2017 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

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ARMENIA

CSO SUSTAINABILITY: 3.7

Armenia's transition from a semi-presidential to a parliamentary form of government continued in 2017. A new parliament was elected in April under the new constitution, which was amended in late 2015, with the ruling Armenian Republican Party winning the majority of seats. Karen Karapetyan remained the prime minister, and the cabinet was largely unchanged. In June, the parliament approved the government program for 2017–2022, which calls for large-scale socio-economic reforms. In the same month, the parliament adopted a legislative package on anti-corruption measures, including the Law on Corruption Prevention Commission, the Law on Whistleblowing System, and an amendment to the Law on Public Service.

The EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) was signed in November to strengthen cooperation on security matters, improve the investment climate, and contribute to community and business development. An independent civil society platform composed of Armenian and EU organizations will be established to monitor the implementation of the agreement.

CSO sustainability improved in 2017, with advances noted in a number of dimensions. The new Law on Public Organizations and other legislative amendments entered into force, providing a better regulatory framework for CSOs. Due to numerous capacity-building programs, CSOs increasingly recognize their institutional development needs and many CSOs improved their internal management and strategic planning. Positive trends were noted in financial viability, advocacy, and sectoral infrastructure due to increased funding diversification, improved dialogue platforms, and new training opportunities. At the same time, CSOs were the subject of continuing negative campaigns, often by other CSOs, accusing them of following donor agendas and opposing traditional Armenian values.

According to the Ministry of Justice (MoJ), 4,782 public organizations, 1,119 foundations, and 317 legal entity unions were registered in Armenia as of the end of 2017, a slight increase from 2016. Experts estimate that only about 20 percent of registered organizations are active.

LEGAL ENVIRONMENT: 3.7

LEGAL ENVIRONMENT IN ARMENIA
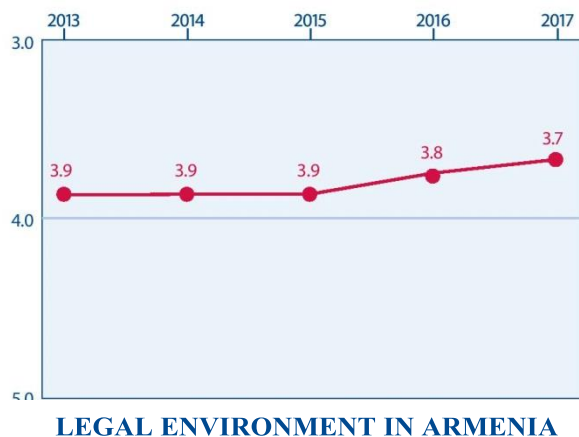
In 2017, the legal environment for civil society improved, primarily due to the implementation of new CSO legislation.

The primary laws regulating registered CSOs in Armenia are the Law on Public Organizations, which was adopted in December 2016, and the Law on Foundations, which was amended in the same month. These new legal provisions came into force in February 2017. The new Law on Public Organizations introduced several provisions that could positively influence public organizations, which account for the majority of registered organizations, including opportunities to directly engage in income-generating activities and greater flexibility in the composition of their membership and governance structures. In addition, environmental organizations are now allowed to represent their constituents' interests on environmental issues in courts, while public organizations that receive funding from public sources are required to submit annual financial reports. Public organizations are required to revise their charters if they do not correspond with the new legal provisions. The new legislation also eliminates the concept of legal entity unions, as public organizations can now have legal entities as their members. Legal entity unions must thus register as public organizations within one year of the law going into effect, although this deadline was later extended.

The State Register of Legal Entities within MoJ is responsible for the registration of CSOs. The law provides ten- and fifteen-day periods for registration decisions for public organizations and foundations respectively. However, the State Register frequently requests additional information or amendments to CSO charters. The MoJ approved a sample of a standard charter for public organizations in May 2017; if an organization uses the standard charter template, registration is simplified and often completed within two days. CSOs do not have to register to operate in Armenia, unless they seek to enter into financial transactions.

