists (5) suggests that there is a real gap in terms of making connections with important stakeholders. In general, CSOs actively engage local constituencies in advocacy initiatives; youth organisations, informal groups, and community-based organisations are particularly successful in this regard. However, these efforts are often limited and short-term, and few CSOs systematically build long-lasting relationships with their constituents.

⁴⁹ In-depth interview with a freelance specialist, December 2015.

⁵⁰ In-depth interview with the representative of Counterpart International Armenia, December 2015.

⁵¹ Statement made during the public consultation, April 2016.

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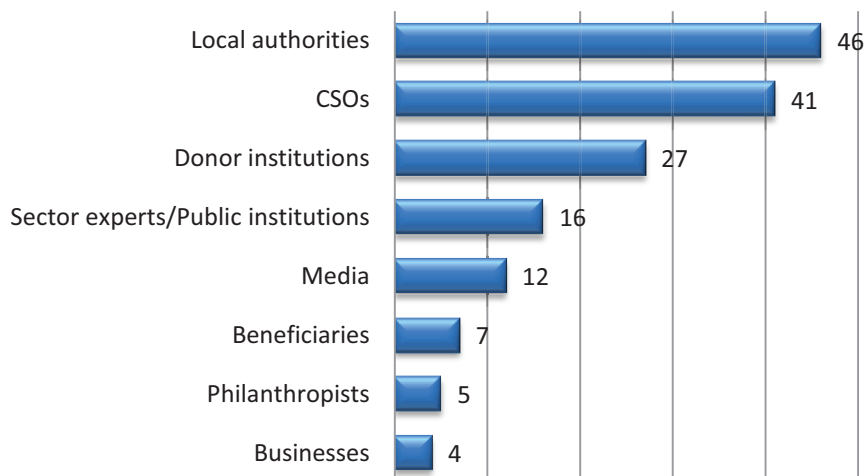


Figure 24: Example of effective collaboration (N) - Q26

The figure below shows the sources used for identification of the main issues among beneficiaries. As one of the interview respondents noted, feedback mechanisms, surveys and questionnaires, and other types of assessment tools would ensure more effective cooperation and linkage of CSOs to their beneficiaries and their needs.⁵² As data shows, the vast majority of respondents are using almost all types of sources simultaneously to assess the needs and identify main issues affecting their primary beneficiaries, including success stories, personal testimonies from beneficiaries, case studies, research, statistics and surveys. On average, only 11% of respondents have indicated that they do not use (not often use) the above-mentioned tools to assess the needs. At first glance, it is extremely positive to have such a picture, but it seems to be unrealistic again. It is in contradiction to data in Figure 19, where 48% of respondents have reported no evidence that services provided meet the needs of their constituents.

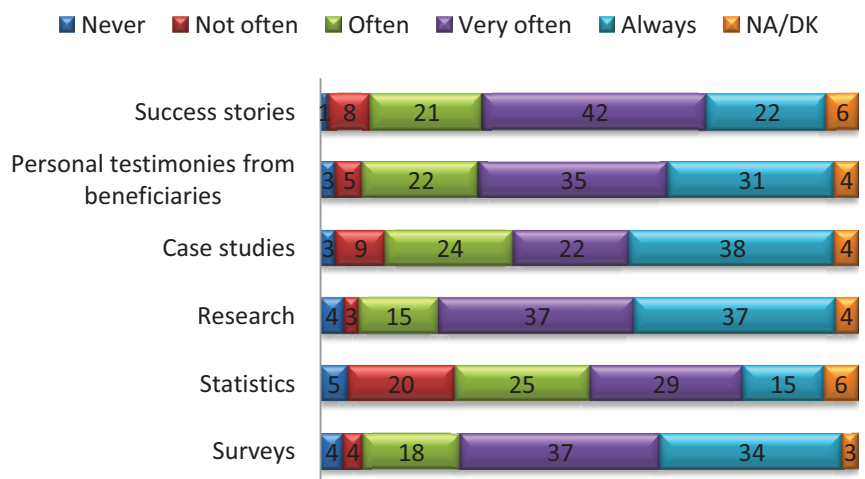


Figure 25: Sources used to identify the main issues of beneficiaries (%) - Q28

⁵² In-depth interview with the representative of United Nations High Commissioner for Refugees (UNHCR), December 2015.

To the question of what is the main issue of interest to your constituents, CSOs were required to answer in an open-ended format, thus giving a concrete illustration of the real needs of their beneficiaries. As the information in Figure 26 suggests the majority of the needs emphasised by the target groups fall into the practical and tangible activity dimensions, particularly social issues and poverty reduction/health issues, unemployment, non-formal education/trainings/capacity building, and community development (58, 44, 40, and 31 organisations accordingly). Awareness raising/consultancy, human rights protection/gender issues, lobbying/advocacy activities are less demanded by constituents.

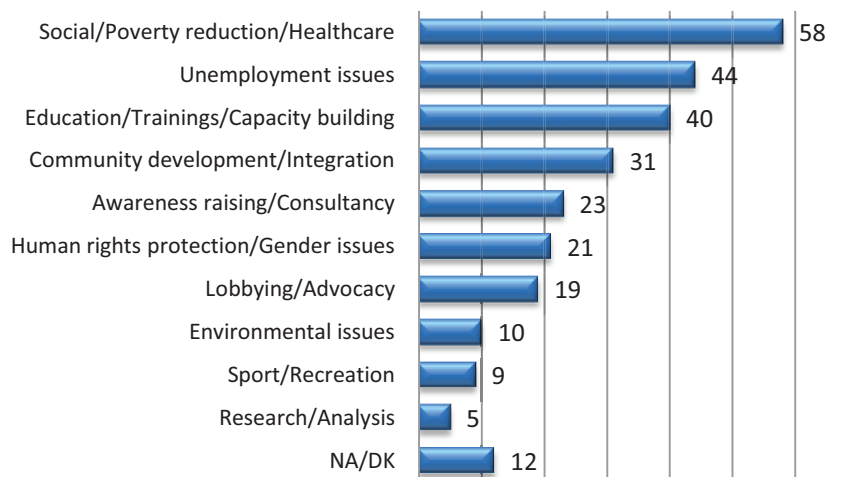


Figure 26: Main issues of interest to the organisation’s constituency (N) - Q29

This finding is in line with the opinions of in-depth interview respondents. One of the experts stated that in general beneficiaries should be at the centre of the CSOs missions; however, generalist/opportunistic CSOs tend to change their beneficiaries and are largely influenced by the will of donors.⁵³ One might conclude that the main impacts that CSOs in Armenia have (Figure 21) are different from the expectations of constituents (Figure 26). This lack of balance clearly shows that service provision by CSOs in Armenia should be greatly encouraged, expanded and become the primary concern among donors.

The information in figure below represents the mechanisms that have been used by CSOs to ensure their public credibility. The emerging picture is very positive, as the majority of respondents have made use of different approaches to gain public trust.

⁵³ In-depth interview with the representative of the American University of Armenia, December 2015.

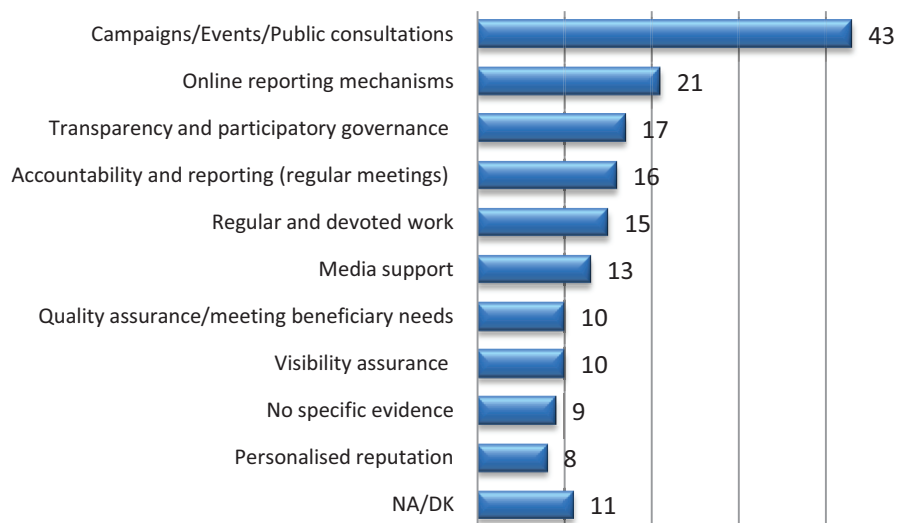


Figure 27: Mechanisms used to ensure the public credibility of the organisation (N) - Q27

If conclusions were only based on the findings of this survey, it would be expected that public credibility towards CSOs should have been quite high. However, according to the CSO Sustainability Index 2014, the public image of CSOs is rated quite low (3.9).⁵⁴ The reasons behind weak public credibility can be manifold, varying from not having the capacity and motivation to develop strategies and mechanisms to operate in response to the public’s needs, to being insufficiently transparent and accountable.

Highlights:

Overall, the recent tendency is that CSOs in Armenia gradually increase their collaboration with other stakeholders. Nevertheless, there are still improvements needed, particularly:

- CSOs should address the **real needs and issues of beneficiaries** and work toward making cooperation more effective, for their own benefit and the benefit of their constituencies. All actions and programmes by CSOs should be built on the basis of sound needs assessments, involving target groups and considering multiple perspectives on the problems identified.⁵⁵
- The approaches that most CSOs use while working with businesses seems to follow a wrong direction, with a **mind-set of “what can you contribute?”** instead of a clear proposal of “what we want, this is how we divide the tasks, this is the clear budget”. An unclear attitude does not **promote long-term partnership-based relations** between CSOs and businesses and produces only short-term benefits, rather than sustainable cooperation.
- The membership in both international and local NGO networks is a good approach to further develop effective cooperation within the sector. **Partnerships and networking** in specific projects or topic can be also considered a successful way of cooperation where no competition exists between participating CSOs in terms of funding. Joint CSOs

⁵⁴ 2014 CSO Sustainability Index, *op. cit.*, note 39, p. 27.

⁵⁵ Recommendation submitted during the public consultation, April 2016.

proposals and projects are a good mechanism to upgrade overall capacities of the sector. Allowing and, even more, encouraging joint actions by CSOs is effective both for raising institutional capacities and improving networking.⁵⁶

- **State bodies should be more supportive** and give more importance to CSOs as independent actors tackling public and social issues of high priority. On the other hand, CSOs have limitations in financial terms, as well as in experienced and professional human resources, to counterbalance the state. CSOs should be well aware of the existing national policies within their respective fields of activities, have in-depth knowledge on the needs of their constituents to make the cooperation more effective. It is noteworthy that at the local level, CSOs have been relatively more successful in terms of partnering with municipalities to implement joint projects.
- The main problem of cooperation with media is that CSOs deal with media sector mainly for the purpose of providing coverage to their events/activities and not as **real partners in social change**. Also, media seem to be much less inclined to cover social and other problems experienced by the disadvantaged groups and dealt by CSOs.⁵⁷ Both sides should consider each other as partners in the first place and look for more meaningful opportunities of cooperation.
- **Low public credibility towards CSOs** can also be tackled by stronger and wider networks, associations, and coalitions. It is clear that only purpose-level, strategic collaboration can be sustained, while opportunistic partnerships are less effective and short-lived.

4.3.3 Advocacy

As far as advocacy is concerned, most surveyed organisations pointed out to advocacy as one of the main activities of their organisations (among top 5 activities). The figure below indicates that there are some gaps in terms of interaction of CSOs with state bodies. Less than half of the CSOs take part in round table meetings and are engaged in working groups and public consultations or hearings. The results are lower in terms of CSOs involvement in drafting laws or bylaws. Clearly, some CSOs are in the passive mood, whereas, conversely, they have to counterbalance and provide alternatives to political agendas. In this respect, as highlighted in a recent study on civil society engagement in policy dialogue, the discussions between the Government and civil society are generally held in the form of “top-down communication”, which is in a sense a pro-forma interaction, where state officials simply inform CSOs about their decisions or listen to alternative suggestions.⁵⁸ The issue of little genuine interest from the Government to support and develop the sector, as well as lack of true consultations with the CSOs has been also highlighted during the public consultation.

⁵⁶ Recommendation submitted during the public consultation, April 2016.

⁵⁷ Statement made during the public consultation, April 2016.

⁵⁸ Civil Society Engagement in Policy Dialogue in Armenia, Policy paper drafted within the framework of “Civil Society. Dialogue for Progress” EU funded project, 2015, p 11. Available at: http://www.csdialogue.eu/sites/default/files/policy_paper_2.pdf (consulted on 28 January 2016).

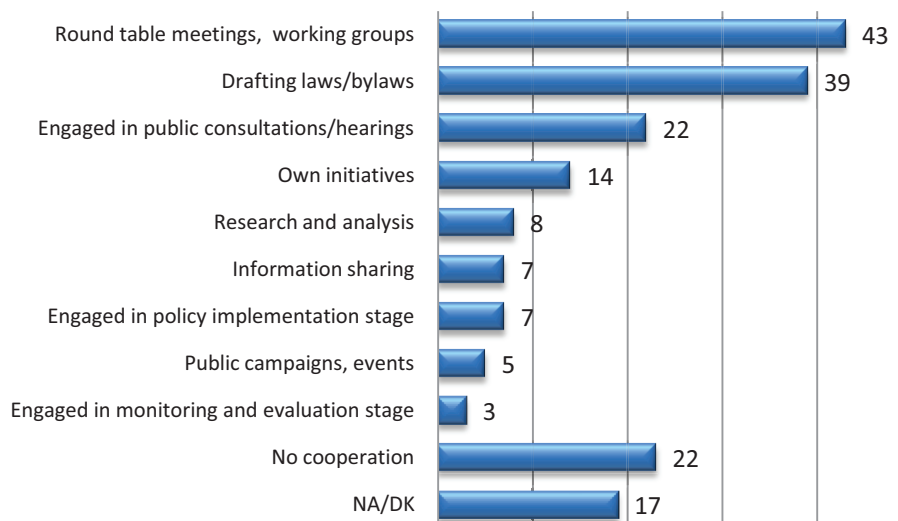


Figure 28: Interaction with state bodies (N) - Q30

The next figure shows the expectations of CSOs representatives in terms of the new legal and regulatory framework.⁵⁹ In general, 21 CSOs think that the existing legal framework is quite favourable for development of CSOs. In addition, 24 CSOs expect that the new draft Law on Public Organisations, if adopted, will work well to solve their financial sustainability issues as it stipulates that CSOs are entitled to engage into income-generating activities. A limited number of surveyed CSOs think that the legal and regulatory environment is favourable; however, the implementation of the law should be monitored to hedge against risks. Only 2 organisations raised the issue of volunteerism that the new draft law covers. At the same time, a large proportion of CSOs did not show interest or knowledge of the proposed legal changes, which indicates weak capacities to deal with and anticipate changes in their external environment.

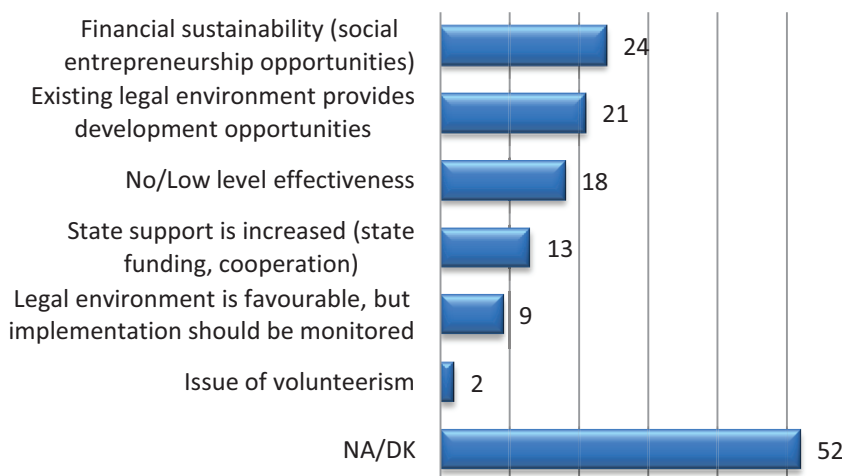


Figure 29: Influence of the new legal and regulatory framework on the effectiveness and sustainability of your organisation (N) - Q31

⁵⁹ Draft Law on Public Organisations, *op. cit.*, note 42.

