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CSO Sector Market: Comprehensive Research Results

December 2015

Outline

- About the research
- Capacity building
- CSO sustainability
- Trust towards CSOs
- Collaboration
- CSO services
- CSO organizational development
- Recommendations

Introduction

- The research was conducted in 2015 by CRRC-Armenia within the framework of “**CSO Development Program**” (CSO DePo).
- **Purpose:** to assess the CSO demand for capacity building and services in Armenia.
- **Methods:** quantitative and qualitative.

Quantitative Survey

- Quantitative survey included 101 CSOs in all marzes of Armenia and Yerevan.
 - Heads of organizations were surveyed.
- Sampling was based on CSO distribution by marzes, legal status and areas of activity. A quota for marzes was established.
- Final sampling included:
 - 40 CSOs from Yerevan, 61 CSOs from marzes
 - 17 foundations, 84 NGOs



Qualitative Survey

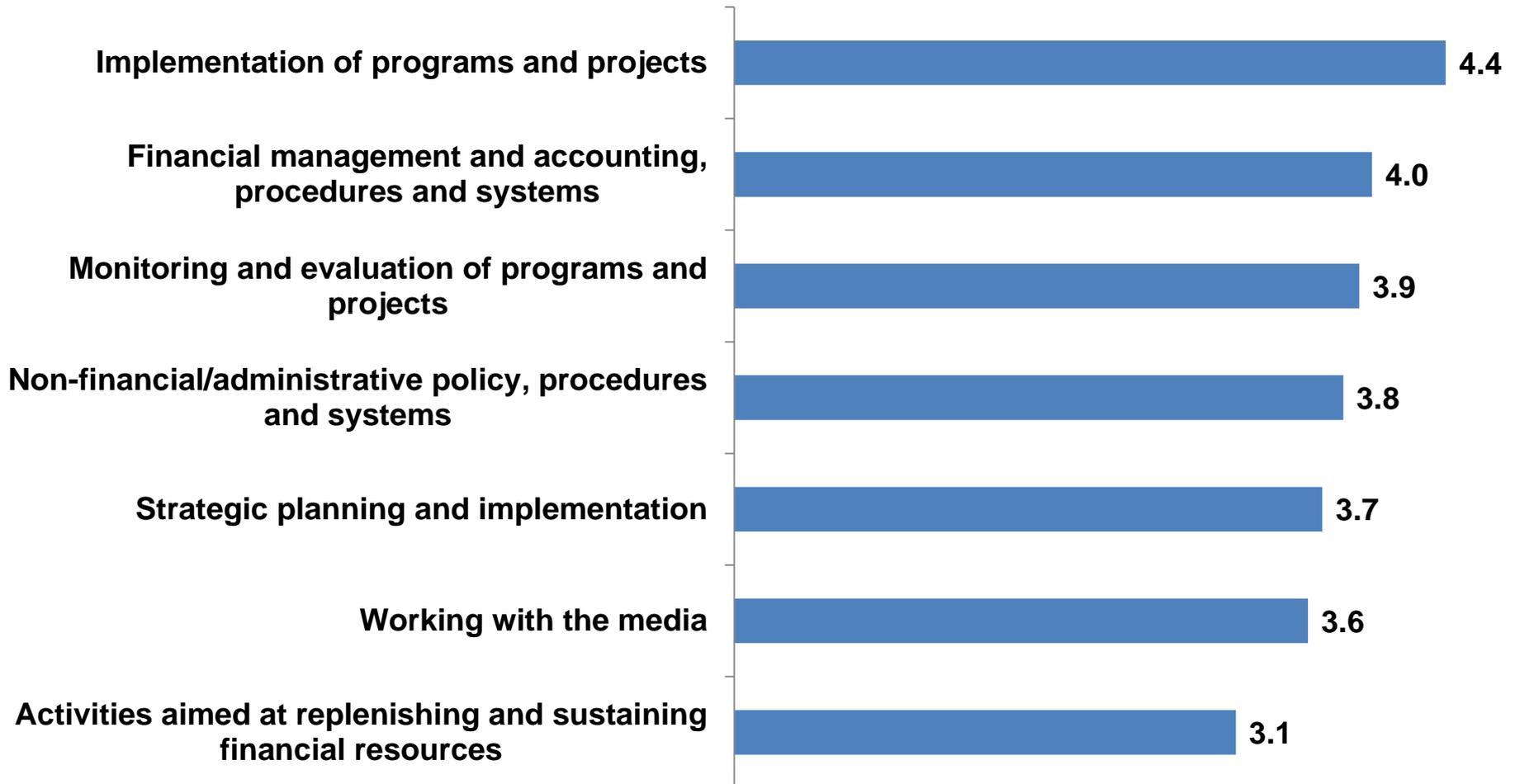
- 29 in-depth interviews and 12 FG discussions were conducted.
- In-depth interviews included different institutions, as well as CSO sector experts:
 - international organizations
 - business sector
 - local and state government bodies
 - educational and scientific institutions
 - CSOs
- Focus group discussions involved 55 CSO representatives and 62 beneficiaries from different marzes.



CAPACITY BUILDING

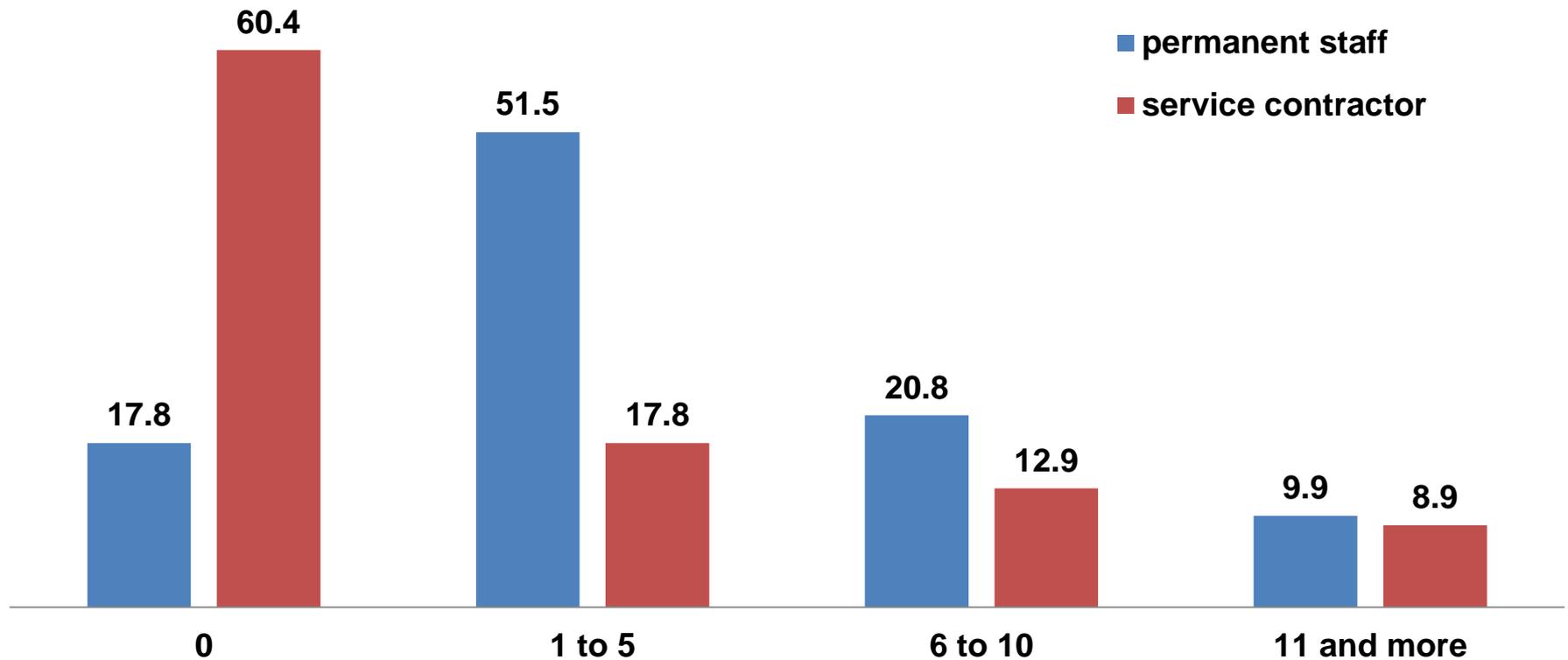
Capacity Building

Q58. How well are the following functions implemented in your organization? (average, 1-5 scale, 1=very poor, 5=very well)



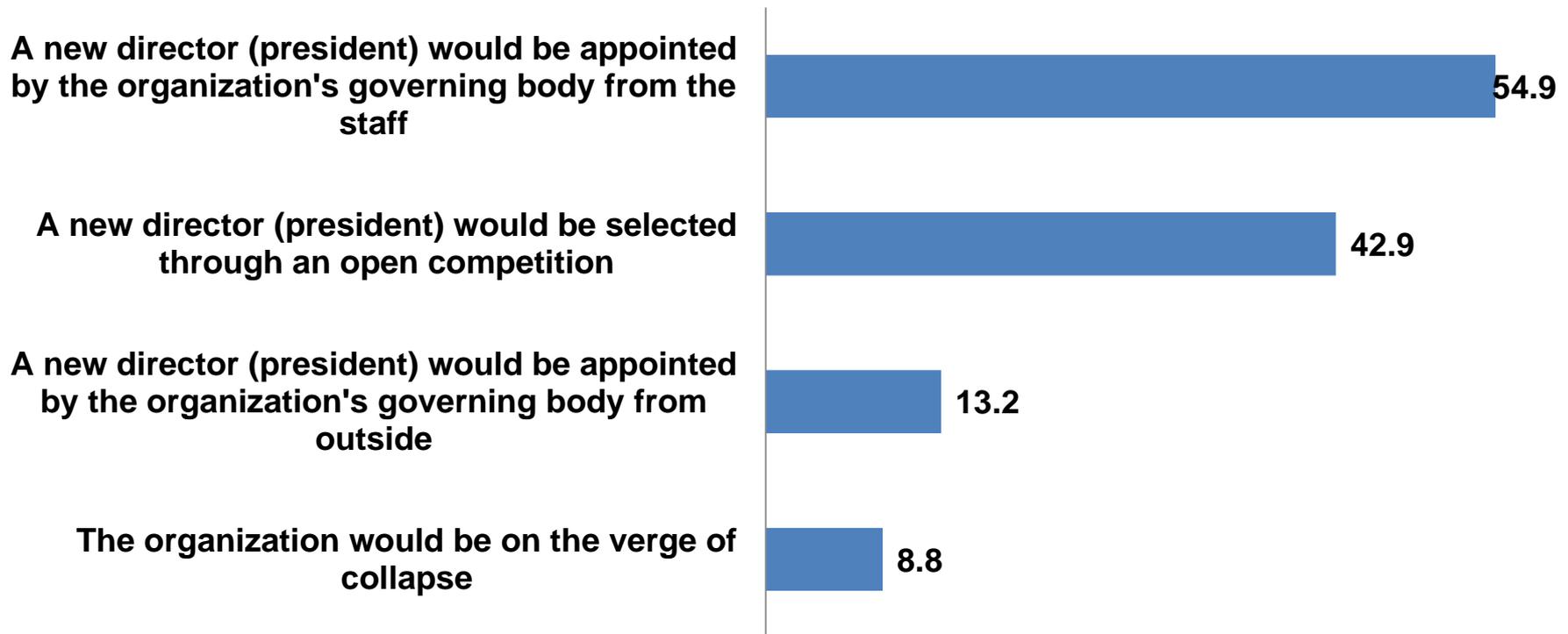
Human Resources

Q4. How many employees do you currently have including both permanent staff and service contractor? (% of cases)