The new legislation transferred CSO oversight to the State Revenue Committee (SRC), where a special department was established. Previously, the MoJ was responsible for overseeing legal compliance of CSOs' activities, while SRC was only responsible for taxation issues. The department had not established operating procedures by the end of 2017, which has created some uncertainty among CSOs about what to expect. However, the SRC has indicated its willingness to collaborate with CSOs in designing the procedures and invited organizations to apply and serve in the SRC's public council.

The Law on Public Organizations also introduced a regulation on volunteer engagement, which establishes rules for public organizations using volunteers. The Ministry of Labor and Social

Affairs (MLSA) proposed a draft law on volunteering in 2017; it provides more restrictive conditions for recruiting and contracting volunteers than the Law on Public Organizations and places additional reporting obligations on public organizations engaging volunteers. A number of CSOs have criticized the draft for being too restrictive and burdensome. The government was still reviewing the draft at the end of 2017.

Although public organizations can be forced to dissolve only through a court decision, a legal act was passed in December 2016 stating that beginning on December 1, 2017, organizations that had not submitted any reports in the last four years would be automatically dissolved, unless they presented an objection by November 1, 2017. In August 2017, the State Registry published on its website a list of organizations—including CSOs—that had not submitted reports for four years. Many organizations, however, were not aware of the regulation and found out only after the fact that they were in the process of dissolving, and thus needed to appeal the decision. There were no reported incidents of state harassment of CSOs during the year.

The new Law on Public Organizations allows public organizations to directly engage in income-generating activities; public organizations can also establish or become shareholders of commercial enterprises. However, in both cases, the profit generated should be used only in accordance with the goals stipulated in the public organizations' charters. In addition, public organizations must maintain separate accounting and reporting for these commercial activities. All types of CSOs are also allowed to compete for public procurement contracts. Fundraising campaigns and donor funding are also permitted sources of income. The 2016 amendments to the Law on Foundations allow foundations to maintain and utilize endowment funding, in the form of untouchable capital, as a funding source.

CSOs are exempt from taxes on grants and donations. However, they have to pay profit tax on earned income, as well as 20 percent VAT if their total annual turnover (defined as income from all types of activities) exceeds 58.35 million AMD (about $121,000). This put them in a disadvantaged position compared to business entities, which can opt to pay the 5 percent turnover tax if their turnover is below 115 million AMD (about $239,000). Starting in 2019, however, the 58.35 million AMD threshold will be the same for all legal entities according to the new Tax Code that entered into force in 2018. CSOs can apply to the State Humanitarian Commission for exemption from VAT for purchases made under projects that the government deems charitable. Corporations can deduct donations from their taxable income up to 0.25 percent of their gross incomes. Individual donations are not tax-deductible.

CSOs' access to legal advice in Yerevan and regional towns improved significantly in 2017. Several organizations, including the Armenian Lawyers' Association, NGO Center (NGOC), Partnership and Teaching NGO, and Transparency International Anti-Corruption Center (TIAC), carried out a number of awareness-raising meetings in various regions of Armenia, in which lawyers presented the new amendments and organized question and answer sessions. As a follow-up to these sessions, CSOs communicated with the SRC to get clarification on the practical implementation of the new provisions.

ORGANIZATIONAL CAPACITY: 3.6
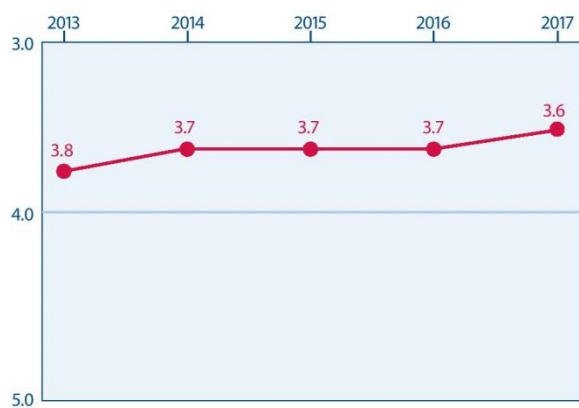
ORGANIZATIONAL CAPACITY IN ARMENIA

CSOs' organizational capacities improved in 2017, mostly as a result of recent donor-funded capacity building programs. CSOs that participated in capacity-building programs have improved their internal management and now better recognize their development needs, particularly the necessity of internal regulations and strategic management. For example, the NGOC reported that, according to the results of their pre- and post-assessments, the sixty CSOs involved in their program improved their organizational capacities; through this program, twenty CSOs have developed strategic plans.