Highlights

- **Advocacy is definitely one of the key areas of activities of civil society organisations in Armenia.** It goes without saying that CSOs should keep working in this direction since this is one of the ways they can have their voices heard and make state institutions accountable for their actions or inaction. CSOs should be actively engaged in legislative processes, as well as influence policies through various tools and networks. In addition, the cooperation between civil society and state agencies should be better institutionalised (e.g. in the form of memoranda of cooperation).⁶⁰
- CSOs should primarily act as channels through which the issues and needs of their constituents, and the public at large, are effectively communicated to the state institutions. To be able to do so, they should first **open up to the outside world** and create networks of strategic allies within state institutions. As aptly mentioned by one of the in-depth interview respondents, “NGOs should work harder and try to get in touch with those government officials who are open and ready to help and collaborate.”⁶¹ **Collaborative ethos is a must;** yet, it can be achieved only if two sides make considerable effort to collaborate constructively, put aside their unilateral and self-centred agendas and priorities, and, finally, realise that a meaningful partnership is nothing but a win-win game for all parties engaged.
- In general, the **lack of favourable environment for CSOs** has been highlighted as the bottleneck of future development of CSOs. This context affects the availability of funds, the performance of CSOs, and most importantly, the impact that the CSOs have. CSOs and state authorities tend to sometimes blame each other and take a defensive, reactive stance, rather than being collaborative and proactive. Certainly, advocacy efforts are being made, and there are various success stories showcasing that CSOs have been very effective in their efforts to lobby the Government, advocate for specific issues, influence positively certain policy changes both at national and local levels, and eventually, bring solutions to complex problems.

⁶⁰ Recommendation submitted during the public consultation, April 2016.

⁶¹ In-depth interview with a state official, December 2015.

4.4 Programme Performance

4.4.1 Projects Implementation

Projects implementation as such covers a vast array of project management aspects, including overall development of projects, project planning, involvement of beneficiaries in design, needs assessments, financial accountability, as well as monitoring and evaluation. Surveyed CSOs have been requested to make a self-evaluation with respect to the above-mentioned programme performance aspects.

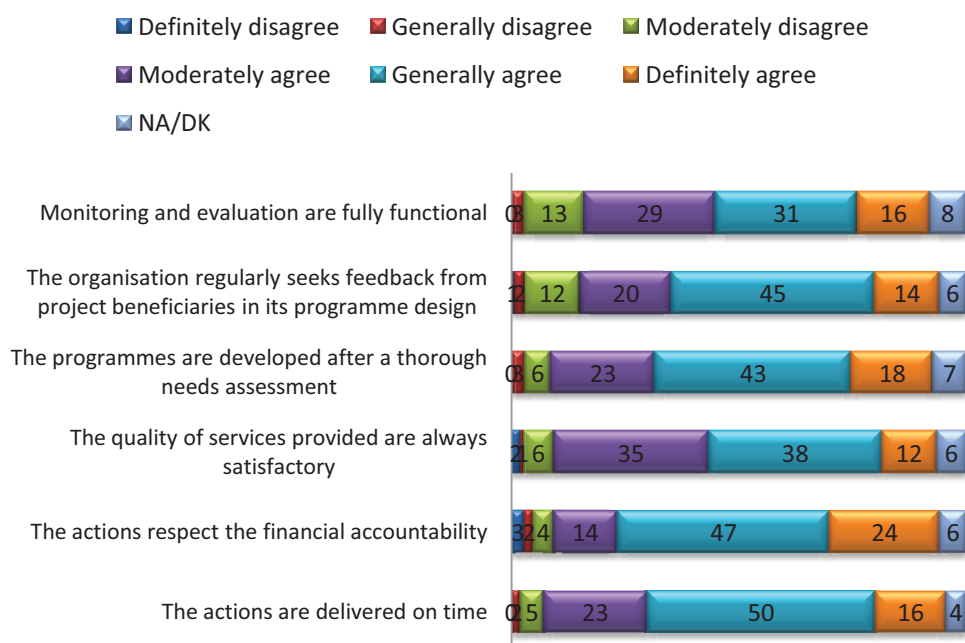


Figure 30: Programme performance (%) - Q32a

The information in the figure above gives a subjective self-assessment by CSOs on their own level of programme performance. It is worth mentioning that while presenting the results all the answers have been combined into 3 main categories: Agree, Disagree and No answer.

The largest percentage of respondents agreed with all the given statements. In particular, 76% of respondent CSOs mentioned that monitoring and evaluation were fully functional in their own organisations, 16% disagreed with the statement and, also, there were respondents who did not answer (8%). As for the second statement, which is about getting feedback from the project beneficiaries, 79% are open for feedback, 15% do not need it. The number of respondents, who did not answer, accounts for 6%. Most of the respondents (84%) think that their programmes should be developed after a thorough needs assessment, and they always comply with this requirement. Nevertheless, there were also negative and no answers (9% and 7% respectively). The percentages of the other three statements are almost the same. The percentages of answers

fluctuate from 85% to 89% for positive and from 7% to 9% negative. Here one can assume that either most of the CSOs are fully functional, open for feedback, know their needs before the development of programmes, provide high quality services, respect the financial accountability and are good with time management, or the answers are very subjective and not genuine.

Interestingly, when asked to evaluate other CSOs, at first glance the picture is quite different as compared to the graph of self-evaluation; nevertheless, there are still some similarities. Most of the respondents, like in self-evaluation results, agreed with the given statements, but from the perspective of other CSOs. There are no emphasised fluctuations or huge differences in the percentages of positive answers.

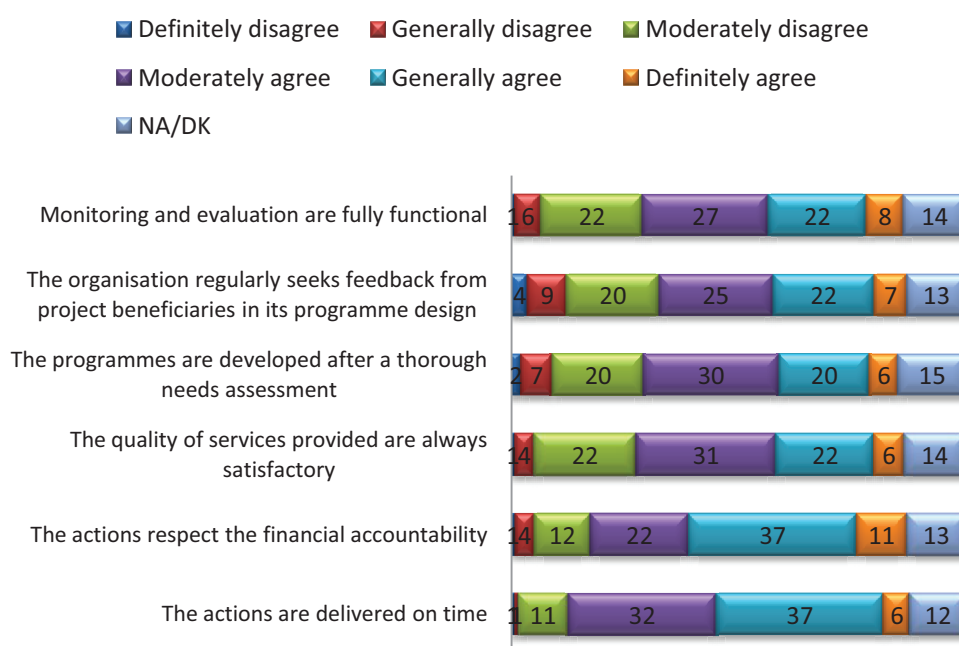


Figure 31: Programme performance of other CSOs (%) - Q32b

On a positive note, the open attitude towards change and further development reaches approximately 93%, in the figure below, where CSOs aspirations have been tested. This means that CSOs are ready for change; they do not set limits on what they can achieve, they are flexible and look forward to further positive developments.

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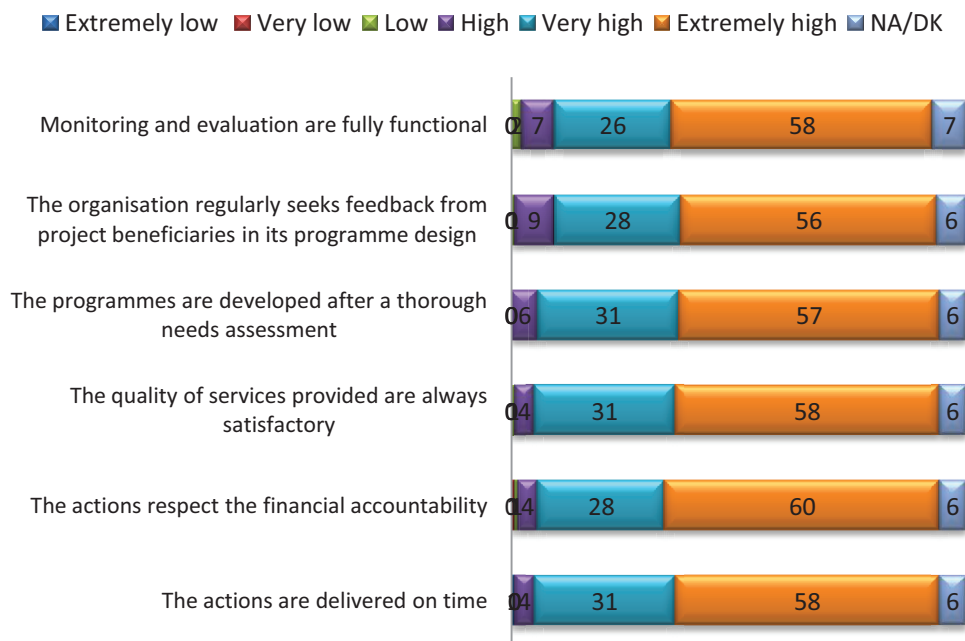


Figure 32: Aspirational grade of the organisation's programme performance (%) - Q32c

Highlights

- It seems the information provided by surveyed CSOs in terms of their programme performance might be **subjective and not genuine** since the findings of the survey seem to be a bit exaggerated in comparison with the insights received through field visits and in-depth interviews. CSOs should be **more self-critical and objective** when it comes to their programme performance.
- It is interesting to conclude that, despite the assumed competition within the sector, CSOs gave a similar high rating to the performance of other CSOs which can be explained either by the fact that CSOs **tend to collaborate more closely**, or it is a manifestation of **sector solidarity**.
- Positively, at the aspirational level CSOs are **committed to change**. They have set high standards for their development, are flexible and look forward to further achievements.

4.5 Development Levels of Civil Society Organisations

The findings obtained through the survey allowed further categorising the surveyed CSOs into four development levels based on measuring their capacities in key elements under organisational, programmatic and partnership areas. The distribution into development levels serves the purpose of: (i) determining the CSOs institutional capacity, (ii) making a tailored capacity needs analysis, and (iii) designing all the subsequent capacity building activities of the project.

The spider gram below enables to obtain a visual representation and a holistic view of the capacity of each organisation in terms of the below-mentioned key areas.

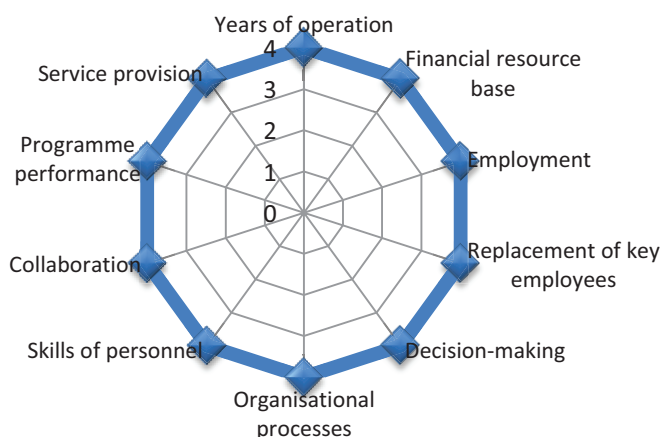


Figure 33: CSOs level of development – key areas

To illustrate more concretely the above-mentioned statement, an attempt has been made to generate a spider gram by localising the development levels in terms of key areas for two organisations.

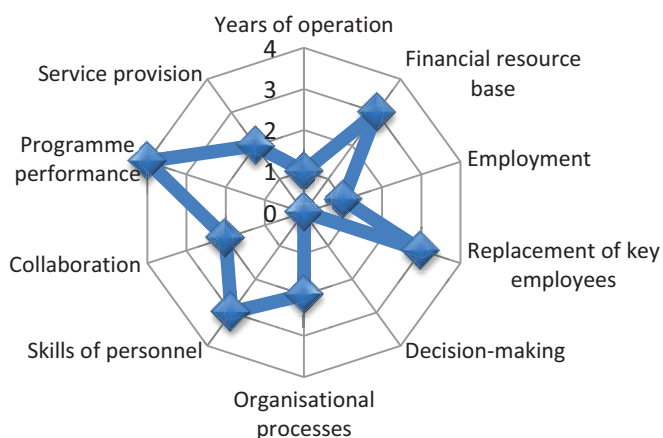


Figure 34: Level of development on key areas (randomly selected CSO based in Yerevan, Level 1)



Figure 35: Level of development on key areas (randomly selected CSO based in marzes, Level 3)

To measure capacities and determine the gradual development levels of CSOs, 11 questions and respective sub-questions were selected from the survey questionnaire (N5, N8, N12, N13, N15, N16, N17, N18, N25, N28, N32, 50 questions in total).⁶² The answers of the respondents were given rates from 1 (very low level) to 5 (very high level). Further, the individual scores for each question were summed arithmetically. Then, the final scores were applied to the four development levels of CSOs, along which each organisation was measured. The below-mentioned four development levels correspond to the Lifecycle Model of Armenian CSOs described earlier in the paper: 1) Birth, 2) Adolescent, 3) Consolidation, and 4) Prime.

N	Level	Descriptor
1	Birth (Nascent)	The CSO is in the earliest stage of development. It lacks financial, technical and organisational capacities.
2	Adolescent (Emerging)	The CSO is developing some capacity, structures and processes.
3	Consolidation (Expanding)	The CSO has sustainable financial resources, track record of achievement. Its work is recognised by stakeholders.
4	Prime (Mature)	The CSO is fully functioning and sustainable in all organisational dimensions.

Table 5: Development levels of CSOs

It should be noted that the overall evaluation of CSOs and categorisation into development levels can only identify relative, not absolute, values of organisational performance and capacity. On the

⁶² The following questions were selected for evaluation of CSOs: 5) Existence of Website, Blog, Social media, 8) Number of years the organisation has been operating, 12) Average recent employment (2013-2015), 13) The approximate annual budget of the organisation (2013-2015), 15) The extent to which staff members are engaged in decision-making processes, 16) Existence of mechanisms of replacement of key employees, 17) Existence of in-house or internationally recognised organisational processes and procedures, 18) Perceived skills of personnel, 25) Level of collaboration of CSOs with different stakeholders, 28) Most effective sources in identifying the main issues affecting constituency, 32 a) Rating the organisation’s programme performance.

one hand, respondents may give subjective grading on the performance of their CSOs (sometimes overestimating or underestimating their capacities, and sometimes giving no answers). On the other hand, ratings for some open-ended questions, being dependent on the research team’s subjective interpretation, may cause some variations from the real picture. Taking into consideration all the above-mentioned limitations and constraints using the evaluation tool, the following development level categorisation was made among surveyed CSOs.

■ Birth ■ Adolescent ■ Consolidation ■ Prime

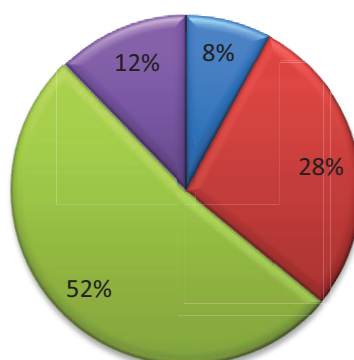


Figure 36: Distribution of development levels of surveyed CSOs (%)

The figure above shows that out of 139 surveyed organisations only 8% (11 CSOs) fell into the “Birth” or “Nascent” level of development. At this stage there are very basic policies or systems within an organisation. Management/executive in such CSOs is involved in every single aspect of organisational operations. This may lead to the organisation doing too many and too diverse range of activities. They are often opportunity-driven and vulnerable to changes in the external environment. The CSOs in this level of development are almost evenly distributed among Yerevan (4 CSOs) and marzes (7 CSOs). Interestingly, 8 CSOs out of 11 in this category that have the least organisational, financial and institutional capacities compared to the rest, have been in operation for more than 8 years. On the other hand, there are CSOs that fell into 2nd or 3rd levels of development while being active for less than 3-4 years. The phenomenon of rapid evolution of such CSOs can be explained by the assumptions that those CSOs stand closer to their mission and vision, understand the issues of interest to their constituencies, put values into practice, make use of any possible collaboration with different stakeholders, and are open for developing new skills and using them for improving their programme performance and overall organisational capacity.

The next stage of development which is “Adolescent” or “Emerging” level covers 28% (39 CSOs) of surveyed organisations. At this level surveyed organisations still lack full financial and organisational sustainability and staff competence. Meanwhile, they have recorded some improvements in their performance and have developed processes and procedures in the operations and established collaboration with different stakeholders. CSOs from Yerevan comprise almost 1/4 of all organisations in this stage of development (9 CSOs). Out of 30 CSOs from marzes

73% (22 CSOs) are operating in the sector of service provision, while the rest (8 CSOs) are engaged in advocacy, policy issues and research activities. The bulk of organisations in this category includes those CSOs that have moved up from “Birth” level, and also such organisations that moved down from “Consolidation” to “Adolescent” level. The latter have been in operation for more than 10 years, comprise almost 40% of CSOs at this level of development, have slower development tempo and are less effective.