Human Resources

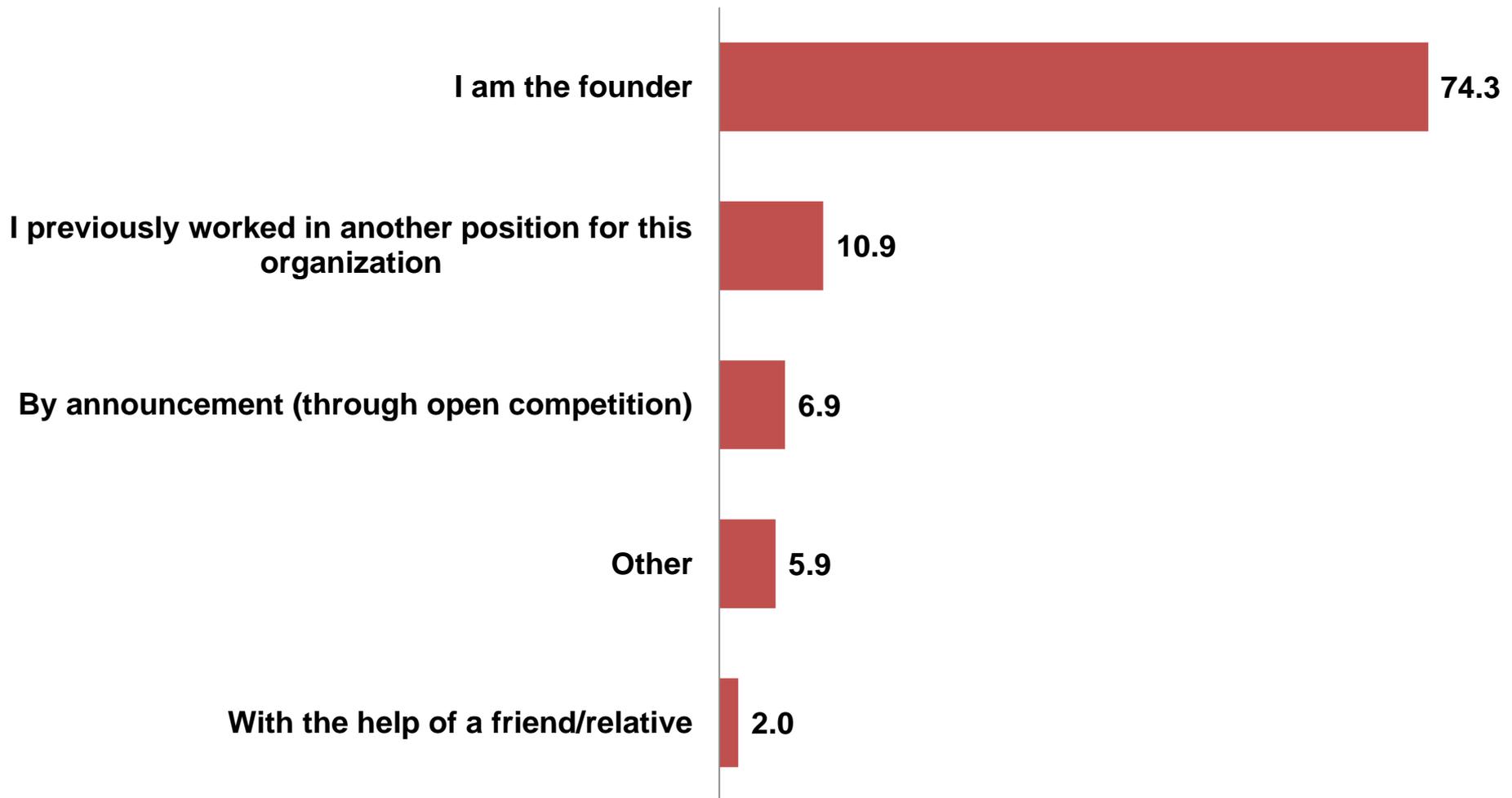
Q19. If the organization's current executive director (or president) leaves his/her position, what would happen with the organization? (% of cases)



- Although only 7% received the job through competition, 43% of respondents mentioned that a new director would be selected through competition.

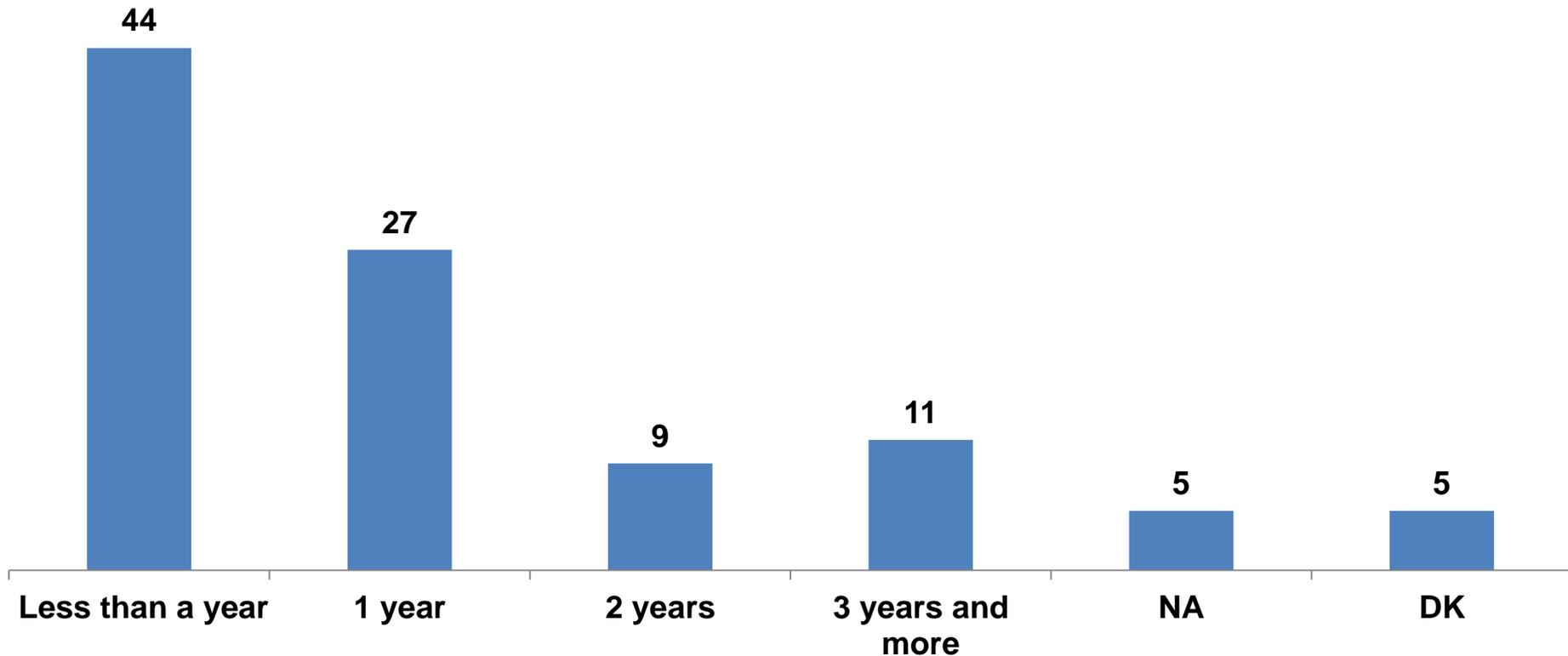
Human Resources

Q7. How were you recruited for this job? (% of cases)