Most CSOs have clearly-defined missions and more organizations have started using strategic planning techniques in their decision-making processes. In comparison to previous years, the number of CSOs with written internal policies and procedures has increased. For example, in the framework of the USAID-funded ISOs for Civil Society Development (ISO-CSD) project, implemented by NGOC and Partnership and Teaching NGO, the Center for Community Mobilization and Support and seven other organizations throughout the country developed a number of internal procedures related to human resource management, external relations, and financial sustainability. These procedures have had a positive impact on the organizations' visibility, communications, management, and engagement with beneficiaries.

The BRIDGE for CSOs program, a three-year EU-funded program launched in December 2016 by Armenian General Benevolent Union (AGBU) and Eurasia Partnership Foundation (EPF), conducted the Armenian CSOs' Professional Needs Assessment in order to better understand the needs and gaps in terms of professional and sector-related skills. According to the assessment, CSOs often engage in several thematic areas, as opposed to focusing on a single area of expertise that would allow them to build their professional skillset in the provision of specific services.

CSOs still do not prioritize constituency building and their ability to identify and mobilize constituencies continues to be weak. CSOs that address the needs of vulnerable groups or advocate for rights in specific areas have been more successful at involving large groups of supporters in their work. For example, Driver's Friend NGO, which provides legal assistance and court representation for groundlessly-fined drivers, has mobilized over 30,000 members on its Facebook group.

Although the Law on Foundations prohibits foundations from employing board members in executive management, the Law on Public Organizations does not have similar restrictions. As a result, many public organizations employ members of their various governance bodies (if they

have them). CSOs increasingly understand the need to avoid conflicts of interest, but few CSOs adopt relevant procedures or take appropriate steps unless explicitly required to by their donors. Small CSOs, in particular, often cannot afford a clear division of responsibilities between their boards, management, and staffs due to limited human resources.

CSOs' transparency still remains limited. Registered CSOs typically follow the reporting requirements set by donors, but in most cases, CSOs do not find it necessary to publicly report on the use of funds received from local or international donors.

CSOs primarily engage paid staff when project funding is available. By law, CSOs must sign contracts with paid employees. A relatively small number of CSOs, mostly those that have undergone capacity-building support, have job descriptions, payroll, and personnel policies in place. CSOs employ or outsource the processing of financial transactions to accountants; other professionals are involved when project funds are available.

In many CSOs, especially informal groups, members and volunteers are the primary human resources. According to the 2017 World Giving Index, Armenia reports the lowest level of volunteering in the world, with a participation rate of just 4 percent. Beginning in 2017, CSOs must also sign contracts with volunteers who are engaged for more than twenty hours a week.

CSOs typically have access to basic office equipment such as computers, software, printers, and phones; however, they can only afford to upgrade and modernize their equipment when grant funding is available. Therefore, many continue to use outdated software, computer, and network equipment. Access to the Internet is available throughout the country, although connection quality varies. Most functioning CSOs have pages on social networks, particularly Facebook; other networks such as Twitter, LinkedIn, or WhatsApp are less popular among CSOs.

FINANCIAL VIABILITY: 5.0

FINANCIAL VIABILITY IN ARMENIA

The financial viability of CSOs improved slightly in 2017 due to increased and diversified funding opportunities, new legal provisions on earned income, growing use of online fundraising platforms, and emerging procurement practices by state agencies. At the same time, the availability of local funding sources for CSOs is still limited, and many CSOs still rely on short-term grant funding.