The next development level is the “Consolidation” or “Expanding” stage, which involves 72 CSOs (52% of all surveyed CSOs). At this stage priority is given to long-term planning and coordination. Most surveyed ‘consolidated’ CSOs have stability in their financial inflows, have high level of programme performance and strong human resource systems (staff competence). There is a sound management and administrative base in place. Very interestingly, the number of surveyed CSOs within this category from marzes and Yerevan are almost the same (38 and 34 CSOs accordingly), which leads to a positive conclusion that regardless of location and coverage, they can develop equally dynamically. As data shows, there is almost equal distribution of surveyed CSOs within this development level engaged in advocacy and service provision (34 and 38 CSOs, 47% and 53% accordingly). Moreover, 20 (59%) among CSOs engaged in advocacy, policy issues and research activities, are based in Yerevan, the rest (41%) in marzes.

The last stage of development is called “Prime” or “Mature”, which is when the organisation finds itself in its most effective period: a strong strategic approach with clear objectives, well-established collaboration with stakeholders, financial stability, effectively designed processes and procedures in place, and competent human resources. Unfortunately, CSOs in this category comprise only 12% (17 CSOs: 9 from Yerevan and 8 from marzes) of the surveyed organisations. Almost all mature CSOs have more than 10 years of experience. As for the sector, out of 17 CSOs, 13 are engaged in service providing activities (7 CSOs in marzes and 6 CSOs in Yerevan).

The figure below presents all surveyed CSOs based on their development levels and subdivision into two major sectors: 1) service provision and 2) advocacy, policy issues and research.

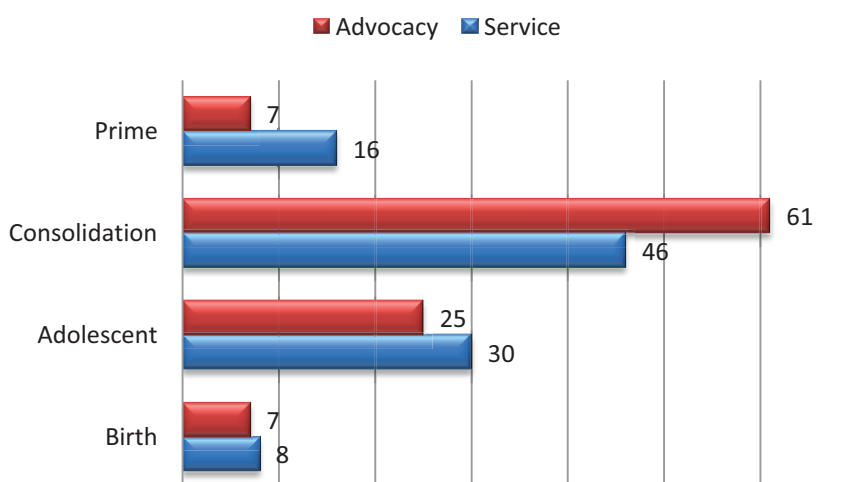


Figure 37: CSOs distribution based on development levels and main type of activities (%)

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It is worth noting that CSOs engaged in advocacy, policy issues and research, and in the “Consolidation” level comprise the highest portion (61%) among all levels, which is an indicator that these organisations have benefited largely from previous capacity building efforts, thus becoming stronger, more advanced and competent.

4.6 Capacity Building Needs

4.6.1 Background

It is notoriously difficult to assess the direct impact of capacity building, not only in Armenia, and develop sound monitoring and evaluation systems on capacity building interventions. The main challenges in reaching an objective impact assessment are:

- 1- **Accountability to donors or learning of the CSOs:** Different stakeholders have different expectations and agendas. A donor looks at information for retrospective accountability, while CSOs want information on their learning to make improvements in the future.
- 2- **Simple or complex systems:** Assessing a human change of an individual is already complex and assessing organisational change may almost be impossible. More importantly, it is extremely difficult to prove a direct causal link between the effort and outcome.
- 3- **Change in the well-being of an organisation or change in persons of concern:** What should be measured? Is it the enhanced organisational capacity that is measured or the direct/indirect impact that capacity building had on the persons of concern? Some people, and often donors, clearly argue that capacity building is a means, and the end is the ultimate impact of the organisation. This may be true and justifiable, but it might be unfair or difficult to link it to impact, since impact is largely dependent on external factors.
- 4- **Numbers or stories:** Numbers are indeed incredibly powerful, and a simple way of aggregating and communicating information. However, stories and case studies may be a better way to assess changes in complex social situations that describe human and relational issues.
- 5- **Tools:** Organisational assessment tools may be an accepted way of measuring, tracking and evaluating capacity development. However, those tools often oversimplify and standardise change processes. They may be good for understanding, but can be counter-productive when used for measurement.
- 6- **Self-assessment or external perspective:** Considering that capacity building is an inside out process, one should not dispute that self-assessment is paramount in evaluating the impact of capacity building. The downside of self-assessment is the vested interest in showing positive results by those participating.
- 7- **Objectivity or subjectivity:** Who judges whether change has occurred and its extent? Whose perception of reality counts more?

Therefore, the intent with this chapter is not to make a comprehensive, accurate and exhaustive analysis of the impact of capacity building in Armenia, but rather an attempt to analyse the capacity building needs in general within the limits of available information and documentation.

To do so, the structure of “Capacity Building 3.0. How to Strengthen the Social Ecosystem” paper, authored by Jared Raynor (2014) has been applied.⁶³ The reason why this structure is appropriate is that it develops a renewed and fresh conversation about capacity building and raises all the different elements in a logical manner. Moreover, it calls for an approach which views the process of capacity building in its entirety and positions its respective components in much broader and holistic context.

Raynor suggests a framework of capacity building which is composed of 3 levels of development in relation to 3 basic elements: *Who*, *What* and *How*. More specifically, *Who* is the target of capacity building, *What* constitutes the capacity and, finally, *How* represents the methods and techniques of capacity building. Each of the elements has evolved over time in accordance with the pace of change within and outside of the sector. On the basis of the above-mentioned description, the following table presents various sub-elements and layers of capacity building:

	Who	What	How
Level 1	Individuals	Knowledge and skills	Resources, training and consulting
Level 2	Organisations	Organisational functioning	Professionalised technical assistance
Level 3	Social sector ecosystems	Organisational actualisation	Targeted performance optimisation

*Table 6: Capacity Building 3.0 for the Social Sector*⁶⁴

- **Who:** The targets of capacity building have evolved over time from mere individuals of an organisation to organisations themselves and the entire social sector ecosystem at the last stage. Individuals are the earliest targets who play a distinct and defined role in terms of advancing the organisation. Yet, over time, the focus shifted from individuals to organisations by underlining thereby the importance of social relationships within the organisation. However, it has become increasingly clear that capacity building efforts cannot be limited to individuals and organisations but should be more inclusive and expand towards the social ecosystem at large. The latter includes CSOs, funders, Government, networks, management support organisations, and businesses.⁶⁵
- **What:** At Level 1 of capacity building, knowledge and skills constitute the basis for *What*, whereas later on it has been acknowledged that organisations should be viewed as a linked set of capacities that are best understood in relation to each other (Level 2). Finally, it is impossible to build a sound and effective organisation without linking it to the social ecosystem at large (Level 3). This is when organisations meet their own internal capacity needs and at the same time contribute to the capacity of the larger social ecosystem.⁶⁶

⁶³ Jared Raynor, *Capacity Building 3.0. How to Strengthen the Social Ecosystem*, Briefing paper, TCC Group, 2014. Available at: http://www.tccgrp.com/pdfs/11-18-14_TCC_Capacity_3.pdf (consulted on 6 January 2016).

⁶⁴ *Ibid.*, p. 19.

⁶⁵ *Ibid.*, pp. 5-8.

⁶⁶ *Ibid.*, pp. 8-11.

- How: Resources, training and consulting (organisational assessment training/workshops, consulting, coaching, peer mentoring, peer exchange, referral of resources, etc.) are identified as basic methods and techniques of capacity building. However, the latter evolved along with the development of capacity building and professionalisation of the non-profit sector in general. In Level 2 the focus is put on professional technical assistance and finally, in Level 3 the field is already armed with new technologies and information, and shifts towards more sophisticated and tailored methods of helping organisations and ecosystems actualise their performance.⁶⁷

With reference to the above-mentioned framework and on the basis of previous studies and in-depth interviews with practitioners in the field of capacity building of CSOs, it has been attempted to analyse the previous efforts of capacity building of CSOs in Armenia by placing them within the suggested 3 levels.

As pointed out by the field practitioners, an extensive amount of capacity building has been mostly done at Level 1 in Armenia, albeit there have also been some ad hoc and not very systematic capacity building initiatives at both Levels 2 and 3. When it comes to the transition from Level 1 to Level 2, the organisational and financial sustainability are key to ensure smooth development. As far as Level 3 is concerned, again, there have been several attempts, e.g. the NGO Centre in Vanadzor brought together various stakeholders through open space methodology by organising round tables (2013-2015) or else, Legislative Agenda Advocacy Days initiative by Counterpart International Armenia (Civil Society/Local Government Support Programme, 2010-2014).⁶⁸ Still, CSOs, and especially those based in marzes, do not possess the required capacity to effectively engage into a multi-stakeholder dialogue at various levels.

However, the positive side is that the results of the in-depth interviews demonstrated that thoughts about the significance of Level 3 capacity building have already started to surface. This can be illustrated by a statement of the chairman of one of the Armenian NGOs that “advanced organisations should be ready to act as a resource for other CSOs whose capacities need to be developed. Monopolies should be ruled out, and the best practices and the accumulated valuable experience should be disseminated for the sake of the improvement and progress of the whole sector.”⁶⁹ This kind of insight received is an utterly promising indicator that some CSOs feel ownership and shared responsibility for capacity building, and perceive it as a multi-dimensional process reaching out to the whole sector ecosystem.

⁶⁷ *Ibid.*, pp. 12-17.

⁶⁸ In-depth interviews with field practitioners, December 2015.

⁶⁹ In-depth interview with the chairman of Helsinki Citizens’ Assembly – Vanadzor, December 2015.

4.6.2 Who?

“Development is about people. The rest is technique.”⁷⁰

Change is a complex and dynamic process, and when thinking about capacity building, whether at Level 1 or Level 3, one tends to forget the human dimension. To really make a difference, it is extremely important to put “life” into capacity building by:

1. Being people-centred and engaging with values,
2. Ensuring the responsibility of the “client” for change,
3. Addressing the issues of power and relationship.⁷¹

During the interviews and field visits there was a concern, raised quite often, that there had been more investment in building the capacity of Yerevan-based CSOs than the ones operating in marzes (Level 1). Further information and insights lead to the conclusion that there is another dichotomy in place, related to the type of organisations - advocacy vs. service providing organisations. As it appears, in recent years CSOs engaged in advocacy have received more capacity building support whereas, conversely, service providing CSOs have been overshadowed and have not benefited much from the palette of available capacity building measures. In this respect, an interesting geographical pattern is surfacing from the current assessment, showing that advocacy groups are mostly based in Yerevan, rather than in marzes. This can be explained by the centralised government system and other factors such as agglomeration effects.

Regarding the age distribution of *Who-s*, there have been mainly young and middle-aged persons engaged in capacity building activities. In general, the overall process can be painful in terms of *Who*, as most practitioners acknowledged that because of the high turnover rate a lot of civil society representatives who had been targets of capacity building interventions left the organisations for a variety of reasons, more commonly for better prospects. Staff retention efforts and incentives may eventually lead to a certain turnover reduction.

As a result of capacity building activities, *Who-s* have received a full package of long-term capacity building, including trainings, consulting, and grants. Some organisations have been very successful and are now among the most advanced CSOs in Armenia. Yet, unfortunately, there have been also organisations that were not able to survive. One of the practitioners mentioned that the impact of their capacity building project was not very big: out of the 56 NGOs supported only 15 are now operational, i.e. 26% of the organisations that have been part of capacity building activities.⁷²

Regarding the willingness of the *Who-s* to learn and build their own capacity, it should be noted that the younger generation is keener to learn which is less characteristic to the organisations’

⁷⁰ Bill Jackson, INTRAC 2006 Capacity Building Conference *quoted in* Rick James and John Hailey, *Capacity Building for NGOs. Making it Work*, INTRAC, UK, 2007, p. 35.

⁷¹ Rick James and John Hailey, *Capacity Building for NGOs. Making it Work*, INTRAC, 2007, UK, p. 35.

⁷² In-depth interview with the representative of Partnership and Teaching NGO, December 2015.

management units. There are several interesting factors lying behind the resistance to learn: (i) omnipresent fatigue among CSOs to attend trainings or other types of capacity building activities, the only driving force being the prospect of acquiring grants, (ii) certain number of CSOs being overconfident about their capacities and considering the only thing they need are the financial resources to implement projects, (iii) CSOs not seeing the importance of knowledge and skills, not having a vision of their usage and, more importantly, not linking them to their further development, and finally, (iv) CSOs lacking trust in those who are willing to build their capacities in terms of quality of the provided capacity building.

Generally, during the current assessment it has been noticed that there are clear differences between organisations in terms of capacity needs, depending on their size and general institutional capacity. For instance, networks of well-established organisations have completely different needs than the small CSOs based in marzes.

Despite some efforts done at Level 3 *Who*, it is essential to understand that it is still early to have a systematic and structured Level 3 *Who* interventions. However, innovative initiatives and efforts of this type should continue.

Highlights:

Within the limits of the available information and the findings obtained through the assessment, it can be concluded that there has been a fairly considerable effort put into building capacities of CSOs in Armenia already. The progress is undoubtedly recorded. A handful of fully operational and advanced organisations (including their human capital), which are the product of this effort come along with other indicators to prove the effectiveness of the undertaken measures. Yet, as far as *Who*-s are concerned, improvements are still required in several directions.

- **Geographical coverage:** Apparently, marz-based CSOs have benefitted less from capacity building, compared to the ones based in Yerevan. As a result, they are relatively less developed and are still in the stage of “growing pains”. They have had fewer opportunities to strengthen their institutional capacities while there is a clear need to enhance them. Capacity building activities need to be decentralised and distributed homogeneously across the whole country, with special focus on the CSOs based in marzes. North, Centre and South hubs may be easy reference groupings. Improved operational and management capacities of CSOs with a particular emphasis on grass roots level, marz-based CSOs, are also one of the priorities identified by the EU Country Roadmap for Engagement with Civil Society 2014-2017.⁷³
- **Type of organisations:** In terms of development and capacities, advocacy groups prevail over service providing CSOs. They are undoubtedly stronger and better established than the ones working in the field of services. Interestingly, as highlighted by many experts, there is a clear positive correlation between service providing CSOs based in marzes and public trust and credibility. Despite limited means, these CSOs have the strong conviction that their mission is to serve their respective target groups and ensure a direct and

⁷³ EU Country Roadmap, *op. cit.*, note 18, p. 18.

tangible impact on their beneficiaries. Having said this, without neglecting or undermining the significance of advocacy CSOs, it is clear that capacity building efforts should focus more on service providing CSOs, and still be as inclusive as possible, including advocacy CSOs, thus adding to the development of the whole CSOs ecosystem.

- **Human capital:** There is always the need to invest in individuals. Staff members, as well as those who hold managerial positions still need to be engaged in capacity building activities. Obviously, the approaches should be differentiated since their needs in terms of improving capacities are different. On the other hand, the issue of centralised command should also be tackled. It is still very much present, meaning that CSOs leaders are not willing to decentralise and delegate the power to staff members of the organisations. The reasons behind are manifold: (i) very few organisations have such strategies in place and even fewer are practicing them, (ii) the leader is not willing and/or able to do so, (iii) there are no staff members who can potentially take over the leadership in the future. Whatever the possible reason, capacity building efforts need to be directed to address these issues as well.
- **Size, capacity and overall level of development of the organisation:** Capacity building approaches should be primarily *Who*-driven. This means that the “one size fits all” approach is not advisable. Putting all the organisations in the same basket while building their capacities would be potentially harmful. In general, capacity building programme design should be human-centred which will allow to deeply understand people, and as a result, be able to design for them better services/solutions/products.⁷⁴ Depending on the size, capacity and overall level of development of the *Who*, the capacity building approaches, methods, and techniques (*How*) should be differentiated, tailored and responsive to the specific needs of different *Who*-s.⁷⁵

4.6.3 What?

The research conducted, as well as in-depth interviews led to the conclusion that so far in terms of *What*, CSOs have been most often provided with sectorial knowledge and skills, e.g. public relations, project management, monitoring and evaluation, lobbying and advocacy, fundraising, strategic planning, cooperation with local self-government and target groups, including beneficiaries, etc. During the field visits discussions with some 70 CSOs, it has been estimated that only 25-30% of this type of knowledge and skills are used by the organisations.

Throughout the assessment an attempt was made to collect the current capacity building needs of CSOs for the purpose of having a clear understanding on this subject and designing tailored capacity building measures for CSOs, using the data obtained. Thus, while answering the question on the directions of capacity development CSOs are most interested in (open-ended question), they have mainly indicated the skills and competences of immediate and direct benefit. Having this

⁷⁴ Recommendation submitted during the public consultation, April 2016.