Financial Resources

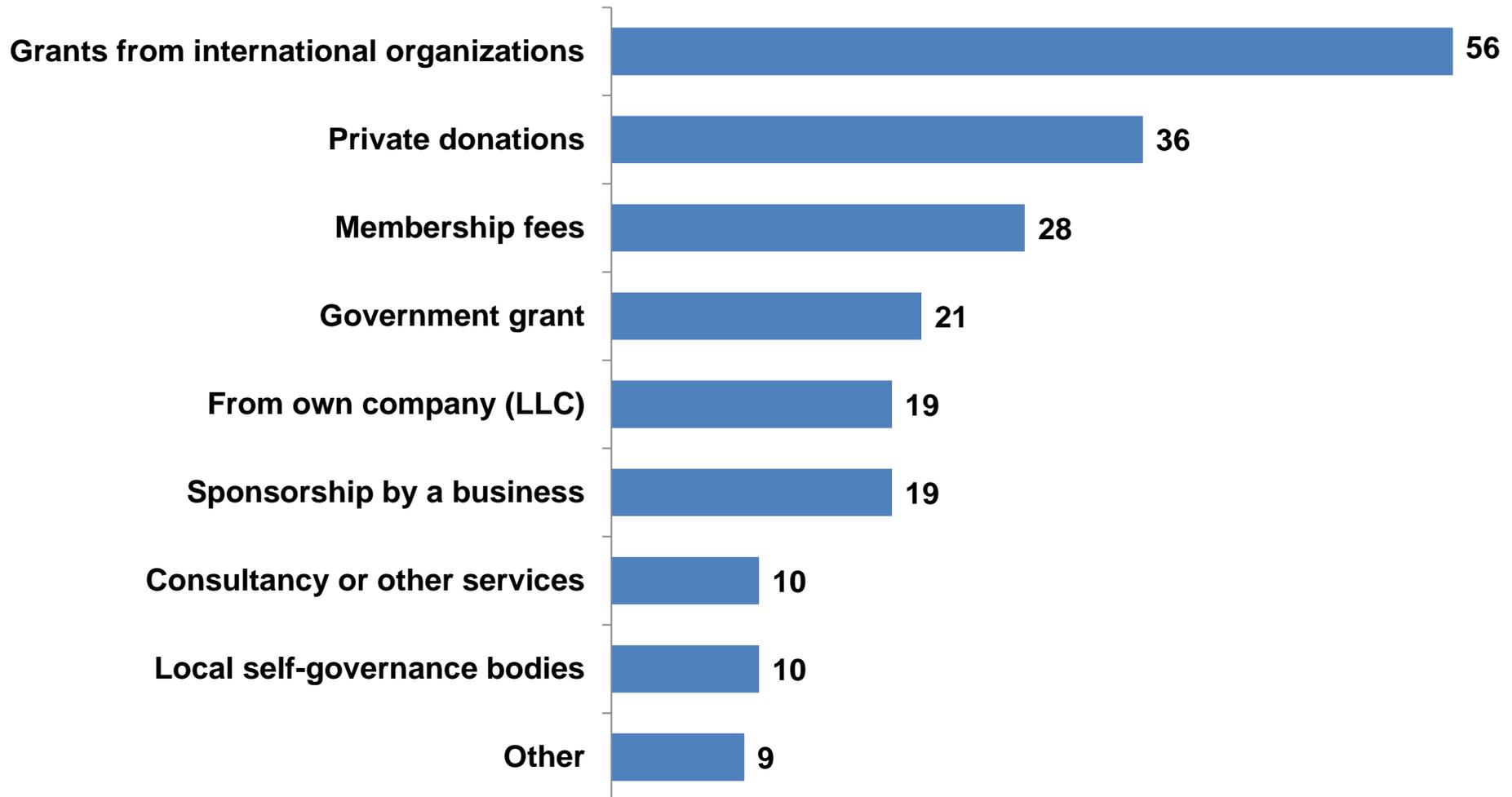
Q31. For what duration does your organization have financial resources (or real prospects of financial resources) to conduct activities? (% of cases)



Most organizations that have prospects of financial resources for 2-3 years are currently funded by international organizations.

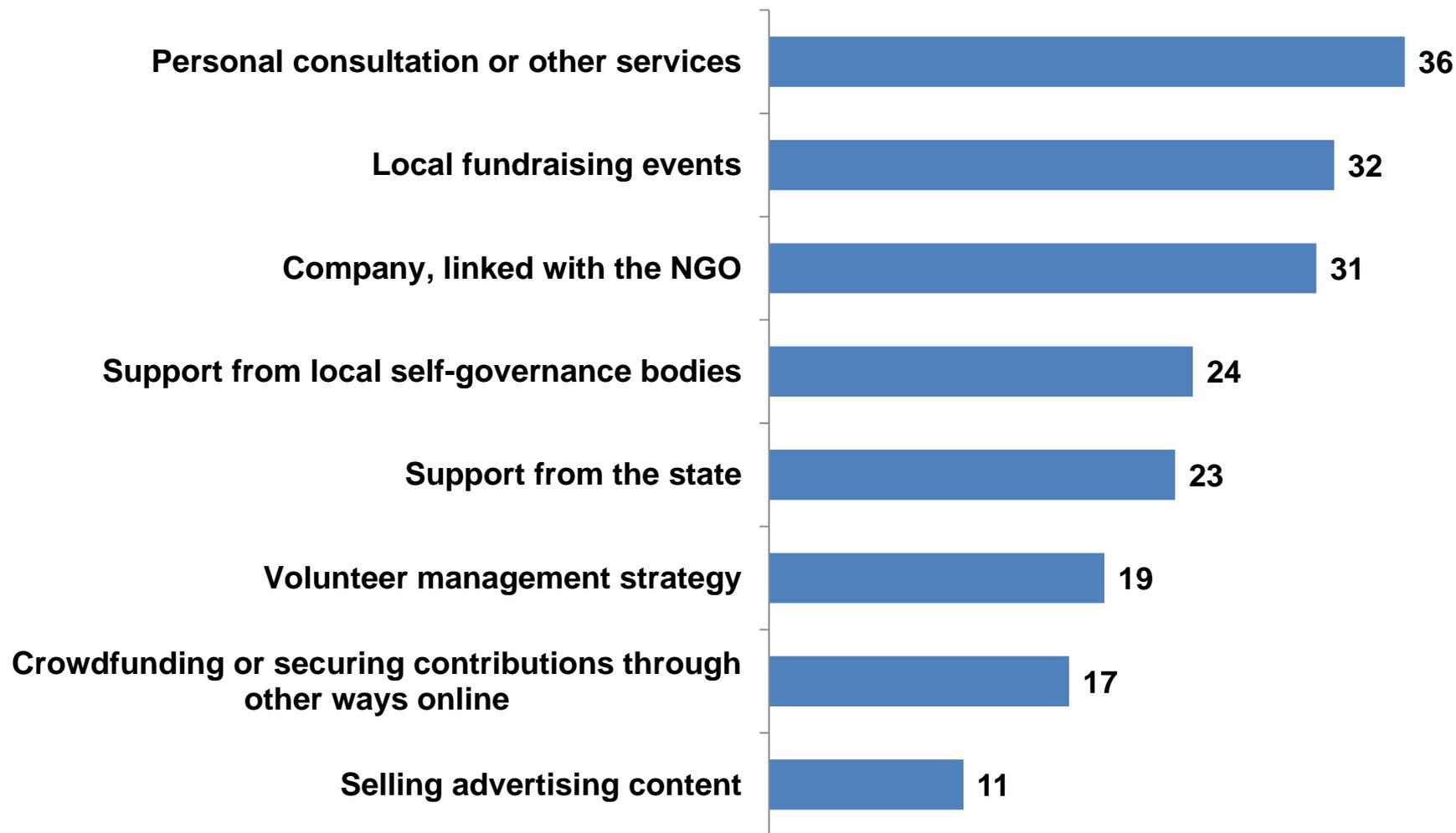
Financial Resources

Q33. What are your organization's sources of funding this year? (multiple responses possible, % of cases)



Prospects for Finding Resources

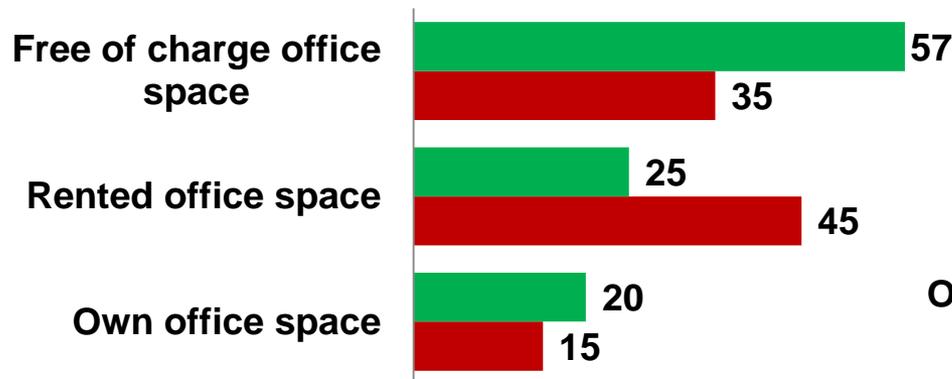
Q44. If international donors terminate their funding, which of the following could serve as a future source of funding for your organization? (multiple responses, % of cases)



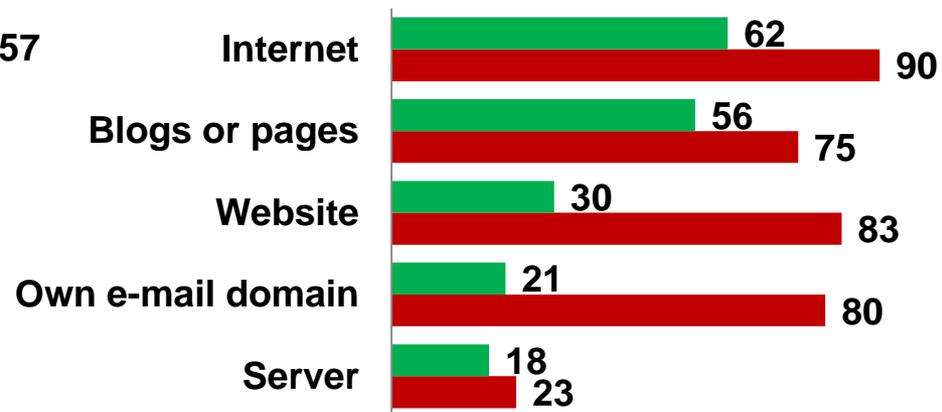
Material and Electronic Resources

Q42. Please indicate all the material resources that your organization currently has (% of cases).