The 2017 World Giving Index reports that 12 percent of respondents in Armenia donated to charities in 2016, an increase from 9 percent in 2015. Youth and grassroots CSOs have been more successful at attracting volunteer and some in-kind support from their constituencies; local constituencies rarely provide financial support. Large traditional CSOs mostly rely on grants from foreign donors. Some CSOs also utilize public fundraising and income earning opportunities.

Online crowdfunding platforms are becoming increasingly popular among CSOs, with a large volume of donations from the Armenian diaspora. In addition to financial support, the Armenian diaspora became more active in 2017 in providing pro-bono expertise. Together4Armenia, an innovative web-based platform managed by UNICEF and AGBU, facilitated networking and knowledge-sharing between diaspora experts and CSOs implementing projects in Armenian communities.

Businesses enter into partnerships with CSOs as part of their corporate social responsibility (CSR) programs; however, few provide direct funding to CSOs. The Armenia Tree Project (ATP) works with businesses to help them achieve their CSR goals, particularly by organizing tree planting with the participation of companies' staff and their family members. For the last thirteen years, ATP has received an average annual donation of 2 million AMD (about $4,200) from Synopsys Armenia for plantings and cleanups. CSOs continue to try new approaches of soliciting funds from businesses. The Child Development Foundation organized a charity concert in 2017, raising 8.8 million AMD (around $18,500) through ticket sales and the sale of products donated by businesses in an auction; the proceeds helped provide professional services to children with special development needs.

To receive state subsidies, CSOs must be pre-identified in the state budget. In 2017, the budgeted amount for non-profit grants and subsidies was about 6.8 billion AMD (about $14 million), compared to 7.7 billion AMD (about $16 million) in 2016. In addition, the government provides some funding through specific budget lines. A few agencies use a relatively transparent system in the distribution of these grants. For example, in the framework of youth policy, the Ministry of Sport and Youth Affairs announces a small grants competition each quarter and publishes the selection results; while the Ministry claimed it would also publish the reports on the grant projects online, they were still unavailable at the end of the year. The administration of the President of Armenia awards grants administered by the All-Armenian Youth Foundation; the Foundation does not publish the full list of winners, but provides news on specific project activities. In 2017, MLSA drafted regulations for competitive awards of social service contracts, although these have not been finalized yet. MLSA also started announcing competitions to outsource specific services such as the distribution of hearing aids. Some local CSOs receive funds from local government budgets, although there is no comprehensive information available on the scope or recipients of such funding.

CSOs increasingly strive to diversify their funding sources, but remain largely dependent on international grants. Major CSO donors include the US Embassy, USAID, the EU, GIZ, the UN, and the Open Society Foundations. Direct EU funding to Armenian CSOs continued to increase in 2017, including through several large programs focused on CSO capacity building, business and social entrepreneurship development, youth initiatives, and public policy participation. Many CSOs also receive direct funding from abroad, including from the National Endowment for Democracy (NED), European Endowment for Democracy (EED), and German Marshall Fund. Sub-granting by local organizations increased in 2017.

Few CSOs, mostly professional associations, collect membership fees. Many public organizations find this source of income insufficient, particularly given the paperwork associated with it. Informal groups are supported by their constituencies and members. Newly-established organizations more often use online channels and innovative tools to raise funds. The Pahapan Development Foundation initiated the Here is Why campaign, in which city cafes,

bars, and restaurants offered their customers a puzzle piece to stick on the foundation's poster in exchange for a charity tip of 200 AMD (about 40 cents). The funds collected are used to address issues facing Tavush villages on the border with Azerbaijan, such as the construction of shelters in or under schools to protect children during shootings.

Changes in the law have sparked interest among CSOs in the concept of social enterprise and the provision of paid services. However, many public organizations still hesitate to introduce paid services because of uncertainty about tax regulations, bureaucratic reporting procedures, and limited market knowledge. Many donor-supported programs focused on raising awareness and building capacities for entrepreneurial activities and social enterprise in 2017. As a result of the EU-funded Community Development through Social Entrepreneurship (CODE-SE) project, CSOs and community groups established ten social enterprises in seven regions of Armenia in 2017. A social enterprise named Sareri Bariq, founded by Community Pulse NGO in Vardenik village, engages seventy families in the collection and packing of greens and herbs, and has found markets for its products across the country.