⁷⁵ This recommendation equally applies to “How”.

in mind, to do effective and accurate mapping and processing of the answers received,⁷⁶ the latter have been categorised into 3 capacity building dimensions: internal, external and programme performance. Each dimension has its sub-dimensions:

1. Internal dimensions: organisational capacity and financial sustainability,
2. External dimensions: service provision, networking, and advocacy,
3. Programme performance: projects implementation.

Internal dimensions Organisational capacity		
<i>Direction/skills and competences</i>	<i>N</i>	<i>%</i>
Human resources	14	10
Technical assets	14	10
Communications and public relations	12	9
Strategic planning	11	8
Team work	10	7
Innovation and creativity	7	5
Use of technologies and social networks	7	5
Organisational management	7	5
Research	4	3
Analytical skills	4	3
Other ⁷⁷	27	19

Table 7: Capacity development directions CSOs are most interested in: Organisational capacity - Q34

Internal dimensions Financial sustainability		
<i>Direction/skills and competences</i>	<i>N</i>	<i>%</i>
Fundraising	29	21
Entrepreneurship	12	9
Marketing and Management	6	4
Financial stability and development	6	4
Budgeting	5	3
Procurement of donors	5	3
Other ⁷⁸	12	9

Table 8: Capacity development directions CSOs are most interested in: Financial sustainability - Q34

⁷⁶ Maximum 10 answers are presented only. “No answer” accounts for 14. While processing, answers have been filtered and those which mention “All directions” without further specification, or else, list capacity building activities, general fields CSOs are interested in, not related to capacity building have been sorted out and considered as not applicable.

⁷⁷ “Other” includes: organisational skills, institutional development, professional development, negotiation skills, English language, volunteer recruitment, etc.

⁷⁸ “Other” includes: accounting, accountability, financial management, financial resources, etc.

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External dimensions Service provision, Networking, Advocacy		
Direction/skills and competences	N	%
Coalitions and networks	17	12
Advocacy	13	9
Local and international cooperation	7	5
CSOs legislation	6	4
Public image	6	4
Quality and innovative services	3	2
Other ⁷⁹	13	9

Table 9: Capacity development directions CSOs are most interested in: Service provision, Networking and Advocacy - Q34

Programme performance Projects implementation		
Direction/skills and competences	N	%
Project development	14	10
Project management	9	6
Monitoring and Evaluation	4	3
EU project management	4	3

Table 10: Capacity development directions CSOs are most interested in: Programme performance - Q34

On the basis of the above-mentioned data, a further comparison can be made among the capacity building directions CSOs are most interested in. Obviously, fundraising is the most popular field (21%) being quite far ahead of other directions which are more or less evenly distributed. On the other hand, this figure also prompts that if one makes a cross-dimensional comparison, the internal dimensions, including organisational capacity and financial sustainability, seem to be the most demanded capacity building dimensions.

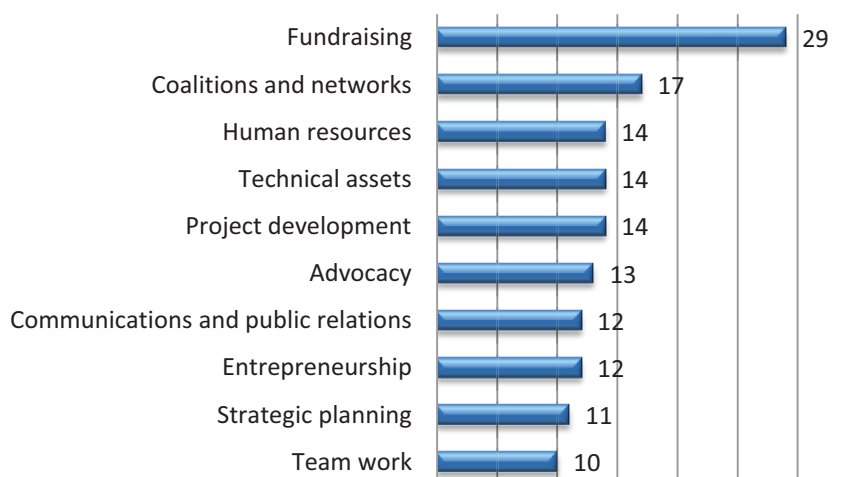


Figure 38: Capacity building directions (N) - Q34

⁷⁹ “Other” includes: cooperation with the public and beneficiaries, cooperation with businesses, cooperation with Government, paid services including consultancy, external relations, etc.

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To obtain further information on capacity building needs and be able to validate the findings obtained through other questions, it was also proposed to CSOs to do a little capacity building ‘shopping’. They were given 100 points to buy 5 different packs of knowledge, skills and competences. This exercise helped to derive the priority knowledge, skills and competences CSOs are interested in. Details are shown in the figure below.



Figure 39: Packs of knowledge, skills and competences (N) - Q35

The priority knowledge, skills and competences packages are those of:

- Fundraising (63% of CSOs),
- EU project management (50% of CSOs), and
- External relations, communication skills (45% of CSOs).

Figures below are a detailed representation of capacity building needs identified by surveyed CSOs based on Question 35. The needs have been categorised in accordance with the development levels and geographical subdivision of CSOs.

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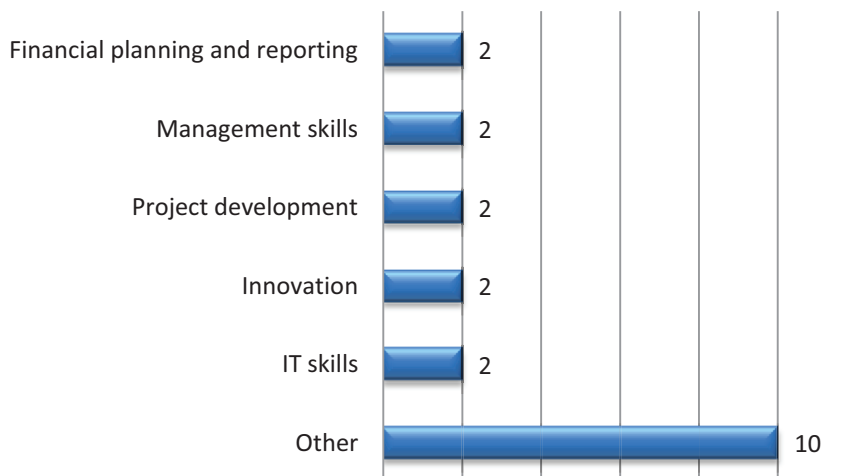


Figure 40: Capacity building needs of CSOs (N) in Yerevan (Development Level 1)

Figure 40 gives a picture of the needs of Yerevan based CSOs (4 CSOs) that are in “Birth” stage of development. An interesting note is that “Fundraising”, being in the first lines of needs while assessing overall needs of all CSOs (without specific divisions), has not been mentioned by this category of organisations. It can be assumed that either CSOs at this stage do not give importance to financial stability or else, “Financial planning and reporting” has been perceived as a means to ensure financial sustainability.



Figure 41: Capacity building needs of CSOs (N) in marzes (Development Level 1)

As for the first five priority needs of “Birth” level CSOs from marzes (7 CSOs), they are totally different from the same level Yerevan-based CSOs. On the other hand, they go in parallel with the overall needs of all CSOs with small variations in their sequences.

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Figure 42: Capacity building needs of CSOs (N) in Yerevan (Development Level 2)



Figure 43: Capacity building needs of CSOs (N) in marzes (Development Level 2)

Another interesting representation of needs relates to the “Adolescent” level CSOs with differences from Yerevan-based (9) and marz-based (30) CSOs, which are shown in the figures above. There are only two coincidences in their first five priority needs, which are “Fundraising” and “External relations, communication skills”. For CSOs from Yerevan the latter is at the top of needs, and for marz-based CSOs “Project development” is in the first line, followed by “Fundraising”. Yerevan-based CSOs give more importance to “Marketing” and “Innovation”, leading to the conclusion that they aim to get into income-generating activities (social entrepreneurship), thus gaining financial stability.

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Figure 44: Capacity building needs of CSOs (N) in Yerevan (Development Level 3)



Figure 45: Capacity building needs of CSOs (N) in marzes (Development Level 3)

The figures above show the needs of “Consolidation” level CSOs both from Yerevan (34) and marzes (38). There is almost equal distribution of CSOs in terms of geography, and the needs are also similarly shared giving more priority to “Fundraising”, “External relations, communication skills”, “EU project management” and “Project management”.

As for the CSOs in the top level of development (“Prime” level), which comprise 17 CSOs from both Yerevan (9) and marzes (8), again, “Fundraising”, “EU project management” and “Strategic planning” are in the first lines of priorities of needs.

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Figure 46: Capacity building needs of CSOs (N) in Yerevan (Development Level 4)



Figure 47: Capacity building needs of CSOs (N) in marzes (Development Level 4)

Furthermore, based on the answers provided in Question 35, the capacity needs of surveyed CSOs have been categorised by several dimensions: years of operation, geographical coverage and type of activities.

As for the years of operation of the organisation, capacity needs have been identified according to the following distribution: 0-4, 5-10 and 10+ years. The tables below provide detailed information on the respective capacity needs as per each range. The results for all three ranges are by and large the same: “Fundraising”, “Project management (EU)” and “External relations, communication skills” being among top priorities.

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Years of operation (0-4 years for a total of 30 organisations)		
Identified capacity needs	N	%
Fundraising	16	53
External relations, communication skills	15	50
EU project management	14	47
Project development	13	43
Expertise training	12	40
Innovation	9	30
Strategic planning	8	27
Entrepreneurship	7	23
Project management	6	20
Budget	6	20
Organisational skills	5	17
Other ⁸⁰	8	26

Table 11: Capacity building needs of CSOs with 0-4 years of operation

Years of operation (5-10 years for a total of 33 organisations)		
Identified capacity needs	N	%
Fundraising	20	61
Project development	19	58
External relations, communication skills	15	45
EU project management	13	39
Entrepreneurship	11	33
HR management	10	30
Innovation	10	30
Strategic planning	9	27
Project management	7	21
Negotiation skills	7	21
Other ⁸¹	8	24

Table 12: Capacity building needs of CSOs with 5-10 years of operation

⁸⁰ “Other” includes: Budget, Financial planning and reporting, CSOs legislation, Beneficiary oriented activities, HR management, Management skills, Team work, Accounting, Marketing, IT skills, Presentation skills, Negotiation skills, Work related correspondence.

⁸¹ “Other” includes: Team work, Financial planning and reporting, Expertise training, Budget, Beneficiary oriented activities, Accounting, Management skills, Presentation skills, Organisational skills, Marketing, IT skills, CSOs legislation, Work related correspondence.

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Years of operation (10+ years for a total of 76 organisations)		
Identified capacity needs	N	%
Fundraising	52	68
EU project management	43	56
External relations, communication skills	32	42
Project development	29	38
Strategic planning	28	37
Entrepreneurship	26	34
Innovation	19	25
Expertise training	15	20
Financial planning and reporting	14	18
Other ⁸²	24	31

Table 13: Capacity building needs of CSOs with 10+ years of operation

Similarly, an attempt has been made to identify the capacity needs of CSOs according to their geographical coverage (based in Yerevan and marzes). The figures below provide a general picture on their needs. Interestingly, marz-based CSOs have referred more to capacity needs related to the financial aspects, including “Fundraising”, “Entrepreneurship”, “Financial planning and reporting”, and “Budget”. “Project management (EU)” and “Fundraising” are again the top priorities for surveyed CSOs based both in marzes and Yerevan.



Figure 48: Capacity building needs of 83 CSOs based in marzes (%)

⁸² “Other” includes: Budget, Beneficiary oriented activities, Negotiation skills, Project management, HR management, Team work, IT skills, Accounting, Marketing, Management skills, Organisational skills, CSOs legislation, Work related correspondence, Presentation skills.

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Figure 49: Capacity building needs of 56 CSOs based in Yerevan (%)

Finally, CSOs capacity needs have been categorised according to the type of activities they are involved in. For this specific case two main categories have been selected: service providing CSOs and CSOs engaged in advocacy, policy issues and research. Again, an interesting pattern surfaces showing that service providing CSOs have more capacity needs relating to their financial viability. “Fundraising” and “Project management (EU)” are among the most prioritised needs in this category as well.



Figure 50: Capacity building needs of 83 service providing CSOs (%)

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Figure 51: Capacity building needs of 56 CSOs engaged in advocacy, policy issues and research (%)

As for the Level 2 of *What*, it did not come up frequently during the in-depth interviews and field visits.⁸³ During those visits the challenge of change and evolution, as well as the weak interconnection between different sections of organisations has been often raised. This may also apply to relatively advanced CSOs. There are some clear opportunities to help the Consolidation stage CSOs to move towards the Prime stage, mainly by using professional technical assistance.

Highlights:

When it comes to capacity building needs, efforts should target the following directions:

- **Financial stability is an area which CSOs prioritise** and indicate as a critical need for improvement of their capacities, be it through fundraising, procurement of additional financial resources, setting up a social enterprise or boosting the already established ones, or self-financing through membership fees, or any other ways. The significance of financial sustainability along with the diversification of sources of funding has been often pointed out during the in-depth interviews and focus group discussions as well. CSOs are not financially sustainable, but more than that, they lack knowledge and skills, and sometimes willingness to generate additional financial resources (other than the ones allocated by international donors). Therefore, irrespective of the format of capacity building interventions, they should absolutely cover the range of capacities pertaining to broadly defined financial sustainability.
- **Professional development** in a vast array of fields is one of the major needs identified by CSOs. There is a clear need to improve the professionalism of civil society representatives, being it in core competencies or expertise.⁸⁴ Therefore, it is critical to continue providing sectorial knowledge in terms of services, social work, cooperation with businesses and local self-government, human resources, communication and public relations, project design and implementation, and other priority fields identified through

⁸³ Field visits to marzes (South, North, Centre), November 2015.

⁸⁴ In-depth interview with the representative of KASA Swiss Humanitarian Foundation, December 2015.

the assessment.

- Organisational development for Consolidation stage CSOs (majority of CSOs in Armenia) is considered as the next level of capacity building required to help them move to their Prime stage (Level 2 capacity building).
- As for external capacities, strengthening of cooperation with various stakeholders (state institutions, media, donors, other CSOs, beneficiaries, and businesses) has been indicated as a must by both the majority of CSOs and field experts, and further confirmed by the public consultation. CSOs lack capacities to interact with other stakeholders but, more importantly, sometimes they are not willing to do so. The CSO world seems to be somehow closed and isolated: they work predominantly for and with one another, meantime the inter-sectorial links tend to be still quite weak, and meaningful exchange opportunities and collaboration practices fairly limited. Especially, the interaction with beneficiaries is weak. CSOs tend to communicate less with their constituencies and the public at large, which is, *inter alia*, probably one of the causes of the low level of public trust and credibility towards the sector.

Needless to say, this issue should be listed among capacity building needs priorities. Efforts should be directed toward: (i) enhancing the whole social ecosystem where all parties are engaged in cooperation, (ii) creating the opportunities of constructive networking, (iii) building both sectorial and cross-sectorial networks and coalitions, and (iv) building the overall external capacities of CSOs, to help them open up to the outside world (Level 3 capacity building).

4.6.4 How?

Recent trends and developments in the field of capacity building suggest that there is an increasingly growing need to constantly upgrade and redefine capacity building approaches, methods and techniques. Capacity building as such is composed of a vast array of tools and methods among them the most widespread ones being consultancy, trainings, study visits, coaching and mentoring, peer counselling, on-the-job training, in-house training, etc. Trainings are still, beyond question, considered as the most preferred mode of capacity building.

Nevertheless, given the developments in the sector and the fact that capacity building tools should be viewed in the broader context, as part of the overall process, rather than a stand-alone component, a certain shift is required toward: (i) more periodic inputs, (ii) working with individuals and teams while having the development of the whole organisation in mind, (iii) building on the history and considering the future when making changes, (iv) thinking about sustainable and long term methods, and finally, (v) acknowledging the need of working both on “hard” and “soft” issues.⁸⁵

⁸⁵ Rick James and John Hailey, *op. cit.*, note 71, pp. 43-44.

When it comes down to the methods and techniques of capacity building used so far, experts referred most often to those relating to Level 1, i.e. trainings, including Training of Trainers, workshops with a special focus on advocacy, consulting, etc.

As indicated by one of the interlocutors, the success of conducted trainings and workshops was mainly associated with the fact that they were delivered locally in marzes, which meant that participants were not obliged to travel to Yerevan. Moreover, this was one of the first attempts to prepare local, marz-based trainers who could serve as a resource to further develop trainings at the marz level.⁸⁶ In general, good practice demonstrates that the potential of local capacity building providers should be always considered, provided they are quality professionals who have the required skills and competences. Besides that, they are valuable as they know the local context and are more likely to be available for follow-up work and long-term commitments. Of course, this does not suggest in any way that professionals from distance, including foreign ones should be ruled out. The latter are always an added-value since they bring an external perspective, innovation, personal experience on the subject, and most importantly, the knowledge that could not be found at the local or national level.⁸⁷

With reference to methods and techniques, it is noteworthy that consultancy, especially on organisational issues, is another important *How* identified by practitioners. It has been provided either on site, in the offices of CSOs, or else, the latter have visited the office of the organisation providing the consultancy. As experts state, the on-site visits proved to be more effective.