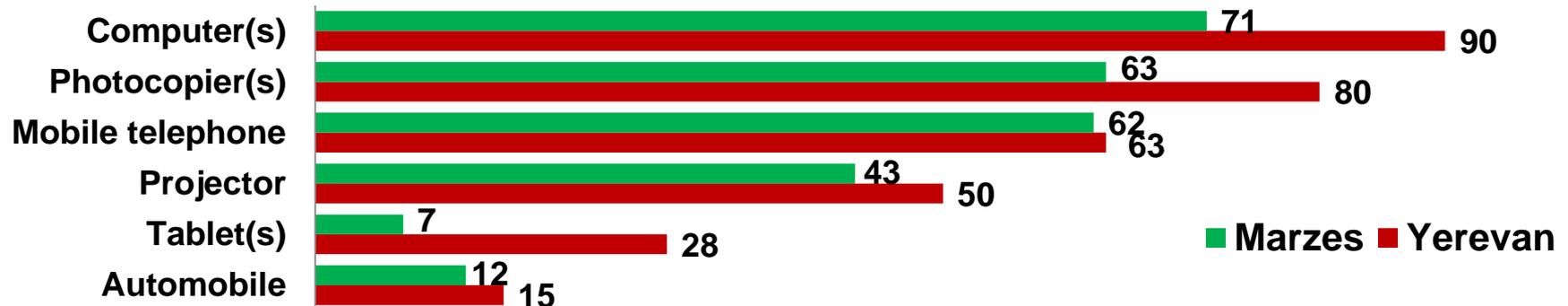
Office space



Electronic resources



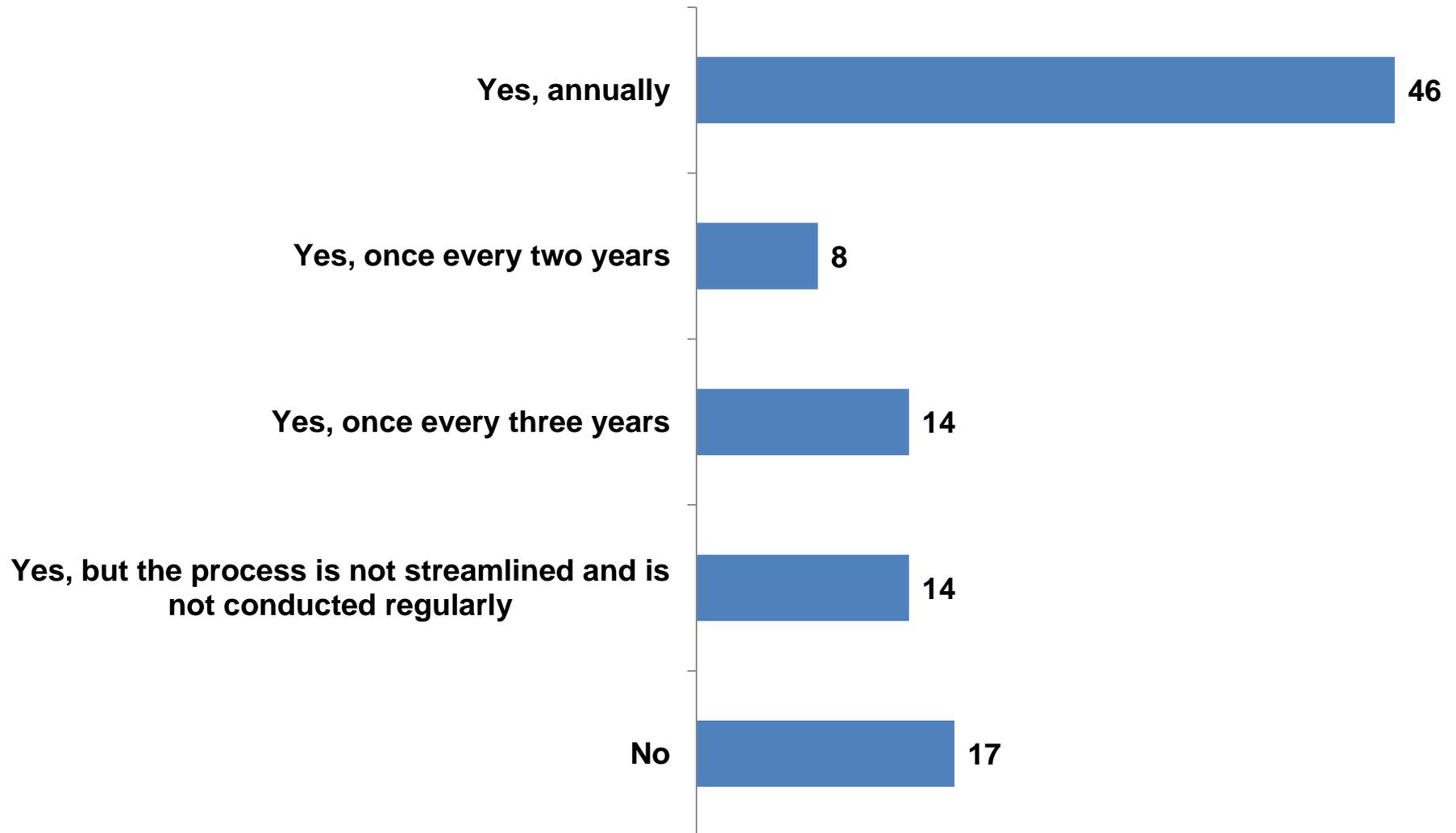
Equipment



■ Marzes ■ Yerevan

Strategic Planning

Q24. Does your organization conduct strategic planning? (% of cases)



Strategic Planning

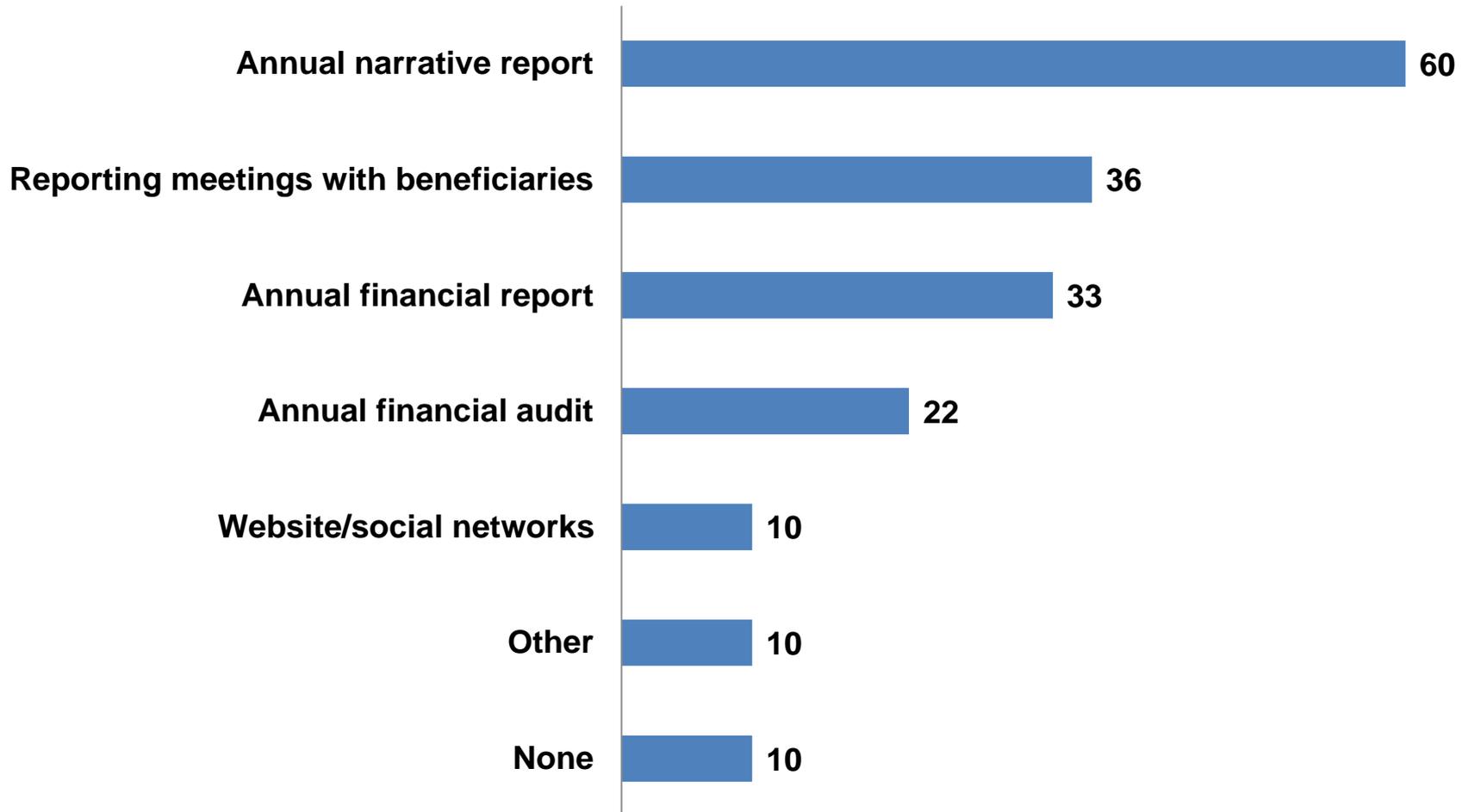
According to experts, a small percentage of CSOs develop and consistently implement strategic plans.

“Those who pass training where it is considered necessary may write it pro forma, then set it aside. However, very few are truly guided by it, even if they write it. Secondly, that plan is often not realistic” (*representative of international organization, CSO field expert*).



Accountability and Transparency

Q16. What tools do you use to ensure the accountability and transparency of your organization? (multiple responses possible, % of cases)