Registered CSOs often have financial management systems in place as donor organizations and tax bodies carefully monitor financial documentation. CSOs produce financial reports as required by law or by donors, though many of them do not have appropriate internal policies and procedures. According to the Law on Public Organizations, public organizations that have received any funding from the public budget will have to publish annual reports covering 2017 by May 2018. According to the Law on Foundations, all foundations have been required to provide annual financial reports since 2003. Few organizations recognize the importance of financial audits; usually, CSOs conduct external audits only when they are required to by law or their donors.

ADVOCACY: 3.0
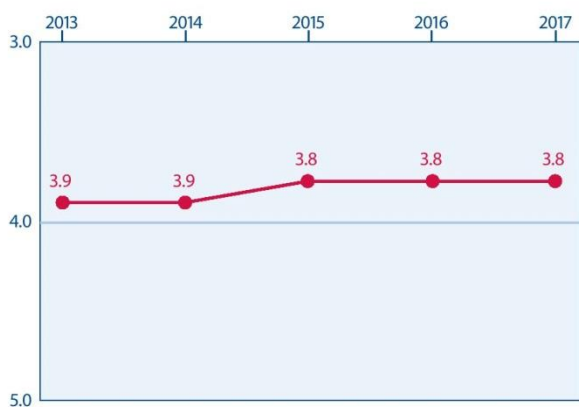
ADVOCACY IN ARMENIA

In 2017, CSO advocacy improved due to the introduction and increased use of institutional platforms and participation opportunities. The Law on Legal Acts stipulates that executive agencies must facilitate public discussions by making draft laws public—at a minimum, on their websites. CSOs can also learn about new legal drafts and provide feedback through the online interactive platform e-draft.am, which houses draft laws developed by state agencies. This platform has been functioning since early 2017; it gained popularity throughout the year with the number of visits to the site increasing from approximately 29,000 in September to nearly 105,000 in December. Following a governmental decision, all eighteen ministries established public councils that include CSOs in 2016. Some of these public councils worked effectively in 2017, providing CSOs with opportunities to represent their beneficiaries and shape public policies. For example, CSOs actively collaborated with MLSA in the framework of large-scale social reforms related to child rights, disability, and state social services. At the same time,

CSOs note that state agencies are not always responsive to their suggestions and some legislative initiatives take place in a hasty manner without proper public consultation. In addition, few organizations have professional expertise that allows them to produce well-prepared recommendations.

In 2017, CSO participation in the law-making process mostly took place in the framework of dialogue with executive agencies before legislative drafts were submitted to the parliament. Engagement with the parliament was more passive, partly due to the scarcity of public hearings, as in May 2017, the National Assembly adopted new rules of procedure that made public hearings by parliamentary commissions optional instead of mandatory.

In October, parliamentary hearings with CSO participation were organized on the draft law on domestic violence, which triggered heated public debates. The law on domestic violence had beenon the government's agenda for several years, in part because of continuous advocacy by women's rights' organizations and the Coalition to Stop Violence against Women. However, several CSOs and nationalist groups considered the law to be a threat to traditional Armenian family values. The CSOs working in the area of domestic violence and women's rights also found many provisions of the law problematic. In the face of escalating tensions and growing opposition, the parliament adopted the law in December 2017.
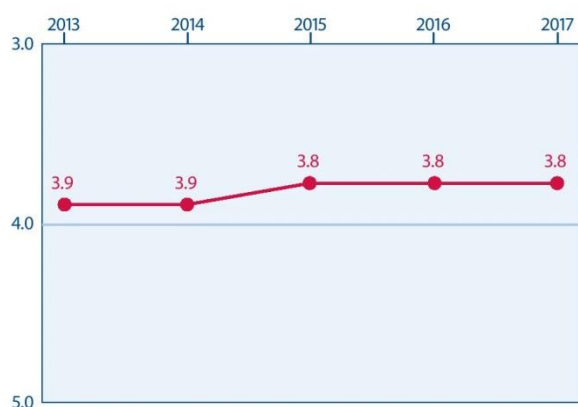
Following the government's decision in 2016 to increase the representation of CSOs in the Anti-Corruption Council, three CSOs were added to the Council. The Extractive Industries Transparency Initiative (EITI) multi- stakeholder group and Open Government Partnership (OGP) working groups continue to serve as multi-stakeholder dialogue platforms in the framework of these international initiatives.