To guarantee the quality control of *How*, the most widespread practice is the assessment of the quality of trainers and the training through questionnaires. In addition, in case there was a sub-granting component in the capacity building action, a separate individual assessment of the organisation was conducted to check to what extent the organisation has made use of the acquired knowledge and skills in the following spheres: strategic management, governance, financial stability, human resources, external relations, services, material and technical resources, information and communication.

If one was to ask CSOs what their preferred capacity building activity is nowadays, one would get the findings below, which are indeed very “conservative”.⁸⁸

⁸⁶ In-depth interview with the representative of Partnership and Teaching NGO, December 2015.

⁸⁷ Rick James and John Hailey, *op. cit.*, note 71, pp. 47-48.

⁸⁸ (i) Top 11 answers, (ii) Office space, furniture, transportation means, fuels, salaries, renovation (iii) Not applicable: 13% of CSOs have provided answers which do not relate to capacity building. Most of them cover capacity building skills and competences and therefore, have not been considered as valid answers.



Figure 52: Useful capacity building activity (N) - Q33

As shown in the above figure, most surveyed CSOs (63%) mentioned trainings, seminars and similar activities as the most useful capacity building activity for them. The 2nd activity in demand is “Cooperation and exchange of experience” (32%). Interestingly, many CSOs have mentioned that they also need technical assets and financial resources to carry out their activities (19%). As many as 21% of them believe that a decent and renovated office space, availability of furniture, salaries for staff, as well as transportation means and fuel will be useful to build their capacities.

What is worth mentioning is the fact that many field experts and practitioners have indicated that there is certain fatigue among civil society representatives from trainings and workshops. As mentioned by one of the experts, “[t]here is obviously some capacity in the sector. This is the sector that is open to try new approaches”.⁸⁹ Still, according to the numbers obtained through this specific needs assessment - trainings and workshops are still recognised as useful activities.

Last but not least, one can observe that “Networking”, “Coaching and mentoring”, as well as “Practical assignments”, are not very popular among CSOs, and are recognised as useful activities only by a few organisations.

Highlights:

Capacity building methods, tools and techniques should be improved in the following ways:

- Generally, while selecting any capacity building tools, one should bear in mind that they should be **comprehensive and responsive to needs**: (i) whatever the activities are, they should be complementary and mutually reinforcing, (ii) they should be always designed in accordance with the specifics of the local context and take into consideration the CSOs

⁸⁹ In-depth interview with the representative of USAID Armenia, December 2015.

geographical location (relevant for delivering capacity building activities locally to the extent possible), (iii) should be always built on the respective *What-s* and *Who-s*, (iv) should be systematic, rather than ad hoc, and, finally, (v) should respond best to the objective of a certain capacity building dimension (internal, external, programme performance).

- Despite the fact that the training fatigue came up very often during the assessment interviews, **trainings are still needed**. It goes without saying that an innovative and creative breath is a prerequisite for productive and efficient trainings. It is important to also ensure the continuity between trainings which will increase the effectiveness of the learning and change processes, by ultimately influencing positively the impact of capacity building at large. An example to ensure the continuity of trainings is to incorporate practical assignments as in-between or follow-up activities. Practical application of new skills in the organisational structures and processes is another way of linking training to real life of CSOs.
- **Capacity building tools and methods need to be diversified**. They can be, but are in no way limited to the following, whether for individuals or organisations: coaching and mentoring, peer exchanges, expert knowledge transfer through various means, retreats, consultancy (management consultancy support and pro-bono consultancy), online support, job shadowing, etc. In addition, one of the innovative methods highlighted during the public consultation was Edutainment (Education + Entertainment) which is composed of a teaching programme consisting of games, films or shows.
- Taking into consideration the fact that not much has been done in terms of **enhancing the external capacities** of CSOs, and such needs also surfaced during the assessment, respective capacity building tools should be put in place. There is need for a participatory platform (or making existing platforms more participatory) which will bring together stakeholders from different sectors and will promote the cooperation practices among them.⁹⁰ More specifically, this need can be addressed through different networking events, establishment of a special group composed of thematic specialists (e.g. journalists and media experts) who will provide consultancy and on-the-job training to CSOs, etc. To involve more the ecosystem in this process, an option could be to create a group consisting of pro-active and respected citizens outside of the CSO sector who will be the CSOs advocates in marzes and Yerevan. They could raise awareness about CSOs activities in their respective communities and work closely with CSOs to enhance their credibility through direct interactions with the general public.
- **Local good quality human resource potential** should be always and primarily used, and foreign capacity building providers to bring added-value to capacity building interventions should be considered, mostly through expert knowledge transfer and consultancy.

⁹⁰ Statement made during the public consultation, April 2016.

5 Way Forward

5.1 CSOs Mapping

The assessment provided a well-grounded picture of the current state of development of CSOs in Armenia. While one cannot claim it is fully representative of all organisations and all their peculiarities, given the high proportion of respondents to the survey (139 CSOs to estimated active - 220), it should be considered reliable in terms of reflecting the real situation.

The below map of CSOs shows the different positions attained by them, considering their level of institutional development with localisation and dominant typology (service provision or advocacy). This map can be considered a good starting point for any capacity building support to CSOs in Armenia in general, and by the project “STRONG Civil Society Organisations for Stronger Armenia” in particular. It is beyond discussion that capacity building interventions need to respond both to the thematic needs of CSOs, and at the same time correspond to their development levels. In other words, capacity building programmes need to be tailored in terms of theme and scope but also in terms of beneficiaries’ situation. Understanding the development situation of CSOs in Armenia provides the necessary background for responsive and tailored capacity building support.

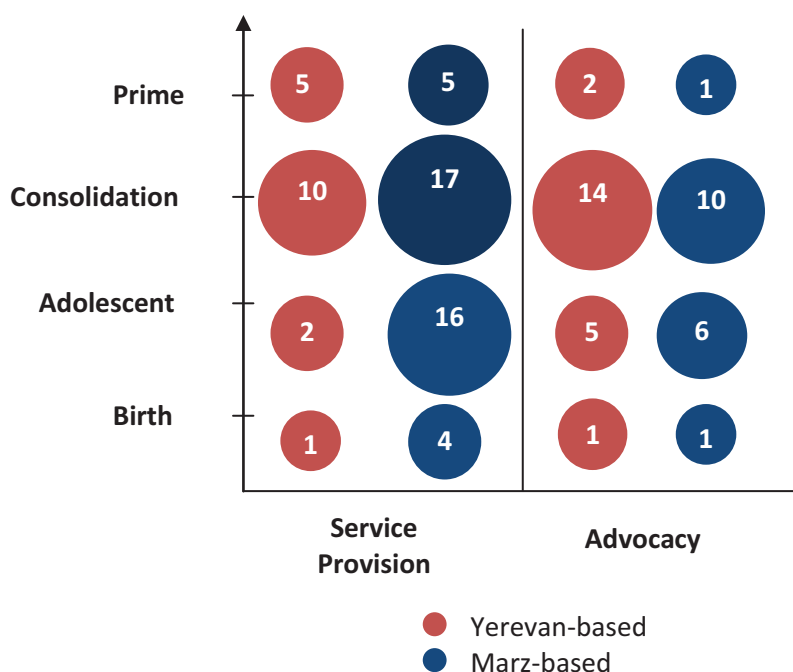


Figure 53: CSOs distribution based on development levels, main type of activities and geographical coverage, N=139, (%)

5.2 Prioritisation of Needs and Capacity Building Responses by Project “STRONG CSOs”

Within the framework of the project “STRONG Civil Society Organisations for Stronger Armenia”, capacity building activities need to focus on securing significant, positive and practical changes in CSOs capacities, and should be highly responsive to the capacity needs and gaps identified through this needs assessment. Furthermore, this paper constituting a thorough review of the existing capacity gaps, needs and preferences, can serve as a basis for formulation of other interventions in the sector, which come next. Without claiming that the assessment answers all questions and gives a full picture of the development and capacity needs of CSOs in Armenia, it is considered a robust source of contextualised information, findings and recommendations for CSOs support programmes.

With respect to the next steps by the project “STRONG Civil Society Organisations for Stronger Armenia”, the immediate benefit of the study is that it provides a clear indication of the strongest needs among CSOs, on which capacity building activities should be detailed, prioritised, and implemented.

The snapshot below represents specific capacity building needs of surveyed CSOs according to CSOs development levels, geographical coverage, and type of activities. Capacity building needs are diverse among CSOs; however, as the assessment indicated, there are some key common priority areas.

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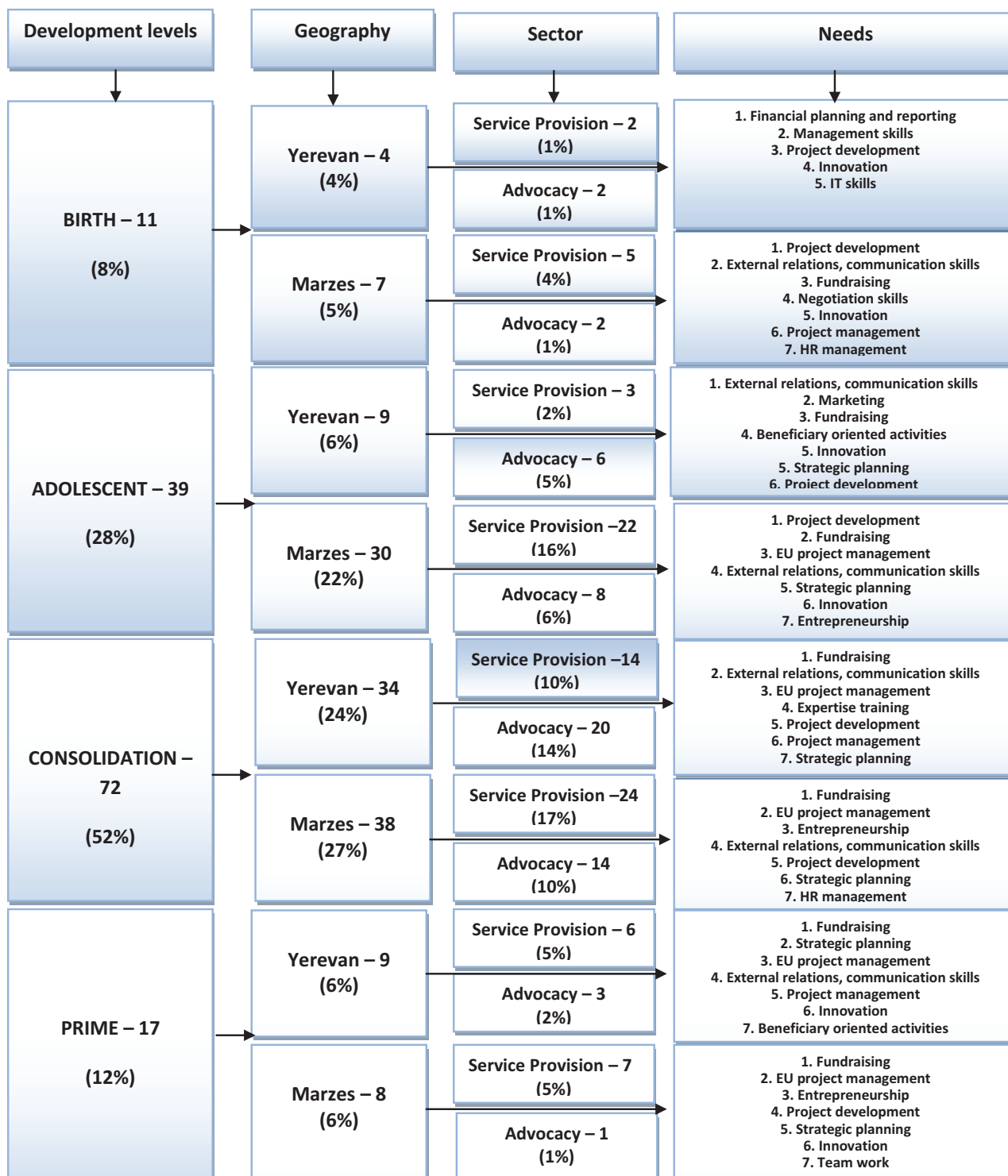


Figure 54: Capacity building needs on the basis of the survey (N, %)

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The above-differentiated needs, assigned to various categories of CSOs, already provide a good indication of what is needed and where there is a high demand from CSOs for capacity support. However, a more precise ranking of capacity building needs among the whole population of CSOs is required. To do so, answers provided to three survey questions (Q34-Q36) have been combined, and a cumulative demand estimated on this basis.

The figure below represents capacity building needs identified by surveyed CSOs which they declare as priority and are most interested in - different packs of knowledge, skills and competences, as well as key areas of improvement.

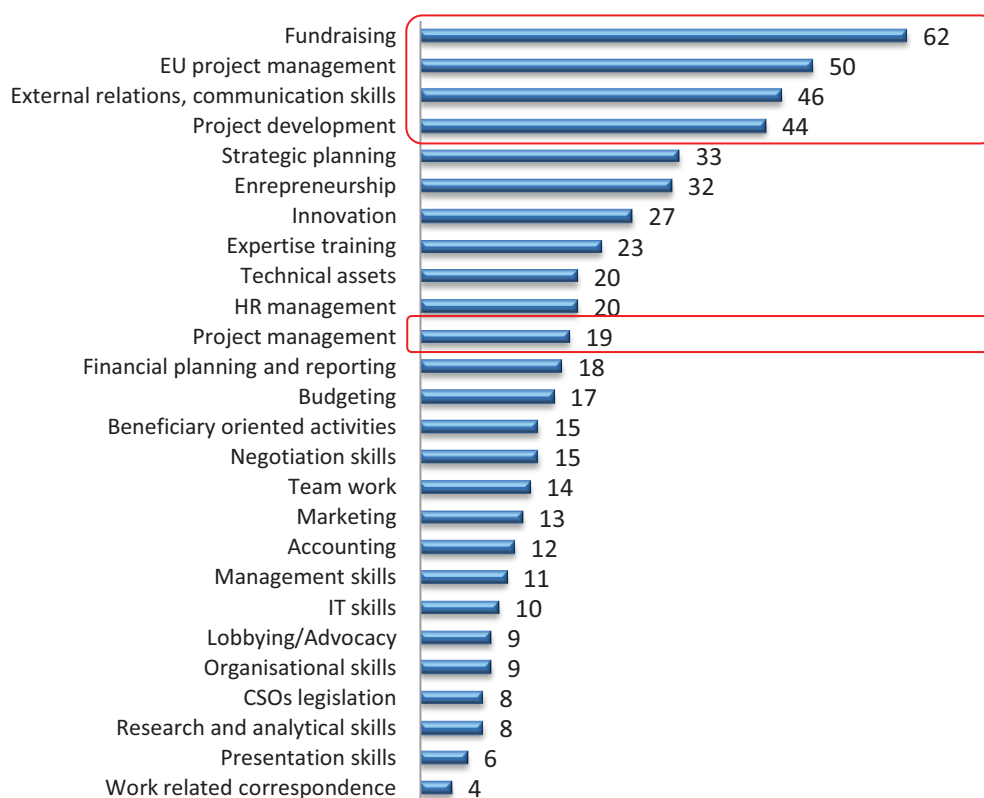


Figure 55: Capacity building needs of surveyed CSOs (%) - Q34-Q36 combined

Capacity building response by the project “STRONG Civil Society Organisations for Stronger Armenia” should closely follow the beneficiaries’ needs and preferences. It is considered appropriate to first satisfy the capacity needs which are in high demand, and impact most CSOs, and then gradually enter into other areas of concern. To do that, the project will develop capacity development components according to the ranking of demand presented above.

Priority thematic areas, where demand exceeds or almost reaches 50% of the respondent CSOs, are:

- Fundraising
- EU project management
- External relations, communication skills

- Project development

Secondary thematic areas, where demand exceeds 25% of the respondent CSOs, are:

- Strategic planning
- Entrepreneurship
- Innovation

Tertiary thematic areas, where demand is expressed by about 20% of the respondent CSOs, are:⁹¹

- Expertise training (various specialised topics)
- HR management
- Financial planning and reporting

Other capacity areas are less in demand and can be considered of interest to low numbers of CSOs. However, some of these needs (Budgeting, Beneficiary oriented activities, Negotiation skills, Team work, Management skills, Lobbying/Advocacy, CSOs legislation) are part of the indicated thematic areas and therefore will be covered within respective capacity building activities. The remaining needs can only be considered if all others are already addressed or there are specific developments which call for narrow/specialised assistance to CSOs, e.g. the expected changes in relevant legislation.

Clearly, considering the interrelated nature and contents of the topics - Project development (44%) and Project management (19%) - a single capacity building component can be formulated: Project management. In that sense, **the list of top priorities identified through the study (stemming from the survey and further supported by other assessment methods: in-depth interviews and focus group discussions), becomes the following:**

- **Project management,**
- **EU project management,**
- **Fundraising,**
- **External relations and communication skills.**

The outlines of the identified capacity building programmes considered as priorities for CSOs in Armenia, are provided below:

1. Project management

This capacity building programme is dedicated to developing practical skills in project development, acquisition and implementation. It is directly related to and will be fully integrated with the Work Package 1 ‘Building internal capacities’ of the project “STRONG CSOs”. Important linkages will be made to priority theme ‘EU Project management’ (Work Package 3 ‘Learning by Doing’: Managing EU projects, described below), where appropriate. The main elements of the programme are:

⁹¹ Need for “Technical assets” (office space, office furniture, technical equipment, transportation means, etc.) has been mentioned by 20% of surveyed CSOs. However, the capacity building programme of the project does not address this type of needs; therefore, it has not been included in the thematic areas.