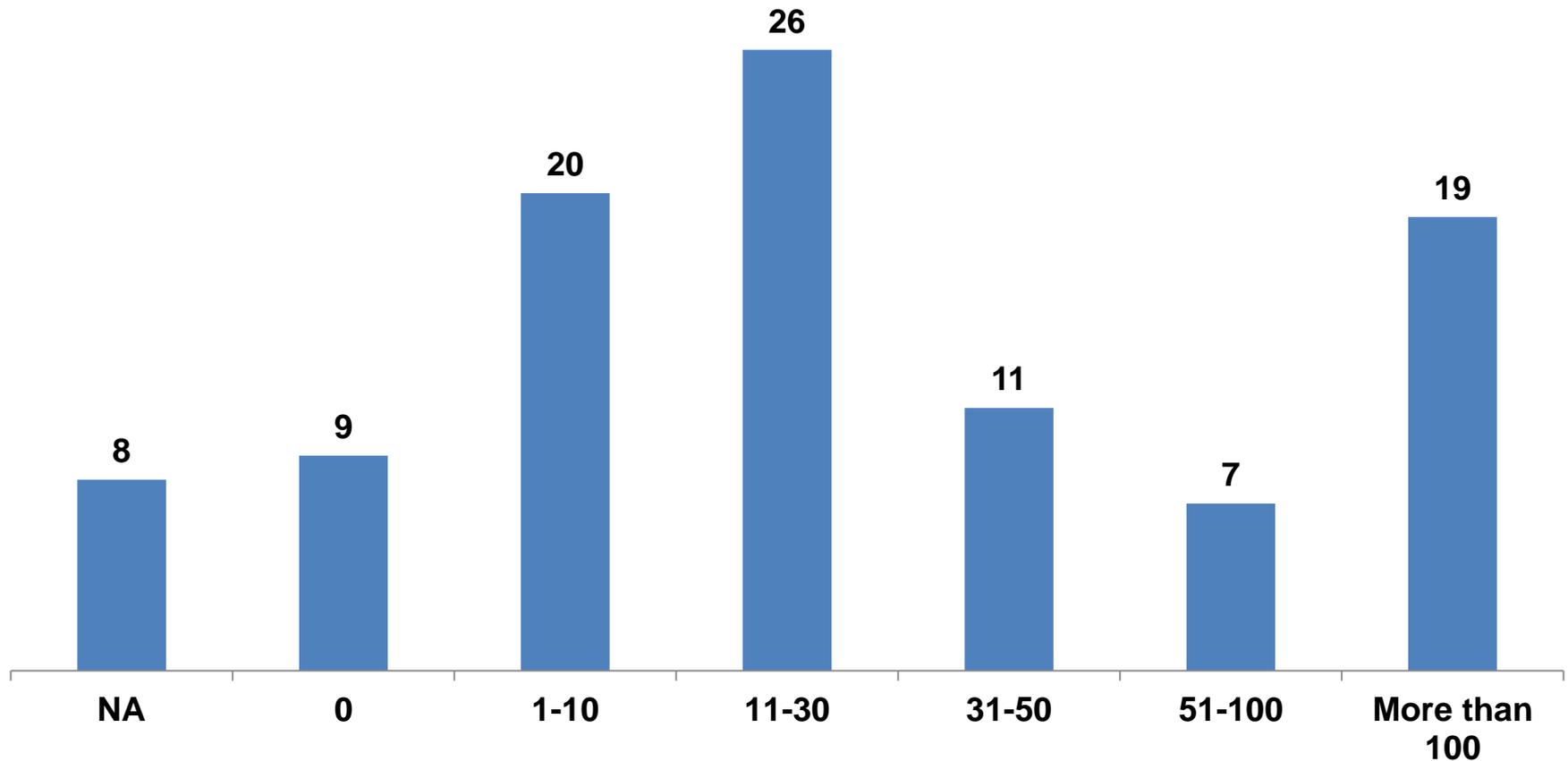
Accountability and Transparency

- According to experts, the incomplete usage of visibility and accountability tools is connected with a lack of their appreciation rather than an absence of skills.
- “It is not about being transparent, but proactive: the NGOs do not market and advertise their activities. Quite often, professional NGOs think that they do not need to advertise themselves” (*CSO field expert, CSO representative*).



Membership

Q8. How many members does the organization have? (% of cases)

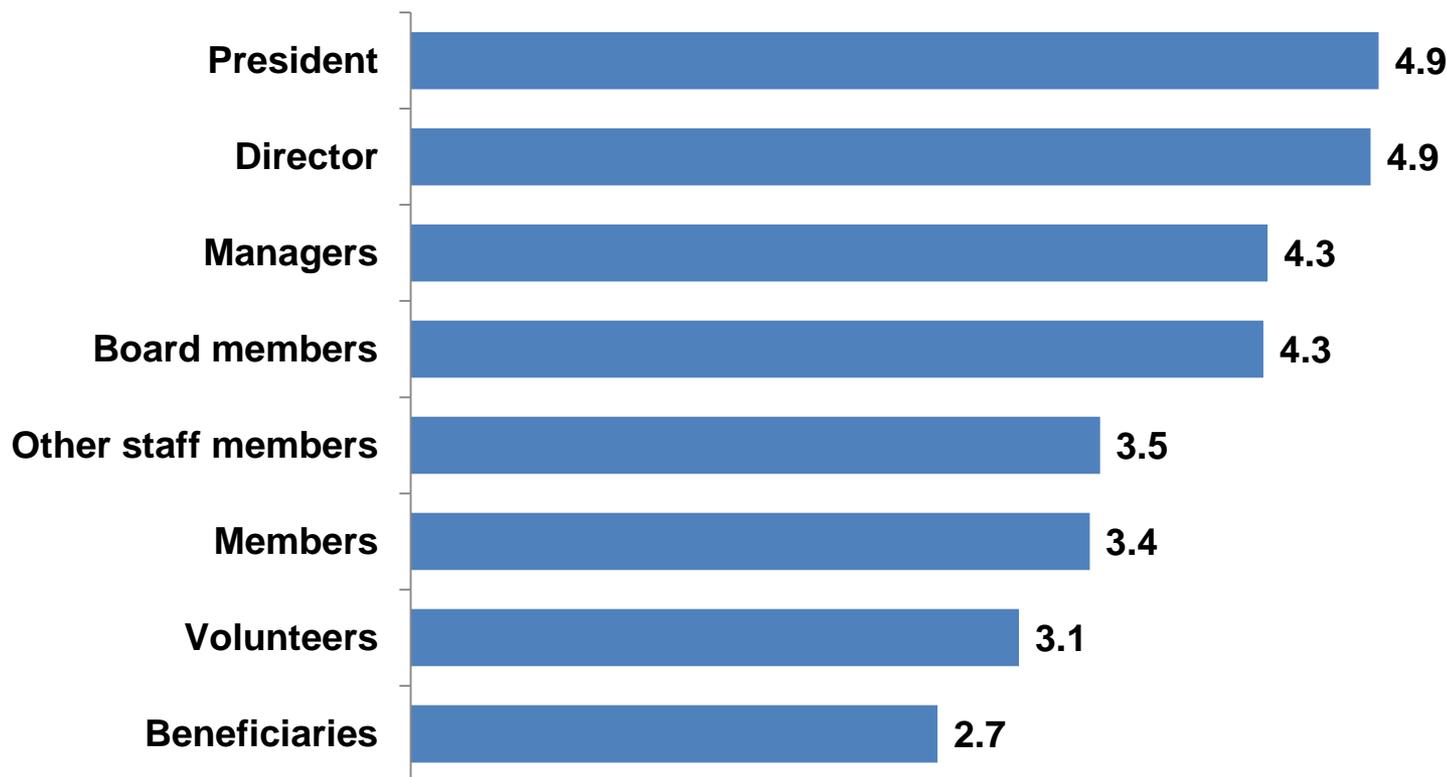


Volunteers

- 82% of surveyed CSOs have volunteers, while 18% do not.
- 8 CSOs without volunteers have never had them: the majority of these CSOs mentioned that they do not need volunteers.
- Almost all CSOs that participated in the qualitative survey have the institution of volunteers.
- According to experts, the ideology of volunteerism is not sufficiently developed in Armenia.
- The existence of volunteerism in community organizations is due to the involvement of relatives.

Involvement of Beneficiaries

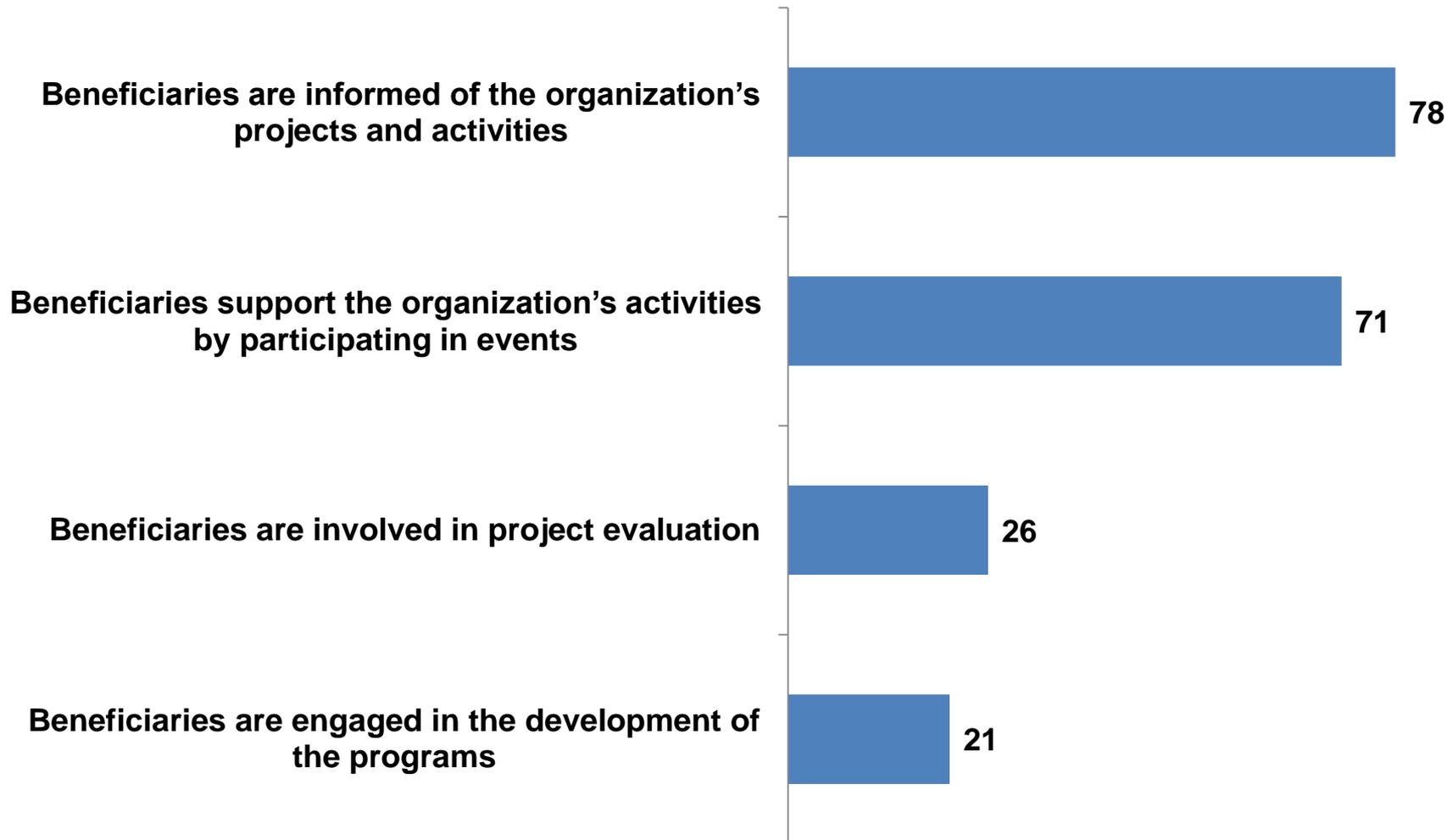
Q14. How frequently are the following individuals or groups involved in decision-making regarding organizational programs? (average rate, 1=never, 5=always)



- Beneficiaries are involved the least: in 20 CSOs the answer to the question of the involvement of beneficiaries was “never” while in 10 CSOs it was “not applicable”.