In 2017, territorial administrative reform in Armenia continued to further consolidate small and financially weak communities into larger administrative units, known as clusters. Based on an analysis of the proposal by the Ministry of Territorial Administration and Development, the Community Finance Officers Association (CFOA) submitted recommendations to improve the design of the consolidated clusters; as a result, four of the most problematic clusters out of thirty-four were redesigned.

CSOs are taking incremental steps to improve their local level advocacy. As a result of participatory monitoring of utility services carried out by Compass Research Training and Consultancy Center, Gyumri municipality took steps to improve garbage collection and street lighting and allocated funds in next year's budget for these purposes.

In 2017, CSOs engaged in dialogue with the SRC to advocate for better regulation of the newly-established department on oversight of non-profit organizations. In addition, a group of CSOs mobilized around the initiative to amend the taxation regulations so that CSOs can benefit from the turnover tax option in the same manner that businesses do.

SERVICE PROVISION: 3.8

SERVICE PROVISION IN ARMENIA

The quality and scope of service provision by CSOs did not change significantly in 2017. CSOs continue to provide a variety of services, many of which address social, educational, human rights protection, ecological, and disability issues. Several organizations have started to offer capacity building to formal and informal CSOs to meet the increasing demand in this area.

CSOs increasingly recognize the importance of comprehensive needs assessments in order to be more responsive to community needs. More CSOs actively engage beneficiaries in their activities, partly in response to donor requirements. In the framework of the USAID-funded Engaged Citizenry for Responsible Governance project, ten CSOs receiving sub-grants from TIAC utilized participatory monitoring tools and involved their beneficiaries in the monitoring of public services.

A few CSOs conduct professional monitoring and research and then market the results to other CSOs, the government, and donors. Government officials recognize the results of the monitoring, which also attract media attention. For example, LogoS, a human rights organization, studied the quality and transparency of the services provided by medical social expert commissions; the results of the research were discussed at an Anti-Corruption Council meeting where the prime minister gave relevant orders to responsible agencies.

Although public organizations are now allowed to engage in entrepreneurial activities, few CSOs provide paid services due to their limited capacity and the limited ability of their beneficiaries to pay.

Central and local governments in major cities recognize the role of CSOs in service provision. In 2017, the Ministry of Education allocated 60 million AMD (about $125,000) to the New Generation School, a CSO, to support the implementation of the Dasaran educational program—an online platform for effective school management and student performance monitoring. This platform engages around one million registered users in Armenia and covers all public schools across the country.

SECTORAL INFRASTRUCTURE: 3.1

The infrastructure supporting the sector improved in 2017. Through CSO development programs funded by international donors, ISOs and resource organizations, such as EPF, NGOC, Partnership and Teaching NGO, TIAC, and Infotuns reached out to a significant number of CSOs across the country. Under the EU-funded project Commitment to Constructive Dialogue, the Armenian Lawyers' Association offered legal assistance, training, and consulting to CSOs throughout the country.
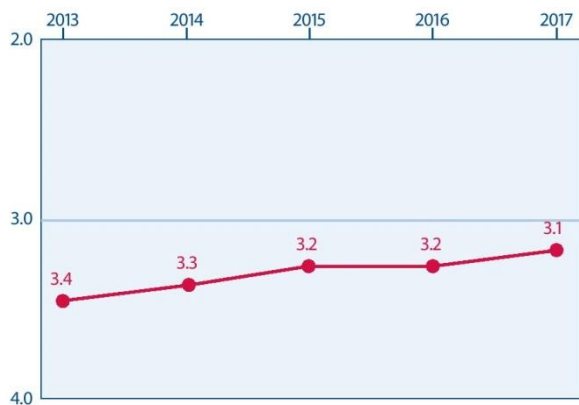
INFRASTRUCTURE IN ARMENIA

Apart from offering assistance in the framework of donor-funded programs, ISOs and resource centers earn revenue by offering paid services to CSOs, as CSOs increasingly recognize the value of capacity building and allocate funds for self-development.