- Project concept development – project ideas scanning; ensuring project concept relevance to target groups’ needs, strategic developments and funding sources; introducing added value by projects; integration of needs and intervention response (logical framework); building project partnerships; etc.
- Project proposal development – project feasibility analysis and building-in effectiveness; project sustainability analysis and replication prospects; project proposal formulation and presentation; searching and matching funding opportunities; etc.
- Project implementation – contracting and initiation processes; execution of project activities; management harmonising content, timelines, budget and quality; monitoring and evaluation, including reporting functions, project information management systems, project closure processes; etc.

2. EU project management

This capacity building programme is dedicated to developing practical skills in programming, tender writing, project implementation and evaluation. It is directly related to and will be fully integrated with the Work Package 3 ‘Learning by Doing’: Managing EU projects of the project “STRONG CSOs”, containing also a sub-grant scheme in support of the practical competences covering the whole project management cycle. The main elements of the programme are:

- EU project management – theory and practice of project management, EU funding channels and instruments, specifics of EU project management, programming, planning and managing a project, building a consortium, writing projects proposal, financial management of the project, monitoring and evaluation, reporting, EU visibility guidelines, and project implementation.

3. Fundraising

This capacity building programme is dedicated to developing practical skills in identification, attraction and management of funding sources, broadly covering donors’ funds, income-generating activities, and membership-based incomes. It is directly related to and will be fully integrated with the Work Package 2 ‘Building external capacities’ of the project “STRONG CSOs”. The main elements of the programme are:

- Fundraising strategy development – nature and process of fundraising, organisation’s fundraising strategy, different types of funders and their needs, identification of possible funders, fundraising planning, action plan, means to diversify funding base,
- Fundraising strategy implementation – exercising the fundraising action plan, donor management, making connections and networks with potential donors (Government, corporate, trusts and foundations, NGO networks, individuals), finding donors (mapping the donors), writing funding proposals, filling in funding enquiry, reporting to funders, etc.

4. External relations and communication skills

This capacity building programme is dedicated to developing practical skills in managing external relations and communication of CSOs with different categories of stakeholders (final beneficiaries, potential and current donors, organisation members, public bodies, other CSOs, media, etc.). It is

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directly related to and will be fully integrated with the Work Package 2 ‘Building external capacities’ of the project “STRONG CSOs”. The main elements of the programme are:

- Communication skills – internal and external communication, development of a communication strategy (purpose, main components, target audiences), communication tools/channels (relevance for each target audience, characteristics, pros and cons), key message development, public relations and outreach (differences and peculiarities), campaigning (examples, success factors, campaign cycle), influencing through communications, work with media, effective visibility, development and dissemination of promotional materials, branding, etc.
- External relations – partnership building and networking, lobbying and advocacy, policy cycles, public participation and oversight, community mapping, effective stakeholders dialogue, community engagement, development of purposeful and effective collaboration with different stakeholders including Government, media, private sector, beneficiaries, donors, other CSOs, etc.

Priority needs (project management, EU project management, fundraising, external relations and communication skills) will be satisfied through the priority (early) capacity building programmes. Secondary needs (strategic planning, entrepreneurship, and innovation) and tertiary needs (expertise training on various specialised topics, HR management, and financial planning and reporting) will be satisfied by capacity building programmes developed at a later stage.

Any changes in the currently defined situation, socio-economic and policy contexts of CSOs will be monitored to make sure any new or immediate needs can also be covered by ad hoc capacity building support elements (dedicated specialised trainings, peer to peer exchanges, round tables, etc.).

5.3 Responses to Identified Needs by Project “STRONG CSOs”

Capacity building is a complex, multi-dimensional and evolving process whose ultimate aim is to entail change, be it at the individual, organisational or ecosystem levels. One should acknowledge that capacity building is always about people: it is *for* people, *with* people and *for the sake of* people.

Capacity building should be always treated in its entirety, i.e. capacity building providers should be constantly driven by the fact that capacity building works best when the interconnection between and interdependence of all its elements (*Who*, *What* and *How*) is ensured. Furthermore, capacity building is a two-way learning and growing process where targets are given the chance to shape their own learning and feel the ownership and responsibility for it. Other than this, *Who*-s need to understand they are first and foremost the drivers and “makers” of their own change.

As a process, capacity building needs to be innovative, inclusive, participatory, and most of all, inspiring. One should realise that capacity building is not only about building competences, but also building confidence and investing into people’s emotional intelligence in the first place. It is undoubtedly the combination of all the above-mentioned factors and synergies between them that make the overall capacity building process effective, efficient and sustainable.

The suggested capacity building programme of the project “STRONG CSOs” is designed under three work packages indicated in the project document:

- Work Package 1 (WP1) – Building Internal Capacities,
- Work Package 2 (WP2) – Building External Capacities, and
- Work Package 3 (WP3) – Learning by Doing: Managing EU projects.

Additionally, the designed programme is directly linked to the capacity building model (*Who*, *What*, *How*) mentioned in Sub-chapter 4.6: Capacity Building Needs.

The respective elements of the final version of the capacity building programme have been developed based on the current needs assessment findings. To ensure a tailored approach to capacity building of CSOs, the following detailed categorisation of *Who*-s has been done:

Organisational level

- CSOs at different development stages,
- CSOs located in Yerevan and marzes,
- CSOs working in different sectors (service provision and advocacy).

Individual level

- CSOs leaders,
- CSOs staff members.

Capacity building activities will be designed and delivered taking into account the specificities of different *Who*-s and their respective needs.

As for *What*, it covers specific needs identified directly by CSOs, as well as according to their level of development, years of operation, geographical coverage and main type of activities. *What* is composed of:

- Specific knowledge and skills,
- Need-based additional ongoing support,
- Organisational actualisation,
- Expert support on specific subjects.

Finally, *How* covers the capacity building methods and tools which will be used throughout the capacity building programme:

- Trainings which will be designed in a creative and innovative manner and will be aimed at building competence and confidence among participants,
- Coaching, individual and/or institutional advice,
- Round tables or similar events (discussion forums and civic dialogue meetings),
- Pro-bono experts.

Below is a summary of recommendations on how to organise capacity building activities:

Content: Should be organised into a set of training modules with each module taught in succession.

Participants: There will be separate and joint courses for CSOs leaders/top management and staff members. The number of participants will be 20-25 for each training session to ensure that the participants thoroughly comprehend the knowledge and skills taught. All the trainings will be coordinated accordingly to ensure the best outcome for the entire course.

Timeframe: All trainings will be limited to 1-5 day sessions, depending on the topic and identified needs, and normally delivered within comprehensive thematic capacity building programmes.

Venue: Should be organised locally, including North, South and Central hubs, to ensure easy access for participants.

Methodology: Before starting capacity building activities there should be pre-module skills assessment – pre-test of knowledge of participants. During training modules relevant hands-on exercises, group discussions, case studies, online reading and/or home assignments should be included in programme agendas, and best practices should be shared. Training materials will be compiled based on the content relevant to Armenian CSOs. A post-module skills assessment will be conducted at the end of the programme.

Below is a summary of the capacity building programme designed on the basis of the project work packages and the adapted capacity building model of *Who*, *What* and *How*.

Work Package 1- Building Internal Capacities

The objective of Work Package 1 is to significantly increase internal organisational capacities (skills, competences, organisational changes implemented) of CSOs. Capacities will be measured by skills pre- and post- tests and documented organisational changes.

The WP1 will target 100 CSOs from different sectors and will focus on improving their internal organisational capacities, by providing tailored trainings on: 1) Project development, 2) Project management, 3) Strategic planning, 4) Entrepreneurship, 5) Innovation, 6) Expertise training, 7) HR management, 8) Financial planning and reporting, 9) Marketing, 10) Management skills, 11) Team work.

The training modules mentioned above are directly linked to the capacity building needs identified by the assessment and will cover single subjects, several subjects or part of subjects as appropriate. The facilitators will be selected experts – qualified academics, practitioners or sector experts. Out of 100 CSOs that participate in training modules, 50 CSOs (those who express the need for additional ongoing support) will continue to develop capacities through the need-based institutional advice and coaching.

Work Package 2- Building External Capacities

The objective of Work Package 2 is to empower CSOs through strong networks and favourable administrative environment, as well as provide tools to build CSOs external capacities.

Fifty CSOs, more specifically their leaders and staff members, will take part in the capacity building activities under this package. Other stakeholders, among them representatives of relevant societal segments, key practitioners of respective sectors, pro-bono consultants and key public institutions/public servants will be engaged in different stages and activities of WP2. The identified 50 CSOs will be enrolled in trainings according to their respective capacity building needs. It is noteworthy that 63% of surveyed CSOs consider “Trainings, seminars, workshops and conferences” as useful capacity building methods. This finding is fully in line with the methods selected by the project “STRONG CSOs”.

The training modules will cover the following thematic areas: Fundraising, External relations, communication skills, Beneficiary oriented activities, and Negotiation skills which are directly related to and will be fully integrated within WP2 ‘Building external capacities’.

In addition to trainings, 25 CSOs (leaders and staff) out of 50 will receive need-based additional ongoing support on external relations. According to the needs assessment results, “Coaching and mentoring” is mentioned as a useful capacity building activity by 6% of surveyed CSOs, whereas 8% consider “Consultancy and individual work with the organisation” as a useful tool to build their capacities. This need in terms of the format of capacity building activities is fully addressed by the project “STRONG CSOs” under “Ongoing support (coaching, individual and/or institutional advice)”. To deliver this support facilitators will be assigned to provide knowledge, guidance and

institutional advice to the selected CSOs on specific needs related to their external capacities. This element, among others, will help build on the knowledge and skills acquired throughout the WP2, facilitate the process of organisational change and ease the transition from one development level to the other.

In addition, under this WP 50 CSOs, mainly leaders of the organisations will be given the opportunity to take part in round tables or similar events (discussion forums and civic dialogue meetings) which aim at facilitating the collaboration among CSOs to find solutions to common challenges and creating effective networks between the different actors/stakeholders of the social ecosystem.

Last but not least, in order to facilitate the knowledge and expertise transfer, as well as promote meaningful sectorial cooperation, 25 CSOs (leaders, staff) will receive tailored support on specific subjects from 25 pro-bono experts who can be, but are not limited to, accountants/procurement specialists, marketing/advertisement experts, lawyers, media experts/journalists, IT experts, project managers in different fields, etc. The provided assistance will be based on the needs identified by CSOs.

Work Package 3- Learning by Doing: Managing EU Projects

“Learning by Doing” package of the project is an advanced version of “Building internal capacity” and “Building external capacity” components focused on project management. The package will include training sessions, coaching and institutional advice, and round tables. Training sessions target 45-60 CSOs and will be designed for both leaders and staff of the CSOs. The beneficiaries will participate in EU project management training programme which was identified as the second priority of CSOs needs based on the assessment.

In addition, working round tables, discussion forums, civic dialogue meetings will be organised to support the training and also the implementation of sub-granted projects to give a floor for knowledge transfer and thematic discussions (3 groups, 20-25 persons each). Ongoing support will also be available in terms of coaching, individual/institutional advice to 17-25 CSOs. Assistance will be provided on continued and ad hoc bases in close connection to identified risks, capacity gaps and requests by the beneficiary CSOs.

Table 14 on the next page provides additional details of relationships between WPs of “STRONG CSOs” project and the *Who, What* and *How* model.

The above capacity needs analysis shows a close match of the initial design of the project “STRONG CSOs” with real needs of CSOs in Armenia. The proposed way forward provides a solid ground for highly relevant and needs-driven capacity support.

WP1-Building Internal Capacities		WP2-Building External Capacities		WP3-Learning by Doing: Managing EU Projects	
WHO	WHAT	HOW	WHO	WHAT	HOW
100 CSOs (Leaders, Staff)	Knowledge and skills on: Project management, Project development, Strategic planning, Entrepreneurship, Innovation, Expertise training, HR management, Financial planning and reporting, Marketing, Management skills, Team work	Trainings	50 CSOs (Leaders, Staff)	Knowledge and skills on: Fundraising, External relations, communication skills, Beneficiary oriented activities, Negotiation skills	Trainings
50 CSOs (Leaders, Staff)	Need-based additional ongoing support on organisational functioning	Coaching, individual and/or institutional advice	25 CSOs (Leaders, Staff)	Need-based additional ongoing support on external relations	Coaching, individual and/or institutional advice
-	-	-	50 CSOs (Leaders)	Organisational actualisation on: Networking, Collaboration, Communication, Public relations, Negotiation	Round tables or similar events (discussion forums and civic dialogue meetings)
-	-	-	25 CSOs (Leaders, Staff)	Expert support on specific subjects	Pro-bono experts (20-30)
-	-	-	45-60 CSOs (Leaders, Staff)	EU project management (with sub-topics)	Trainings
-	-	-	17-25 CSOs (Leaders, Staff)	Need-based additional ongoing support on projects implementation	Coaching, individual and/or institutional advice
-	-	-	3 groups (20-25 persons)	Thematic discussions, Knowledge transfer	Round tables or similar events (discussion forums and civic dialogue meetings)

Table 14: Capacity building programme

Annexes

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Annex 2: Survey Questionnaire

The survey has 7 components: Background Information, Organisational Capacity, Financial Capacity, Service Provision, Networking, Advocacy and Programme Performance.

I- Background Information:

- 1- Organisation name
- 2- Address of the organisation
- 3- Name and position of the respondent
- 4- Contact details (phone, e-mail)
- 5- Website/Blog/Social media
- 6- Legal status of the organisation

NGO
Foundation
Charity
Association
Union
Institution
Other, please specify

- 7- Geographical scope of operations

Community (Local)
Regional
National
International

- 8- How many years has the organisation been operating?

0-1 year
> 1 year - 2 years
> 2 years - 4 years
> 4 years - 6 years
> 6 years - 8 years
> 8 years - 10 years
> 10 years

- 9- What is/are the dominant sector(s) of your organisation? Indicate all the sectors in which your organisation is engaged.

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Health	
Education	
Culture	
Economic development	
Community development	
Gender	
Human rights	
Environment/Animal care	
Special care/Disability	
Children/Youth	
Sport/Recreation/Tourism	
Minorities	
Poverty reduction	
Media	
Labour issues	
Other, please specify	

10- What are the main types of activities of your organisation? Indicate all the activities in which your organisation is engaged.

Awareness raising	
Consultancy	
Capacity building	
Lobbying/Advocacy	
Services to stakeholders	
Product development	
Other, please specify	

11- How many people are currently employed in your organisation?

Staff	0	1-3	4-6	7-10	11+
Full time employees					
Part time employees					
Volunteers					
External collaborators					
Other, , please specify					

12- What is the average recent employment in your organisation?

Years	Average number
2015	
2014	

2013	
------	--

13- What has been the approximate annual budget of your organisation?

Euros/Years	2013	2014	2015
1,000-3,000			
3,001- 6,000			
6,001-10,000			
10,001-15,000			
15,001-20,000			
20,001-25,000			
25,001-50,000			
50,001-100,000			
100,001-150,000			
150,001+			

14- Please describe the main purpose of the organisation (open-ended).

II- Organisational Capacity:

Ability and capacity of an organisation expressed in terms of its governance, leadership, human resources, and physical resources.

Governance:

15- To what extent are staff members engaged in decision-making processes? Please rate from low level of engagement 1 - to high level of engagement 5.

	< Very low engagement			Very high engagement >	
	1	2	3	4	5
Board members					
Executives of the organisation					
Management team					
Staff members					
Volunteers					

16- Does the organisation have mechanisms of replacement of key employees? Please indicate the mechanisms (open-ended).

17- Do you use in-house or internationally recognised organisational processes and procedures in the following domains?

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	< Very rarely				Mandatory>
	1	2	3	4	5
Administration					
Database management					
Accounting/Auditing					
Procurement					
HR administration					
Recruitment					
Budgeting					
Fundraising					
Reporting					

HR Management:

18- What are the perceived skills of your personnel in the following areas? Please rate the level.

Type of skills	< Very low level			Very high level >	
	1	2	3	4	5
Communications (speaks and writes clearly and effectively, listens to others, demonstrates openness)					
Planning (develops clear goals, identifies priority activities, allocates appropriate amount of time, foresees risks, uses time efficiently)					
Accountability (takes ownership, operates in compliance with organisational rules and regulations)					
Team work (collaborates, places team agenda before personal agenda, acts in accordance with final group decision)					
Beneficiary oriented					

(identifies beneficiaries’ needs and matches appropriate solutions, keeps beneficiaries informed, thinks from the clients’ point of view)					
Technological awareness (keeps abreast of available technologies, seeks to apply technology to appropriate tasks)					
Commitment to continuous learning (actively seeks to develop oneself professionally and personally, contributes to the learning of others)					

Technical Capacity:

19- What are the technical assets needed for your organisation to operate more effectively (open-ended)?