Involvement of Beneficiaries

Q15. Which of the following statements best describes beneficiaries' level of awareness of the organization? (multiple responses possible, % of cases)



Involvement of Beneficiaries

- The relationship with beneficiaries is one of the weaknesses of CSOs.

“To me, as a funding organization, the report will be provided in time. However, they (the speaker means the CSOs) will not go to their beneficiaries and tell them “Dear beneficiaries, we have done this and that”...First of all, you have to be accountable to and in touch with your beneficiaries” (*representative of an international organization*).
- The majority of FG participant beneficiaries was involved in **the development and/or evaluation of programs**, however, they were rarely involved in **strategic decision-making**.
- According to CSOs, a lack of civic activism and consumer approach towards services creates difficulties in community mobilization and participation.
- According to beneficiaries, there is a need for more awareness-raising regarding their involvement and participation.



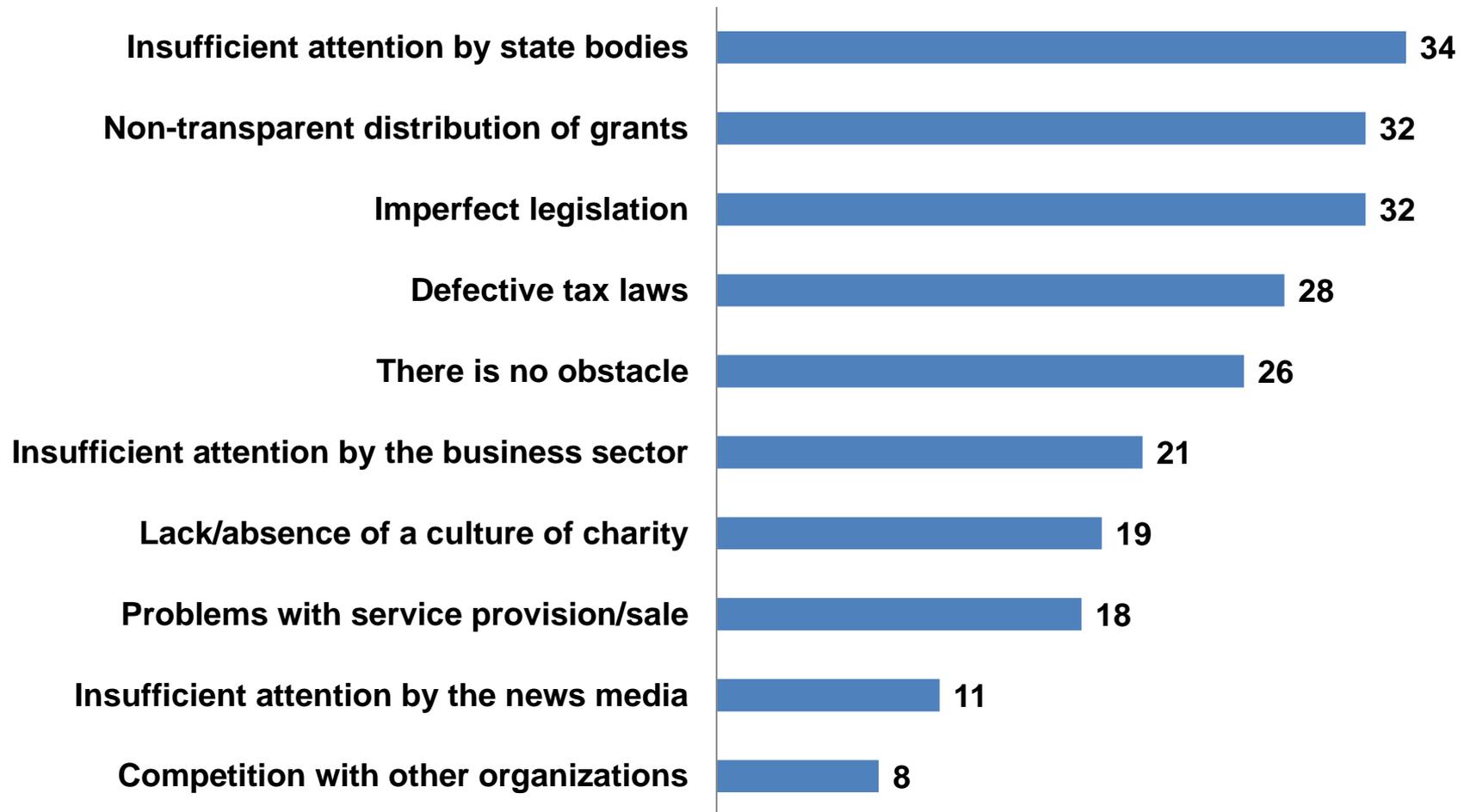
Barriers to Organizational Development

Q61. What are the internal obstacles to your organization's development? (% of cases, multiple answers)



Barriers to Organizational Development

Q62. What are the external obstacles to your organization's development?
(% of cases, multiple answers possible)



CSO SUSTAINABILITY

Prerequisites for CSO Sustainability

- Consistency and Devotion in mission and values:
“A Sustainable NGO...first of all, consists of people devoted to their mission, who work together and trust each other. There are no guarantees of sustainability beyond that” (*CSO field expert*).
- Funding continuity and diversity
- Institutional mechanisms and continuity of operations
- Supportive legal, political and cultural environment



CSO Sustainability: Current Situation

- Optimism of state institutions
- Concern of international organizations
- Lack of a CSO “middle class”
- The necessity of involving staff, members and supporters

“NGOs must lean on society... There is a need to form a community, people who are ready to implement this idea. Power comes from the quantity of people supporting the idea. When NGOs work on increasing the number of their supporters, the authorities will take them more seriously”
(CSO representative).



TRUST TOWARDS CSOs

Trust towards CSOs

- According to experts, there is a lack of public trust towards CSOs.
- Representatives of the business sector have expressed doubts about the credibility of CSOs.

“There is no NGO in Armenia, because the purpose of an NGO is not NGO-related: the NGO representatives are just tricky businessmen. We are honest businessmen, we produce something and we demonstrate our product, while they are the tricky ones”
(business representative).
- International and public organizations mostly express a positive opinion.
- According to CSO stakeholders, there is trust towards CSOs in their communities.

“Maybe there are CSOs that do not inspire confidence in the public, but I can speak about our organization: if you help people, do something good for them, they trust you” (Gegharkunik CSO beneficiary).



Reasons for Distrust

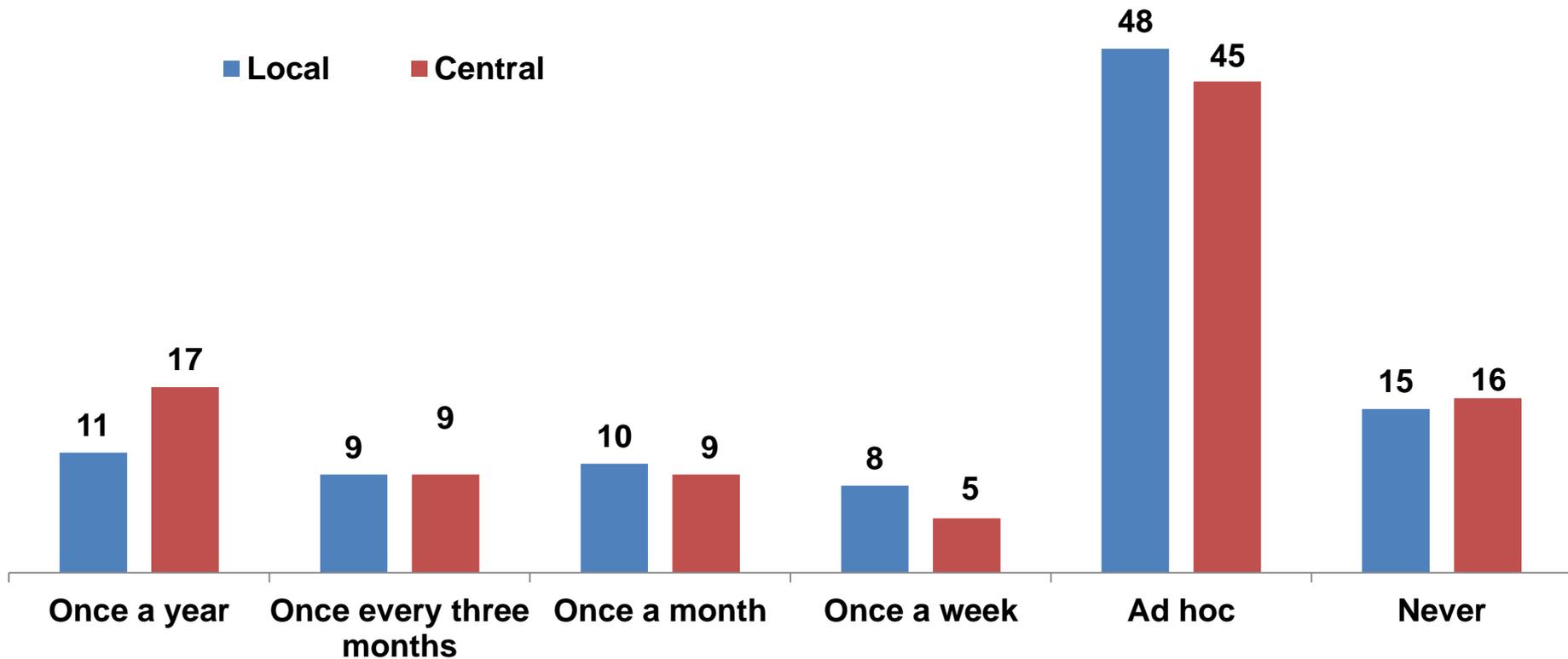
- Lack of information and transparency
- Incomplete media coverage
- Shifting of the organization's activities based on funding sources
- Dependence and focus on funding
 - “Organizations are so focused on getting money and financial resources that it is the only thing they are talking about, instead of their mission and responsibilities” (CSO expert, representative of international organization).
- The perception of serving the interests of the donor alone, various negative labels
- Activities of pro-governmental CSOs



COLLABORATION

Collaboration with State Institutions

Q45. How often does the organization cooperate with the state institutions of Armenia? (% of cases)