More local grants were provided in 2017 under donor-supported programs. Under the USAID-funded ISO-CSD project, the NGOC and Partnership and Teaching NGO provided thirteen sub-grants to CSOs for institutional development and the development of cross-sectoral cooperation. TIAC continued to provide grants for the participatory monitoring of public services within its USAID-funded Engaged Citizenry for Responsible Governance project. Sub-grants from the EU-funded STRONG CSOs for Stronger Armenia project, managed by Podlaska Regional Development Foundation from Poland and DAS.AM NGO, provided forty-six CSOs with opportunities to partner on projects in social, cultural, educational, and other areas. In the framework of the USAID-funded Civic Engagement in Local Governance (CELoG) project, implemented by a consortium of six Armenia-based CSOs led by CFOA, ten grants were provided to regional CSOs to improve public participation in local government and thirty-three grants were awarded to Youth Bank initiative groups.

Throughout the trainings and events organized in the framework of programs focused on capacity development and intersectoral collaboration, CSOs were provided with opportunities for peer-to-peer learning, experience exchange, and joint projects. The Civil Society School run by the A.D. Sakharov Armenian Human Rights Protection Center extended its activities, providing not only training and consultations on organizational development, but also study tours involving CSOs from different regions. The CSO portal of the USAID-funded CSO Development Program (DePo) run by the EPF continued to share information on CSO news and opportunities and to provide resources and publications for CSOs; the portal had almost 3,000 active monthly users in 2017.

CSOs form coalitions around common goals, both within and beyond donor-funded programs. The Citizen Observer Initiative, a CSO coalition formed in 2013, mobilized ten CSOs and 4,437 observers to monitor the 2017 parliamentary elections. This initiative succeeded in bringing 147 diaspora Armenians, including celebrities, to the country to monitor the elections. Ten organizations, including CSOs active in child protection, mobilized around the Eliminating Violence Against Children (EVAC) campaign, bringing the issue of violence against children onto the government agenda. Other networks active in 2017 included the Probation Network, Armenian National Platform of the Eastern Partnership Civil Society Forum, Agricultural Alliance, and the Non-Discrimination and Equality Coalition. The CSO mapping report developed in 2017 in the framework of the Commitment to Constructive Dialogue project highlighted a number of challenges faced by CSO coalitions, including lack of strategic vision, coordination and management problems, financial issues, and limited capacities in developing and advocating quality public policy papers.

Training and technical assistance opportunities were abundant in 2017, with topics ranging from general organizational management to specific thematic issues. Regional CSOs were the focus of several training programs. In the framework of the STRONG CSOs for Stronger Armenia project, over 150 CSOs participated in 14 trainings, 293 coaching sessions, and 20 pro-bono consultations on organizational management, project management, fundraising, and social entrepreneurship. The materials from capacity-building activities were made available in Armenian and English on the project website www.civilsociety.am. NGOC and Partnership and Teaching NGO provided more than 100 trainings for over 1,000 CSO representatives as part of the ISO-CSD project. BRIDGE for CSOs organized professional thematic trainings, facilitated pro-bono consultations, and held various public events to strengthen the capacity of Armenian CSOs to serve citizens' needs. Several platforms initiated by international organizations and the diaspora, such as UNDP Kolba Lab and Impact Hub Yerevan, foster social entrepreneurship development by providing advice, organizing educational events, and allocating office space to social enterprises. The USAID-funded CSO DePo project reached more than 300 CSOs in 2016–2017 through CSO Management Schools on fundraising and resource mobilization, as well as organizational structures and sustainability. In addition, EPF and its partners have received more than sixty requests to review CSO systems and structures, and have conducted in-depth consultancies on policies and procedures, communication systems, and financial sustainability.