III- Financial Capacity:

20- Please indicate the total value of financial inflows your organisation received from the following sources during the last 3 years.

	2013	2014	2015
Government grants			
Donors			
Private sector			
Individual donors			
Endowments			
Membership fees			
Generated revenue			

21- Does your organisation have sound accountability mechanisms for generated and spent funds (open-ended)?

IV- Service Provision:

- 22- Do you have any evidence that the goods and services provided by your organisation reflect the needs of your constituents? Please describe with a concrete example (open-ended).
- 23- What was the biggest impact your organisation made on your beneficiaries this year (2015)? Please refer to one impact only (open-ended).
- 24- Have you recently introduced any improvements to your goods and services offered? Please provide concrete examples (open-ended).

V- Networking:

- 25- How do you rate the level of collaboration of your organisation with different stakeholders?

	< Not at all effective				Very effective >
	1	2	3	4	5
Beneficiaries					
Other CSOs					
Sector experts (public institutions)					
Local authorities					
Businesses					
Donor institutions					
Philanthropists					
Media					

- 26- Please bring one example of effective collaboration (open-ended).
- 27- How do you ensure the public credibility of your organisation? Please give an example of a recent concrete event (open-ended).
- 28- What sources did you use to identify the main issues affecting your constituency (Please rate the answers from never 1 to always 5).

Type of sources	< Not at all effective				Very effective >
	1	2	3	4	5
Surveys					
Statistics					
Research					
Case studies					
Personal testimonies from beneficiaries					
Success stories					

- 29- What are the main issues of interest to your constituency (open-ended)?

VI- Advocacy:

30- How do you interact with state bodies? Please bring one concrete recent example of engagement in policy dialogue (open-ended).

31- How can the existing legal and regulatory framework enhance the effectiveness and sustainability of your organisation (open-ended)?

VII- Programme Performance:

32- Based on your subjective opinion, please:

- a. Rate the programme performance of your organisation in the first column.
- b. Rate the programme performance of other known CSOs at the national level in the second column.
- c. Give your aspirational grade in the third column (where you want your organisation to be).

(In your rating for 32a and 32b 1= Definitely disagree, 2= Generally disagree, 3= Moderately disagree, 4= Moderately agree, 5= Generally agree, 6= Definitely agree)

(In your rating for 32c 1= Extremely low, 2= Very low, 3= Low, 4= High, 5= Very high, 6= Extremely high)

	You	Others	Your aspiration
The actions are delivered on time			
The actions respect the financial accountability			
The quality of the services provided are always satisfactory			
The programmes/projects are developed after a thorough needs assessment			
The organisation regularly seeks feedback from project beneficiaries in its programme/project design			
Monitoring and evaluation are fully functional			

VIII- Capacity Development Needs:

33- How would you describe a useful capacity building activity (open-ended)?

34- What are the directions of CSOs capacity development you are most interested in (open-ended)?

35- You have 100 points to buy different packs of knowledge, skills and competences. Please do your shopping by allocating a certain number of points to your preferred knowledge pack? (knowledge packs and prices indicated)

- Project development
- Budgeting

- Management skills
- Project management
- HR management
- Negotiation skills
- Communication skills
- Team work
- Work related correspondence
- Accounting
- Organisational skills
- Financial planning and reporting
- Presentation skills
- IT skills
- Strategic planning
- Entrepreneurship
- Marketing
- Fundraising
- EU project management
- CSOs legislation
- Innovation
- Beneficiary oriented activities
- Expertise training

36- In the space below please outline what you see as your organisation's key areas for improvement (open-ended).

Annex 3: In-depth Interview Questionnaire with Field Experts

1. Name of the organisation
2. Name and position of the respondent
3. Contact details (Tel./E-mail)
4. CSO sector is relatively new in Armenia. How would you summarise the history of CSOs in Armenia?
5. How do you see the future of CSOs in Armenia?
6. When someone tells you CSO, what are the words that you may think of? Can you explain why you thought about those words?
7. Question 6 illustrates your perception; we would also be grateful if you could evaluate the public credibility of CSOs and indicate what mechanisms should be used for raising the credibility level?
8. There are surely considerable differences between different CSOs in Armenia, being it in their sizes, in their professionalism, or in the impact they have on their respective communities. How would you classify CSOs in Armenia?
9. You have seen and worked with other CSOs in different countries, what are the two or three main best practices that may be necessary for CSOs in Armenia to adopt?
10. This may be similar to some of the previous questions. What are the three main needs or gaps that most CSOs have in Armenia?
11. Following question 7, we would also like to know what are the suggested means to reduce the existing gaps.
12. Beneficiaries should be the centre of a CSO mission/mandate. Do you think it is the case in Armenia? Please explain.
13. What do you consider as the best approaches to capacity building for CSOs?
14. How would you evaluate the cooperation of CSOs with other CSOs, state authorities, media and beneficiaries? What are the necessary changes (short and long-term)?

Date: _____ Interviewed by: _____

Annex 4: In-depth Interview Questionnaire with Practitioners

For this interview the "Capacity Building 3.0. How to Strengthen the Social Ecosystem" paper structure written by Jared Raynor was used.

Who?

- 1- If we accept those three levels, where do you place the capacity building level in Armenia?
- 2- With the assumption that capacity building in Armenia is at Level 1, how ready are CSOs to move to Level 2 capacity building? If not, how much should be done at Level 1 and who should be the "Who"?
- 3- Who were your "Who"s? Where were your "Who"s located? How would you describe a Who stereotype benefiting from your interventions? How diverse were they?
- 4- How would you describe the impact of your interventions on the "Who"s? Please try to structure your answer by different parameters (i.e.: core competences, technical competences, etc.).
- 5- It is often known that CSOs are good schools and attract young professionals who later on move to other sectors, especially businesses. How big is that phenomenon?
- 6- What about the willingness of the "Who"s to learn and build their own capacity? Please describe the overall behaviour of the "Who"s. Will you be able to rate their willingness to learn (over 10)?
- 7- How did you identify the "Who"s?
- 8- In line with Question 2, can you please let us know who should be our "Who"s? And why?
- 9- Are there any possibilities to work on Institutions and social relationship at Level 2?
- 10- At the second stage of our project we will try to tackle Level 3. Do you think anything has been done in that domain? If not, where do you see the potential?

What?

- 11- What type of knowledge was required? What type of knowledge did you provide?
- 12- What type of skills was required? What type of skills did you provide?
- 13- In case we choose three knowledge and three skills, could you please describe the content to the extent possible.
- 14- To which extent do you think that knowledge and skills were used? Please give examples.
- 15- What are the "What"s that should be covered by us in order to build on your interventions?
- 16- How the "What"s should be different to move to Level 2 of "What"?
- 17- Learning Organisations: Have you heard about that? Key principles underlying learning organisations are participation, empowerment, willingness to embrace change and the acknowledgement of grass-roots experience. Have you done any effort in that? If so, what?
- 18- Can you think of any organisation that has gone through Levels 1 and 2 and has reached Level 3?
- 19- How would you explain the following figure? Out of 50 interviewed organisations, 35 put "Fundraising" as their main need in capacity building, 25 "External relations, communication skills" and "EU project management", and 21 "Project development".

How?

Level 3 may not apply to Armenia, and probably Level 3 may be limited to international organisations, but let's talk about Level 1 and Level 2. If wrong, please correct us.

- 20- If Level 1 was the approach you used for your "How", please describe the models you used.
- 21- How did you guarantee the quality control of "How"?
- 22- As for Trainings and Workshops, what went well? What could have been and should be done differently?
- 23- As for Consulting and Coaching, what went well? What could have been and should be done differently?
- 24- As for Peer Monitoring and Peer Exchange (if any), what went well? What could have been and should be done differently?
- 25- Give us two most successful Level 1 "What"s that were highly valued by the "Who". Please explain why? Please think about innovative approaches that had the biggest impact on the "Who".
- 26- Do you think we have organisations that are at Level 2 of "How"?

General questions

- 27- What lesson learnt reports/sessions exist? Where should we find more information on capacity building in Armenia?
- 28- Our project proposal is a simple model: Internal capacity building, external capacity building and grants. Do you believe in this model? What should be done differently?

Annex 5: Focus Group Discussions Report

Case for discussion No. 1⁹²

The organisation of Ms. Karapetyan was founded in Noyemberyan in 2004. The mission of the organisation is to develop the capacities of young people through various trainings, seminars and summer camps. The organisation is very active but due to the lack of financial resources it does not have permanent staff. Therefore, most of the work is being done by volunteers. Unfortunately, Ms. Karapetyan has difficulties to find active and interested volunteers who are willing to invest their time in the organisation’s activities.

- What do you think what is the reason that Ms. Karapetyan does not manage to find volunteers and what she can do to identify volunteers and involve them in the organisation’s activities?

Gyumri

- 1- Volunteer programmes should be planned properly, with clear outputs defined and strong processes put in place. This will allow the volunteers to manage expectations, show certain commitment and most importantly see the results of their engagement.
- 2- Support the Government to design policies and put in place legal volunteering systems.
- 3- Have quick wins and recruit volunteers for clear projects that have a start and end date. Sort of quick wins and quick impact projects. This will encourage the volunteers and connect them to “project-based volunteering” that will eventually lead to a long term volunteering.
- 4- The fact that youth is going through a certain social transition, it might be difficult to inject the volunteering culture in youth, but if incorporated in the education system, volunteerism may be adopted by the next generation. Invest in volunteerism in the education area.

Ijevan

- 1- Early education of volunteerism. This can be done by different tools and techniques in schools and eventually universities.
- 2- Find incentives to attract volunteers. Even if minor incentives, it will be critical that the volunteer feels rewarded.
- 3- Create a network of businesses that acknowledges volunteerism as a competitive advantage in the recruitment process.
- 4- Invest time and energy in the volunteers and encourage development through volunteer programmes. Give importance to the opinion of the volunteer.

Vanadzor

- 1- Create incentives in volunteering programmes.

⁹² Disclaimer: Cases for discussion have been built on true stories in terms of existing issues. All factual data (names/surnames, places, dates, etc.) are fictional.

- 2- Work openly and transparently with the public and communicate your activities to gain the trust of volunteers.
- 3- Create an environment that will lead to the eventual recruitment of volunteers. Use volunteering systems to recruit your employees.

Goris

- 1- The issue is the inability of the CSO to present the organisation the right way and have a clear message. With a clear message it will be easier to attract the volunteers who will have a better understanding of the mandate and objectives of the CSO.
- 2- Volunteers should see some benefit in joining the programme. That can be:
 - a. Acquire valuable experience and new know-how
 - b. Be able to use the internship for future employment opportunities
 - c. Have a minimum income that allows “survival”
- 3- Push for the policy adoption of volunteerism as genuine internship, acknowledged by businesses.
- 4- Have a clear programme for volunteers, with clear objectives and outcomes.
- 5- Win-win approach. Both the organisation and the volunteer have to have stakes in the volunteer programme.

Kapan

- 1- It is critical to find the common point between the volunteer and the mandate of the organisation. The profound conviction of the volunteer should be in line with the objectives of the programme.
- 2- There should be a type of reward, whether moral or financial. A certain encouragement!
- 3- It is fundamental to have a clear programme and clear plan for volunteers. It might be difficult to have volunteers on full time commitment, and therefore, clearly defined tasks and outputs may be an easier way to attract volunteers.
- 4- It is essential to invest time in building the capacity of volunteers.

Yerevan

- 1- Close the organisation.
- 2- Start effective cooperation with universities that can require from students to work as volunteers in NGOs as part of their curriculum. Universities should empower students and create incentives to volunteer by waiving, for instance, parts of the tuition fee.
- 3- Make use of various international platforms to secure volunteers.
- 4- Put in place the mechanism of introduction of the culture of volunteerism in cooperation with the Government.
- 5- Collaborate with different networks of alumni associations.

Case for discussion No. 2

Ms. Emma’s centre has been operating in Gyumri for 15 years. It provides support to schoolchildren in Gyumri who take part in different events after classes. The success of the centre and the effective implementation of the activities are closely linked to the personality of Ms.

Emma. She is extremely active and committed to her job. However, after Ms. Emma's departure the centre will stop operating since there is no one who could replace her and ensure the successful functioning of the centre.

- What do you think what Ms. Emma should do in this kind of situation when there is the risk that after her departure the work of many years will vanish, and the centre might be dissolved?

Gyumri

- 1- This issue exists in businesses, CSOs, political parties and even Government. To avoid such problems, it is critical that time is invested in institutionalising the organisation and creating institutional memory.
- 2- Active involvement of colleagues, especially deputies or heads of units. Delegate and decentralise the system.
- 3- Build the capacity of employees by putting in place career development plans.

Ijevan

- 1- Get the support of existing structure and choose a replacement before it is too late.
- 2- Have a clear plan of action to start the decentralisation process.
- 3- Put in practice the administrative rules and regulations, including the involvement of the board in the decision-making process, and other rules of information sharing.

Vanadzor

- 1- Put in place an information sharing system and empower the institution rather than yourself.
- 2- While you are onboard, appoint your replacement and start working closely with the person.

Goris

- 1- Make sure that you build a capable person that will eventually take over.
- 2- Expose other colleagues (the eventual replacement) to the outside world, and empower her/him.
- 3- Put forward the organisation and not the person/the one in charge.
- 4- Build an empowering environment and build the capacity of employees.
- 5- Since the Armenian culture lacks trust, appoint a family member to take over.
- 6- Work transparently with the team and have a robust information sharing environment.

Kapan

- 1- Prioritise the idea, the mandate and the organisation, not the person behind the success of the activities.
- 2- Prepare and involve in the entire process the replacement, and put in place a clear chain of command and structure.
- 3- Put in place a transparent management system and share the information as much as possible.

Yerevan

- 1- Ensure the succession of key employees by preparing a replacement among family members.
- 2- Be guided by the idea, not the person and the mind-set that "if not that person, then who".
- 3- Explore the capacities of young people who can possibly replace the head of the organisation, provide them with incentives to work for the NGO.

Case for discussion No. 3

The organisation of Mr. Varshamyan provides social support to children and elderly, as well as tries to activate the local community. The organisation was founded in Ijevan in 2005. The problem is that the community residents are not interested in the organisation's activities and do not trust the organisation. They think that it does not address their primary needs and does not do anything useful for the community.

- What do you think what the organisation should do to gain the trust of the community?

Gyumri

- 1- Do not put yourself forward, but instead put the organisation forward. Do not also oversell. Try to be humble.
- 2- Instead of focusing on the results and outcomes of your intervention, try to communicate with the public from the outset, and involve them in the process of your interventions.
- 3- Do not treat beneficiaries as an object, but rather as a subject that needs to be consulted, supported and empowered.
- 4- Explore the option of building the capabilities of beneficiaries, rather than assisting them.

Ijevan

- 1- Be transparent, open and inclusive. Try to put in place a supervision and evaluation process supported by the public.
- 2- Meet people and communicate.
- 3- Know how to illustrate the impact you have, and do the necessary for the visibility.
- 4- Use media not only by inviting them in events, but creating the required interest of the media. Have some pull factors for media.

Vanadzor

- 1- Prior to designing the programme, ensure that a thorough needs assessment is done, and the identified needs are in line with the needs of beneficiaries.
- 2- Instead of managing stakeholders, engage stakeholders in the process.
- 3- Open up, communicate and work on the public relations.

Goris

- 1- Define the needs of the society and act accordingly. Do not respond to needs identified by you or by donors.
- 2- Instead of assisting try to have a development programme.

- 3- Engage the larger society in the process of your programme. Have a strong stakeholder engagement plan.
- 4- Communicate in a professional, transparent and proactive way.

Kapan

- 1- Transparency and reporting is key in gaining trust.
- 2- Have an in-depth assessment prior to doing any intervention. Do not respond to the needs of donors, but rather guide the donors on the needs of the community.
- 3- Share information. Even if limited amount of money is allocated to communication, use creative and cheap means to communicate and share the information. Explain, involve, and report.
- 4- Try to avoid doing assistance programmes, and instead do development programmes.

Yerevan

- 1- Reflect with the staff members on the reasons why the public is not interested and does not trust the organisation. Design a communication plan on how to raise the public awareness about the activities of the organisation, and liaise with media.
- 2- Showcase to the public that the activities are effective and useful. Make advertisements.
- 3- Donors and NGOs should cooperate to address this issue.

Case for discussion No. 4

In Aygehovit village a large amount of garbage has been accumulating at the riverside during the last years. The area residents and several environmental CSOs try to draw the attention of the state institutions to this issue since it affects not only Aygehovit village but the surrounding areas as well. CSOs have already undertaken several measures to cooperate with state institutions to organise the collection of garbage. Yet, the problem is still not resolved.

- What do you think how the organisations can raise their voices to the Government and cooperate effectively to solve this issue?

Gyumri

- 1- Be active in municipality management matters. Be well informed about the budget and the way the funds are being allocated. Request accountability in a constructive manner.
- 2- Create an active culture of civic involvement.
- 3- Put in place educational programme to raise awareness and change the mind-set.
- 4- Encourage success stories and celebrate them.