Collaboration with State Institutions: Trends

- Positive assessment of collaboration of state institutions and CSOs
- Importance is attached to:
 - The support of CSOs to solve social problems
 - Participation in decision making
 - Expert capabilities
- Types of collaboration
 - Joint discussions
 - Consultation
 - Joint activities
 - Delegation of social services



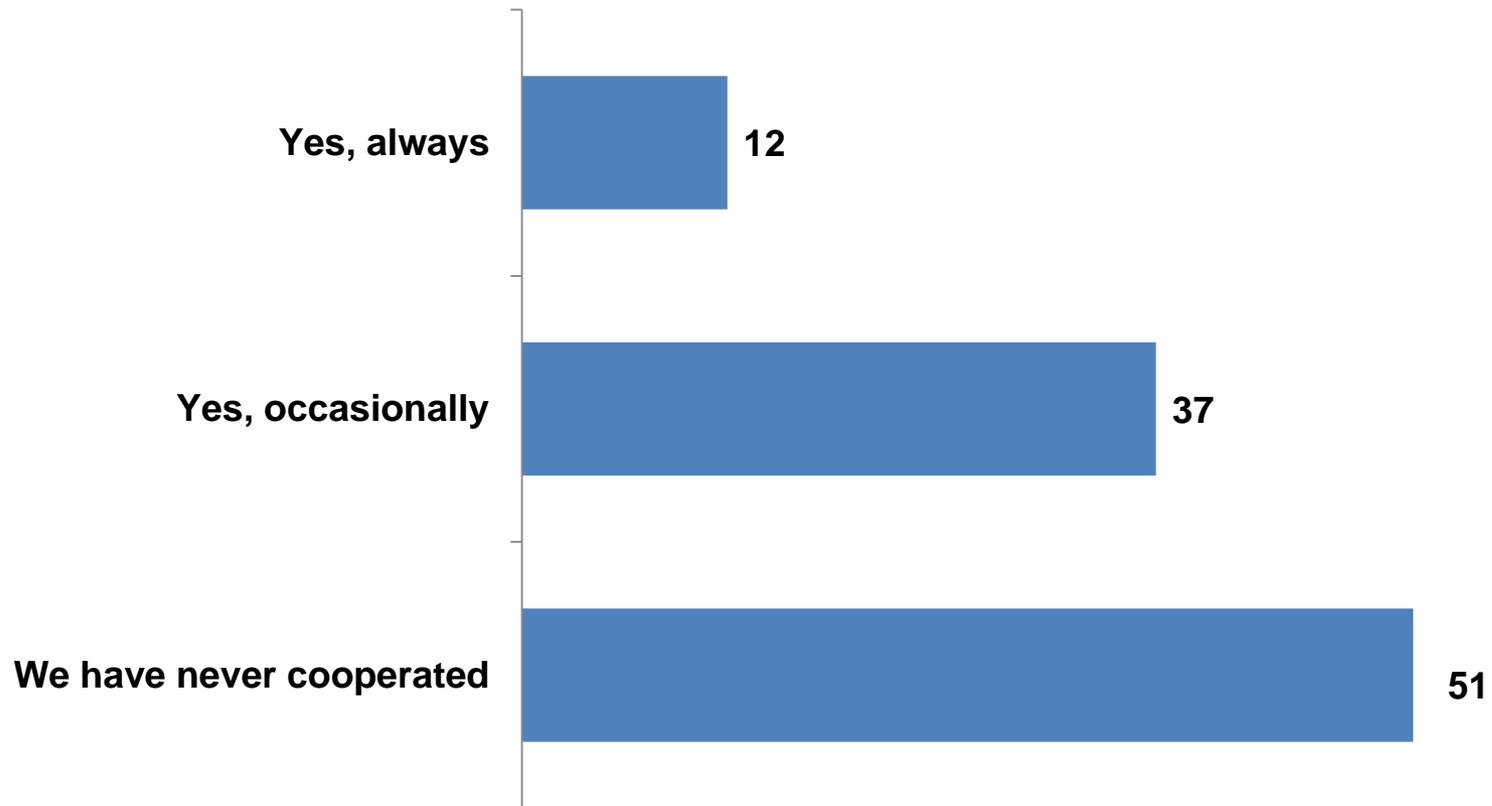
Collaboration with State Institutions: Obstacles

- Lack of constructive dialogue
- Weak capacity and limited participation of CSOs
- The pretense of collaboration from time to time
- Distrust towards state institutions and CSO funding procedures
- Concerns related to conflict of interest
- Importance of individual-related factors



Collaboration with business

Q.53. Do you cooperate with businesses to implement projects? (% of cases)



Collaboration with Business: Trends and Obstacles

- Distrust towards CSOs
- Unfavorable taxation
- Distrust towards the business sector
 - "Businesses always have their own agenda, or their own NGO, or pursue political goals... In Armenia, they are still dependent on political processes" (CSO expert, representative of international organization).
- Independence and a risk of conflict of interests
- Establishment of relationships based on personal relations and interests



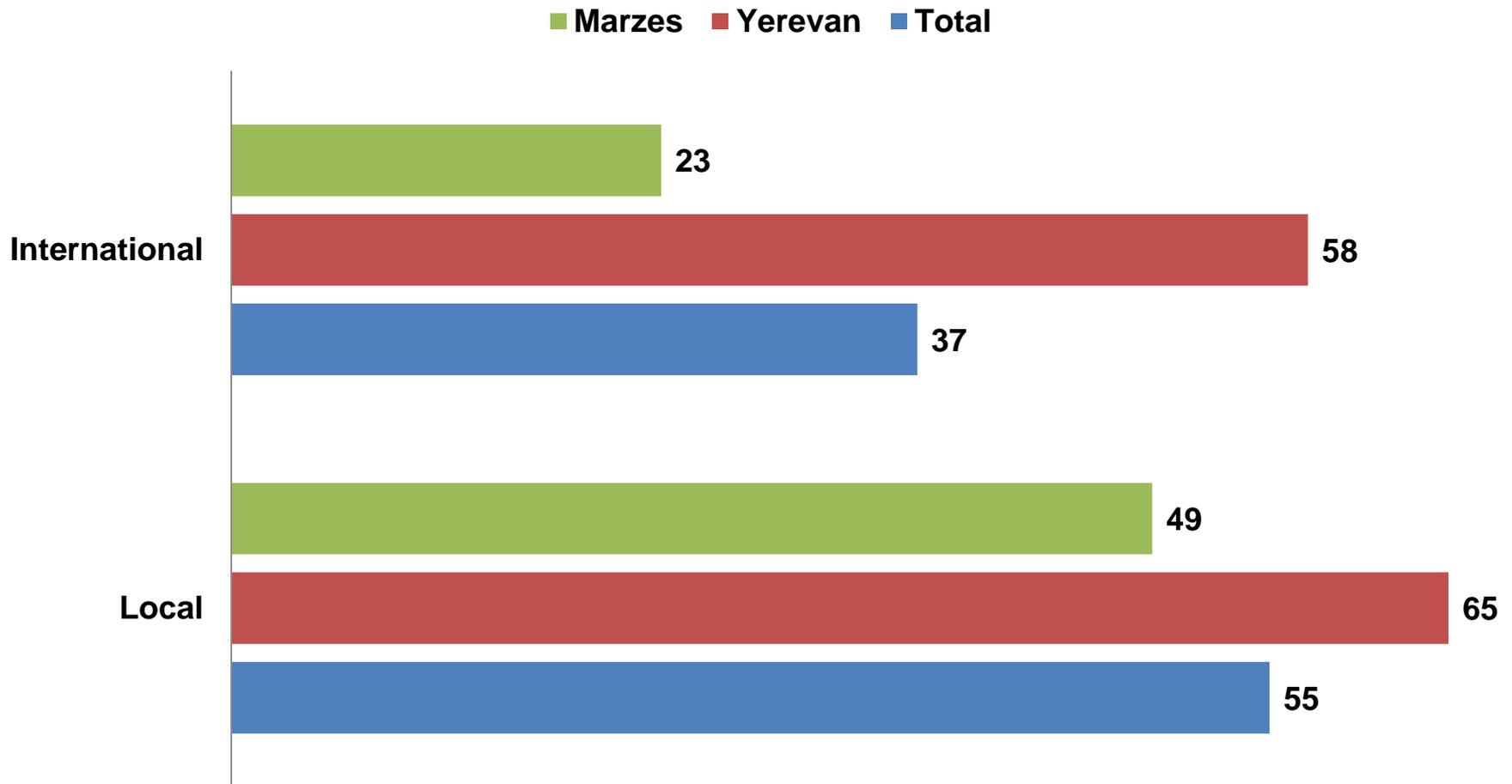
Collaboration with CSOs

- The majority of respondents (81%) stated that there were no barriers of cooperation with other CSOs.
- Among the mentioned barriers are
 - Competition for resources (10 times)
 - Organizations' actions contradicting their mission/principles (10 cases)
 - Lack of professional capacities of the organizations (7 cases)
 - Lack of information on the organizations' activities (6 cases)



Collaboration with CSOs

Q50. Is your organization currently a member of any local or international coalition, network, or group?



Collaboration with CSOs

- Experts have a negative perception of **the idea of competition**: CSOs will benefit from cooperation, rather than competition.
- The work through coalitions and networks is emphasized:
“We would recommend the CSOs to be ideological, united, to undertake activities with a network that is efficient rather than of a formal nature. I am sure this will be appreciated. It will be noticed and nobody will stay uninvolved” (*international organization representative*).
- Importance is also attached to cooperation with **CSOs from other countries** and to the development of international relations.