CSOs increasingly enter into partnerships with the government and media, while partnerships with the private sector are still on the nascent level. The Media Initiatives Center continued to provide media literacy trainings for CSOs in 2017; this helped regional CSOs improve their communication with journalists and jointly produce programs and films on issues of concern in their communities.

PUBLIC IMAGE: 3.9
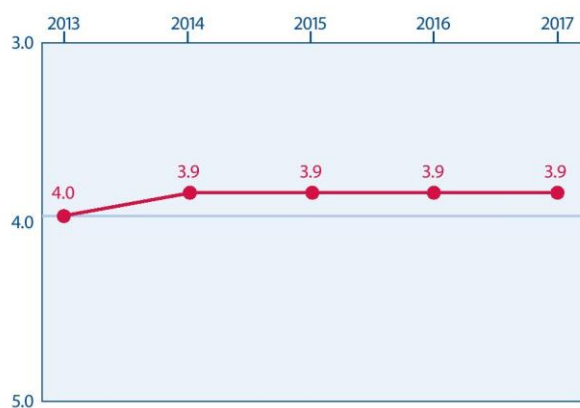
PUBLIC IMAGE IN ARMENIA

In 2017, CSOs enjoyed improved visibility, but were also the subject of widely-disseminated negative publications.

Through multiple online media outlets, CSOs had more opportunities to present their activities and events in 2017. CSO representatives are often invited to participate in discussions and talk shows on TV. Both broadcast and online media increasingly acknowledge the role of CSOs and the expertise they offer. With the assistance of the Open Society Foundation-Armenia, the Article 3 Club (run by the For Equal Rights NGO) and the Media Center (managed by the Public Journalism Club) provide space for CSOs to organize events and discussions with media presence; livestreaming is also provided at such events.

At the same time, a number of negative media publications, primarily in pro-government media, were issued in 2017 that accused CSOs of following donor agendas and opposing

traditional Armenian values. CSOs that address sensitive matters in Armenian society, including domestic violence, corruption in the Army, and the rights of sexual minorities, are particularly targeted by anti-CSO campaigns and hate speech, including by members of parliament. For example, the discussions around the draft law on domestic violence generated active criticism, particularly from CSOs allegedly affiliated with Russia or pro-Russian interests, as well as private TV and newspapers. Notably, the International Humanitarian Development NGO (whose profile is not available on the web and sources of funding are not known) accused women's rights organizations of having an interest in maintaining the high rate of domestic violence in order to be able to receive more grants. A corruption scandal related to EU-funded grants in the spring of 2017 led to the arrest of EU-Armenia delegation staff and added fuel to widespread rumors on the misuse of grants by CSOs.

According to the Caucasus Barometer survey conducted in October 2017 by the Caucasus Research Resource Centers, 5 percent of respondents fully trust CSOs, a small increase from 3 percent in 2015. Nineteen percent somewhat trust CSOs (the same as in 2015), while the percentage of those who somewhat or fully distrust CSOs increased to 31 percent from 29 percent in 2015. These negative attitudes reflect the generally low levels of trust in society. In general, people usually have more positive attitudes towards organizations they know personally.

Central and local governments demonstrate a willingness to collaborate with CSOs. Government agencies often take the results of monitoring reports and publications into consideration, and CSOs that are viewed as professionals in specific areas are often invited to discussions on relevant state strategies and draft legislation. Businesses, however, demonstrate a limited understanding of CSOs' role, and only a few rely on CSO expertise and support.

CSOs generally lack PR skills, although there are increased efforts in this area. Many organizations promote their visibility and share information on Facebook. A few developed CSOs publish annual reports or financial information online, while foundations publish their annual reports on the state-administered websites as required by law. There is no sector-wide code of ethics for Armenian CSOs, though some developed CSOs publish codes of conduct on their websites.