Ijevan

- 1- Use media to convey the message.
- 2- Mobilise the population, design specific projects and put in place a reward based incentive (even if those rewards are minor).
- 3- Do the necessary research, find out the source of the problem and try to tackle the problem at its source.

Vanadzor

- 1- Eventually do some radical actions if the peaceful means do not resolve the problems.
- 2- Work on the preventive rather than the curative measures. Try to communicate with youth, in schools, in town hall meetings, etc.
- 3- Ensure the effective media coverage. If possible use technological tools to record the problems, and eventually resolve them with collective actions.

Goris

- 1- Create a civic group for the specific objective. Not an organisation.
- 2- Talk less and do more. Be outcome driven.
- 3- Have continuity/consistency in your programmes, and do not be a “from project to project reactive CSO”.
- 4- Invest heavily on cooperation with local authorities.

Kapan

- 1- Change the battlefield and have a new angle of attacks. Do not hammer always the same point.
- 2- It is critical to be well prepared and have all the necessary arguments (factual, legal, financial, etc.) prior to meeting with authorities.
- 3- Escalate the issue further up in the hierarchy, by different means, whether official letters, social pressure or media.

Yerevan

- 1- Design a long-term campaign, collaborate with media, and look for partners and allies. In case there is need to change the legal framework, do lobbying.
- 2- Mobilise the community and guide them on how to address the Government.
- 3- Use preventive measures rather than address the problems when it is too late.

Case for discussion No. 5

During the last years the amount of funding from international organisations to Armenian CSOs has considerably decreased. This led to the fact that a big number of organisations are experiencing problems with project implementation as their main source of funding are international donors.

- What do you think how CSOs can ensure their financial sustainability? Which fundraising mechanisms can you suggest?

Gyumri

- 1- Tap into philanthropism and explore the possibility of local funding, including engaging young people in fundraising and crowd funding.
- 2- Show your results and gain the trust of the population.
- 3- Explore the option of partnering with schools.

Ijevan

- 1- Explore ideas of sponsorship and philanthropists.
- 2- Have a closer cooperation with the Government, apply to tenders and get some Government funding, without being influenced by other agendas.
- 3- Although social enterprises and generation of revenue is considered as a dangerous step, but if planned properly and transparently, it may help raise some funds.

Vanadzor

- 1- Incorporate paid services along your charitable services.
- 2- Get direct funding through crowd funding and other means, consider possibilities of co-funding.
- 3- Mobilise the community, do fundraising for specific projects, and not for the overall organisation.

Goris

- 1- From day one rely on your own financial capacities. Do not have expectations from others.
- 2- Cooperate with businesses.
- 3- Have ambassadors who will promote your work and gain the trust of potential philanthropists.
- 4- Use government funds.
- 5- Start with small funds and grow by showing results.

Kapan

- 1- Design income-generating activities.
- 2- Do in-depth research, and explore all options of government funding.
- 3- Gain the trust of people and they will give you money. Start small and grow gradually with strong financial and impact reporting.

Yerevan

- 1- Engage in income-generating activities by starting a social enterprise.
- 2- Involve beneficiaries, organise fairs, dinners and other type of events where NGOs can raise funds directly from people.
- 3- Put in practice the mechanism of collecting membership fees.

Annex 6: Expert Group Consultation Report

**Minutes
of the Expert Group Consultation on
“Capacity Building Needs Assessment of Civil Society Organisations in Armenia” Paper**

Date:

25 March 2016, 11:00am-1:00pm

Place:

“STRONG Civil Society Organisations for Stronger Armenia” (“STRONG CSOs”) project premises, AUA Business Centre, Alek Manukyan 9, 3rd floor, suite 312

Attendees:

Lusine Hakobyan, Development Programme Specialist, USAID Armenia

Tatevik Margaryan, Freelance Specialist

Armen Ghalumyan, Director of Civic Development and Partnership Foundation (CDPF)

Robert Girejko, “STRONG CSOs” project, Quality Advisor

Jarek Zarychta, “STRONG CSOs” project, Team Leader

Mary Manukyan, “STRONG CSOs” project, Capacity Building Coordinator

Irene Danielyan, “STRONG CSOs” project, Communications Specialist

Overall goal:

The meeting was convened by “STRONG CSOs” project within the framework of the capacity building needs assessment for civil society organisations (CSOs) in Armenia. Key experts in the field of civil society provided their opinion on the assessment findings and recommendations, as well as further exchanged views on capacity building best practices in Armenia. The duration of the expert group discussion was about 2 hours.

General overview:

Four external experts were invited to take part in the expert group consultation. One of the invitees (Mikayel Hovhannisyan, EaP Civil Society Forum, Country Facilitator for Armenia) was not available for the scheduled day, and the meeting was organised for three of them. The draft CSOs Capacity Building Needs Assessment paper was sent to all participants prior to the consultation day (March 21) to get familiarised with, and prepare opinions, remarks, recommendations and possible questions.

The meeting was opened by the Team Leader with welcoming the participants, presenting the aim of the meeting and giving floor to them to share opinions, exchange ideas and give recommendations on the paper. Firstly, experts elaborated on the project, indicating that it was a new approach to work towards addressing the capacity gaps and needs of Armenian CSOs.

As Lusine Hakobyan from USAID Armenia stated the mission to initiate new perspectives, bring innovative viewpoints and avoid duplication of approaches to the CSOs sector in Armenia can be considered accomplished by the project. According to the expert, the methods used for the assessment of CSOs were sound, effective and innovative. Also, she mentioned that there are many illustrative graphs and charts that help the reader absorb data very easily. Particularly, the lifecycle model and illustration of development levels of Armenian CSOs referred to in the paper were highlighted by the experts as some of the specific tools in the report. The executive summary, development levels including spider grams, ‘Who-What-How’ framework, capacity building needs multidimensional table, as well as cases for discussion and the “Highlights” section have received positive feedback from the expert.

As Tatevik Margaryan (Freelance Specialist) noted, the conducted research was comprehensive, data provided in the paper was very close to other recent research data, which was a good indicator of accurate work. The expert further highlighted that the structure of the questionnaire, type of questions and approaches of analysing open-ended questions (through cross-checking approach and validation) were very effective. Also, the expert emphasised the way how the statements in the paper were combining not only survey results, but also experts’ opinions, field visit insights and other relevant research data, giving the reader a more holistic picture and broader information on the subject.

The third expert, Armen Ghalumyan from CDPF, noted that the paper was a valuable piece of research, including a good representative sample. In particular, the expert referred to the well-designed training modules offered in the “Way Forward” section of the paper.

All opinions and remarks provided by the experts were discussed by the attendees.

Specific comments and recommendations:

1. Lusine Hakobyan:
 - The paper should have a paragraph indicating the limitations of the assessment.
 - The heading “Case studies” referred to in focus group discussion part may be confusing for some readers, as it does not correspond to the standard format of the stories and could be replaced by an alternative expression, e.g. “Cases for discussion” or “Discussion cases”.
 - The question on “Beneficiaries should be the centre of a CSO mission/mandate. Do you think it is the case in Armenia? Please explain.” can be leading the respondent towards the implied answer.

2. Tatevik Margaryan:
 - List of capacity building training courses of surveyed CSOs should not only include those which are directly identified by the respondent CSOs, but also those that are offered by field experts.

3. Robert Girejko:

- The final event should be a public consultation to enable participants to contribute to the assessment and submit their recommendations on the paper and upcoming project activities.

4. Armen Ghalumyan:

- The term “active CSOs” should be defined precisely, as there are several different definitions for it, depending on the sources and authors.

Closing:

Experts’ comments and recommendations will be taken into consideration and reflected in the final version of the paper.

Annex 7: Public Consultation Report

Report on the Public Consultation on Findings of Capacity Building Needs Assessment of Civil Society Organisations in Armenia

Findings of the capacity building needs assessment of civil society organisations in Armenia were presented in the form of a national conference in Yerevan on 14 April 2016. The aim of the consultation was to share, refine and validate the assessment with a larger audience. Representatives of surveyed CSOs, consulted experts, representatives of international organisations/NGOs, Embassies, and European Union Delegation to Armenia were present at the event. The Head of the Delegation of the European Union to Armenia, H.E. Ambassador, Mr. Piotr Antoni Świtalski and the President of Podlaska Regional Development Foundation, Mr. Andrzej Parafiniuk delivered welcome speeches at the opening of the event.

The public consultation consisted of 2 parts: the 1st part was a presentation of preliminary findings and recommendations on CSOs capacity needs and gaps assessment to the audience; the 2nd part was a consultation/collection of feedback from the audience on the main topics covered by the capacity building needs assessment paper. During the 2nd part the project team conducted thematic round table discussions for the purpose of reflecting on the findings of the paper and coming up with feedback.

There were 4 group discussions on the topics of: CSOs financial sustainability, external relations, and capacity building needs and methods. In total, 48 participants took part in thematic group discussions, about 12 participants in each group. Participants were given 30 minutes for discussion and 2-3 minutes for presenting a short summary and recommendations to the public. Each group discussion was facilitated by a team member who communicated the purpose of group work to participants and moderated the discussion. A secretary/speaker, appointed in each group, summarised the group's recommendations which found their way into the final assessment paper as relevant.

The group discussions covered the following topics:

1. Financial Sustainability
 - What are the challenges Armenian CSOs face?
 - How to address those challenges?
2. External Relations (two groups)
 - What are the capacity needs of CSOs in terms of building relations with different stakeholders?
 - How should these needs be addressed?
3. Capacity Building
 - What are the capacity building needs of CSOs and in which format they need to be addressed?

1. Financial Sustainability (Group 1)

The questions covered under this topic related to the challenges Armenian CSOs face in terms of financial sustainability and the ways they should be addressed. The identified main challenges and recommendations are:

Challenges:

- There is lack of transparency and publicity of available financial resources provided by donors.
- The level of cooperation between the private sector and CSOs is low which is explained by the unfavourable legal environment.
- Governmental funding directed to CSOs sector is scarce.
- Requirements set by donors are rigorous and do not consider CSOs capacities, thus result in inconsistent and limited funding which impacts the overall financial health of CSOs.
- Financial resources alone are not sufficient for big impacts. Skills and capacities of CSOs staff members are needed both in the initial stages of fundraising and also in effective management of those inflows.
- Social entrepreneurship sometimes works well for CSOs to ensure financial sustainability, but often it is not effective (due to low level of entrepreneurship skills). In addition, it distracts CSOs from their core mission, vision, strategies and values.
- There is lack of interest and low level of trust of society toward CSOs. This hinders individual donors and philanthropists to make donations.

Recommendations:

- There should be mechanisms and policy adopted by the Government to ensure the initial financial support to the sector (initial investments).
- CSOs should work intensively to raise their visibility and recognition among society.
- CSOs should work on increasing the number of members, which will on the one hand increase financial inflows in the form of membership fees, and on the other hand, will create a more trustworthy and recognised organisation which will bring larger financial inflows.
- The combination of internal, external capacities and financial resources is the best way to achieve success.

2. External Relations (Groups 2 and 3)

The questions covered under this topic related to the capacity needs of CSOs in terms of building relations with different stakeholders and the ways these needs should be addressed. The identified main conclusions and recommendations are:

Group 2

Recommendations:

- The component of external relations should be incorporated in strategic planning. On the basis of this, a policy on external relations should be designed. This will help CSOs make

their external relations more systemic, understand the existing gaps and plan relevant capacity building in the sector.

- In terms of cooperation with state bodies there should be mechanisms of participation in the law-making process, functions of state institutions should be examined, the cooperation should be institutionalised (in the form of memoranda of cooperation, etc.).
- Cooperation should be established with the private sector, respective skills and competences should be developed.
- Cooperation with international organisations should be improved.

Other:

- There is a need for capacity building through training courses on public relations, mutual visits, coaching, and exchange of experience.
- Professional skills through new technologies (social networks) should be developed.

Group 3

Challenges:

- **CSOs and state authorities** – There is little genuine interest from the Government to support and develop the civic sector. Some of the reasons behind are:
 - The so called ‘GONGOs’ (Government dependent NGOs),
 - Lack of transparency in distribution of public funding to NGOs both by the Government and the President,
 - Non recognition by public authorities of training programmes by CSOs – certification systems failing to cover service provision by CSOs,
 - The gradual deterioration of the new draft Law on Public Organisations,
 - Lack of true consultations with CSO sector on the new constitution prior to the referendum of 2016,
 - New electoral code does not foresee sufficient involvement of NGOs as election observers.

On the other hand, collaboration experiences are much better with local government, albeit not free of challenges such as attempts by some Local Government Units to politicise and dominate over CSOs or ‘keep them in the circle of influence’.

- **CSOs and donors** – Donors operate what is perceived semi-open and semi-transparent systems. Over the years the group of beneficiary CSOs has remained virtually the same, becoming a sort of elite club, with little openness to new entrants. This is partially caused by justified level of capacities, but also by favouritism and pure efficiency concerns, which work against supporting a wider base of CSOs in the country.
- **CSOs and other CSOs** – Still competition seems to override cooperation. Networking is weak and poorly institutionalised. Moreover, basic contacts among CSOs are not frequent and insufficiently supported. Because of divergent geopolitical choices, cooperation with Georgian counterparts is expected to weaken.
Some misbalance is perceived in terms of level of engagement of women and minorities in managing CSOs. Standards need to be raised in how majority of CSOs relates to their target

groups, specifically in assessing the real needs and rationalise interventions. The CSOs sector needs to learn how to make target groups real co-owners of the development processes.

- **CSOs and media** – Media are ready to cover general aspects of CSOs work and on funding opportunities while they are much less inclined to show social and other problems experienced by the disadvantaged groups and dealt with by CSOs.

Recommendations:

Directly related to capacity building:

- Encourage more contacts, meetings and exchanges among CSOs – these types of initiatives are still very much needed, especially prior to setting up formalised networks.
- Develop and support existing CSOs networks – both horizontal and sub-sectoral networks need to be continuously encouraged and supported, as they enable CSOs to be more consolidated and voice their positions towards other actors, specifically the Government and donors.
- Joint CSOs proposals and projects need to be considered a very good mechanism to upgrade overall capacities of the sector – allowing and even more – encouraging joint actions by CSOs either due to common interest or matching stronger and weaker organisations, are considered effective both for raising institutional capacities and improving networking.
- Developing CSOs projects on the basis of sound needs assessments - all actions and programmes by CSOs should be built on the basis of sound needs assessments, involving target groups and considering multiple perspectives on the problems identified. CSOs should establish effective relations with their beneficiaries; they should not only inform them about their intentions but look for meaningful communication and engagement.

Indirectly related to capacity building:

- Funding by Government needs to be reformed and expanded – budgetary funds must be distributed in transparent ways on the basis of clear procedures and criteria. Cooperation between CSOs and the Government should be better institutionalised, specifically by transferring some public functions (e.g. activation of unemployed, social assistance) to CSOs which prove more effective and efficient in delivery than public institutions. This process has been initiated at the local government levels but should be supported and streamlined.
- Consolidation among CSOs – mainly to oppose political tendencies to dictate the positions of CSOs and impose unfavourable legislation.
- Becoming more active in independent monitoring of donor-funded programmes, their rationale and impacts – CSOs need to play the role of impartial observers and promoters of high relevance and high quality interventions funded by donors.
- Ensuring management of major donor programmes by foreign leaders – as once this function is transferred to locals, transparency is weakened.

3. Capacity Building (Group 4)

The questions covered under this topic related to capacity building needs and methods/techniques. The identified main conclusions and recommendations are:

Recommendations:

In terms of capacity building needs ('What'):

1. CSOs should have the capacity to assess the needs of their constituents in their communities.
2. CSOs networks have very specific needs in terms of governance and coordination; hence capacity building programmes should be tailored and responsive to their needs.
3. CSOs continue facing multiple financial challenges. They need to develop their capacities in terms of financial planning and social entrepreneurship.
4. CSOs need a participatory platform which will bring together stakeholders from different sectors and will promote the cooperation practices among them.
5. Capacity building activities need to respond to the needs of the individuals and organisations, should be targeted and in line with the demand available within the sector.
6. CSOs need to strengthen their capacities in policy-making and policy monitoring.
7. CSOs need technical assets to be able to conduct their activities.
8. CSOs need to strengthen and actualise their professional capacities.

In terms of the format of capacity building ('How'):

1. An innovative method called Edutainment (Education + Entertainment) can be used as a method during the capacity building programme. The teaching programme is mainly composed of games, films or shows.
2. Irrespective of the format of capacity building use human-centred design (Empathy Field Guide). Empathy is the foundation of a human-centred design process; by deeply understanding people capacity building providers are better able to design for them services/solutions/products.
3. Job shadowing is another alternative activity.
4. Irrespective of the format of capacity building activities, the content needs to be clear, close to the local context, easily understandable, qualified and in line with the latest developments within the sector. Local specialists should be involved in the programme.
5. Practical assignments ('Learning by Doing') should be incorporated in the programmes; trainings should be assessed according to specific evaluation criteria.
6. There is a need to use new technologies in the capacity building programmes.