Collaboration with International Organizations

- Necessity to be more sensitive to local needs
 - “What international organizations should not do is to spread their own agenda on NGOs. This either turns the NGO into a business or a staff working for the international organization. This should definitely not be done” (*expert in CSO sector, representative of CSO*).
- Efficiency of long-term support
- Controversial criteria of funding and grant provision to a closed circle of CSOs
- The need of small grants for small organizations
- Importance of expert support



CSO SERVICES

CSO Directions

Q3. In which of the following activities is your organization engaged? (up to 3 answers)



Needs of CSO Services

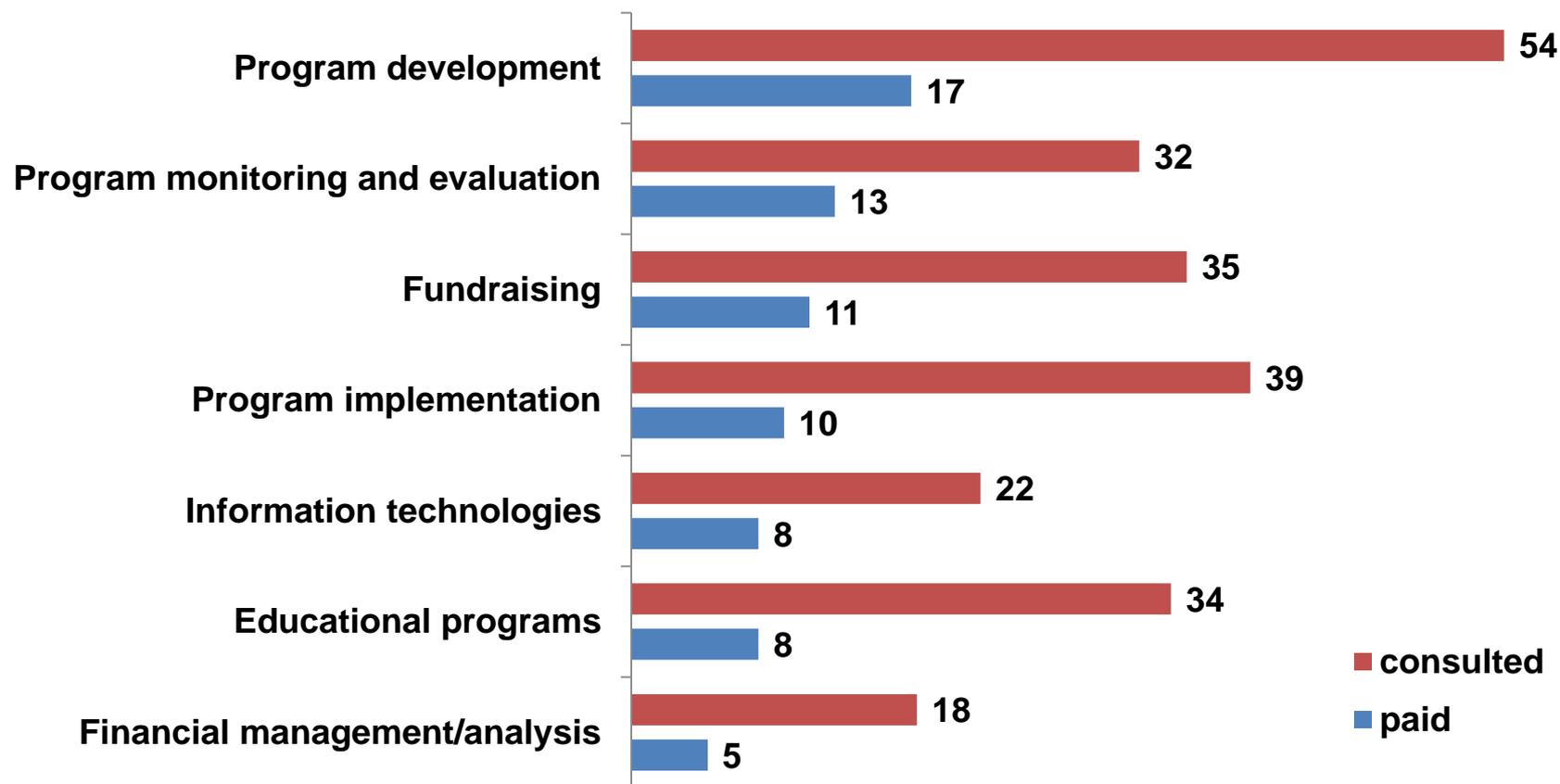
- Direction of CSO service development
 - **Monitoring and evaluation**, including that of public policy and programs
 - **Research and analysis**, evidence-based advocacy
 - Provision of **social services** in communities
 - Initiatives for **social partnership**
- Specialization in specific services
- Presence in the communities



CSO ORGANIZATIONAL DEVELOPMENT

CSO Organizational Development

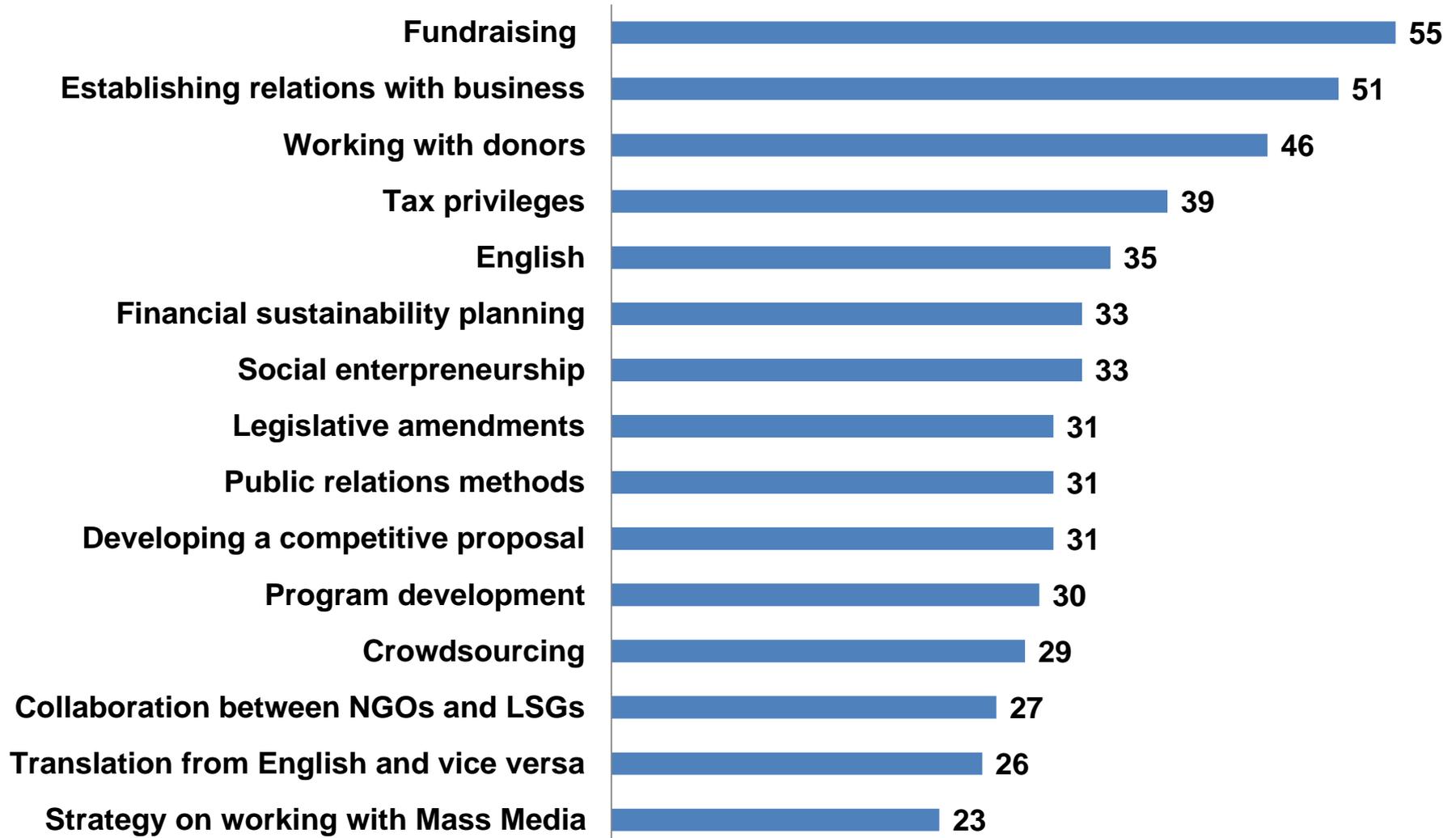
Q59. Has your organization received external consultation in the following areas? (% of cases) / Q60. Has your organization paid for those services? (% of CSOs that received consulting, N=63)



- 38 CSOs have not received any external consultancy.

CSO Organizational Development

Q 63. Demanded forms of support (number of cases).



CSO Organizational Development

Q69. The lack of what kind of information do you notice in the CSO sector? (% of cases, multiple responses possible)



RECOMMENDATIONS

Recommendations to CSOs

- **Dissemination of information** about CSO activities, **increase of accountability and transparency**
- Utilization of **different forms** of accountability for different audiences
- **Formulation and measurement of the results of activities**
- **Closer interaction** with target communities and beneficiaries
- Involvement of **beneficiaries and their stories**, assurance of visibility first of all through the beneficiaries
- Improvement of knowledge on forms and mechanisms of **cooperation with public and private sectors**, as well as on communication and negotiation skills
- Regular **self-assessment** of capabilities, identification of strengths and gaps as well as self-development

Recommendations to Stakeholders

- **Integrated and comprehensive state policy for CSO development** based on equal and agreed principles between CSOs and authorities
- **Introduction of new taxation mechanisms and change of existing ones** to contribute to CSO activities
- Introduction of an academic course on social processes and structures in universities
- **Creation of discussion platforms** and organization of events aimed at exchange of experience among stakeholders

Recommendations to Stakeholders

- Creation of “**a wishlist**” by businesses addressed to CSOs
- Programs and events addressed at **the promotion of CSR**
- Encouragement of **monitoring and evaluation programs** of state and international organizations’ policies
- Operation of an institution providing a number of **administrative functions to several CSOs**, provision of a **common office space** for CSOs
- Introduction of a **CSO capacity building component** in various programs
- Special mass media attention to the presentation of **CSO work outcomes**

Capacity Building Themes

- Membership and the board, strategic planning
- Human resource recruitment, leadership
- Involvement and management of volunteers
- Participatory decision making, involvement of beneficiaries
- Continuous communication with beneficiaries
- Transparency and accountability tools
- Diversification of funding sources and innovative ways of fundraising

Capacity Building Themes

- Financial management
- Collaboration with state and private sector
- Coalitions and networks
- Assessment of program outcomes and impact
- Public policy monitoring and evaluation
- Evidence-based advocacy
- Legislative processes

Capacity Building Formats

- Involvement of CSOs as a resource in capacity building activities
- Group training and coaching
- Online training and provision of information
- Individual consultations
- More advanced CSO mentoring by other CSOs
- Experience exchange platforms
- Speakers with interesting experience

THANK YOU

You can find the full report on the following websites:

www.crrc.am

www.epfarmeria.am

www.hkdepo.am

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