



This action is funded by the European Union

ANNEX 3

of the Commission Implementing Decision on the Annual Action Programme 2015 in favour of the Republic of Armenia

Action Document for the Civil Society Facility (Armenia)

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.4.1. Grants – call for proposals "Support to Capacity Building of Civil Society in Armenia" (direct management); 5.4.2 Grants – call for proposals "Support to social entrepreneurship initiatives" (direct management).

1. Title/basic act/ CRIS number	Civil Society Facility (Armenia) CRIS number: ENI/2015/038-400 financed under European Neighbourhood Instrument
2. Zone benefiting from the action/location	Neighbourhood East, Armenia The action shall be carried out at the following location: Armenia
3. Programming document	Single Support Framework 2014-2017, Annual Action Plan 2015
4. Sector of concentration/ thematic area	Complementary support in favour of civil society
5. Amounts concerned	Total estimated cost: EUR 5,522,222 Total amount of EU budget contribution: EUR 5,000,000 This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 522,222
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management: Grants – calls for proposal; procurement of services
7. DAC code(s)	<i>15150 Democratic Participation and Civil Society</i>

8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	✓
	Aid to environment	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	✓	<input type="checkbox"/>
	Trade Development	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	✓	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	✓	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	NA			

SUMMARY

The action covers EUR 5 million support to civil society under the 2015 ENI budget. The action is in line with the EU commitment to increase support to Armenian civil society as specified in the Single Support Framework (SSF) 2014-2017 and the EU Roadmap for Engagement with Civil Society in Armenia, endorsed in 2014.

The overall objective is to strengthen and build capacity of Armenian civil society to effectively contribute to democratic decision making processes in Armenia.

Specific objectives: (1) to improve organisational capacity of CSOs; (2) to improve capacity of civil society to engage in policy formulation/monitoring.

The main expected results are: (1) capacity of Civil Society Organizations (CSOs) to better respond to citizens' needs strengthened; (2) capacity of civil society to engage in policy formulation /monitoring improved and oversight functions of civil society strengthened.

This intervention is complementary to the Civil Society Facility (CSF) 2011 - 2013, the actions foreseen under the European Instrument for Democracy and Human Rights (EIDHR), Civil Society Organisations-Local Authorities (CSO-LA) as well as regional projects and additional bilateral support provided under civil society envelopes of AAP 2011 and AAP 2013. The implementation of the proposed intervention is structured as follows:

- Calls for proposals: Capacity building of civil society (internal organization/management, policy formulation, monitoring, oversight functions);
- Supporting actions: visibility.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

The political, economic, and social environment in Armenia is not very favourable for smooth CSO operation. Joining the Eurasian Economic Union is viewed by many CSOs as a threatening sign to further developments in CSO regulations. Since 2009 a new round of debates on improving the enabling environment for CSOs has taken place and is still in process. The revised draft Law on Public Organisations¹ was elaborated by the joint working group composed of experts and representatives from CSOs and the Ministry of Justice and was based on the Concept on Institutional and Legal Reforms of CSOs' Development. Both documents have been widely discussed with a large number of CSOs in open and public events, round tables and working groups.

The current version of the draft law allows rather flexible regulation of civil society organizations and increases the role of their charters. The issue of financial sustainability of CSOs is covered by additional instruments not foreseen by current legislation, such as the possibility of public organisations (CSOs) to conduct direct business activity, more transparent state funding (to be detailed through a separate document), as well as new instruments, such as direct donations (to be regulated by a separate law). Thus, the proposed draft law contributes to the sustainability and development of CSOs making them more independent, self-regulated and institutionally stronger.

However, potential risks exist in case the proposed legislation changes as a result of political lobbying that might negatively affect the enabling environment for CSOs in the country. Needless to say, the current political environment in light of Armenia joining the Eurasian Economic Union in 2015 may have an impact on the adoption of the law in its current form.

Armenian CSOs are characterised by deficiencies in organisational capacity, internal governance, and financial sustainability as well as intensely negative perceptions and lack of trust from the public. The majority of CSOs work in more than one sphere, mostly to fit to the donors' agendas and priorities in order to get funding. Membership fees and private donations also comprise a small portion of CSO funding. Lack of tax incentives for charitable donations and low trust towards CSOs are obstacles to private funding. Paid services are almost non-existent as an income source, mostly because of legislative limitations. Thus, lack of financial sustainability hinders strategic development of Armenian CSOs, and negatively affects their institutional capacities having a hindering impact on CSOs as participants in policy-making². In terms of participation in policy formulation, each draft law passes through a public consultation process. It often depends on the discretion of the particular state body whether additional efforts to involve CSOs in policy discussion will be made or not; as a rule, the draft policy is posted on the website and CSOs themselves should check the information and

¹ In the Armenian context public organisations are legal entities that reflect the concept of CSOs. They can be foundations, unions as defined by law, as well as non-formal groups and movements which are not regulated by special law but their activities are based on various legal provisions on freedom of assembly and association. A public organisation is a membership based organization where the members' assembly is the supreme decision-making power. According to the law, only physical persons can establish a public organisation in order to satisfy their non-religious spiritual and other non-material needs; to protect their and other persons' rights and interests; to provide material and non-material assistance to the public or specific social groups and carry out other activities for public benefit. Article 4 of the Law on Public Organizations describes the main principles of NGO activities, including legality, publicity, voluntary membership, equality of members' rights, self-governance and joint leadership.

² Mapping study of CSOs in Armenia conducted by EUD, 2012 .

submit their suggestions. In addition to consulting the available draft, CSOs engage in the policy formulation process through joint working groups and councils. These working groups are created around specific laws or areas.

In general, there is an opinion that CSO involvement by the state bodies is often an imitation, rather than a genuine involvement³. Many of collaboration initiatives are imposed by international agreements and/or initiated within the framework of a grant project, while state bodies rarely demonstrate initiative to collaborate with CSOs.

Researches show that one of the factors hindering effective collaboration between CSOs and state authorities is the lack of trust on both sides. State officials express opinion that CSOs in general are weakly connected with their constituencies: they mostly carry own or donors' agenda rather than reflect the public interest⁴. Besides, authorities question CSO professionalism and capacity to analyse information and prepare well-justified suggestions rather than unconstructive criticism. On the other hand, CSOs are reluctant to enter into collaborative relationship to avoid bureaucratic and inefficient processes.

1.1.1 Public Policy Assessment and EU Policy Framework

The revised **European Neighbourhood Policy (ENP)** places a special emphasis on increased engagement with civil society through a partnership with societies, helping CSOs to develop their advocacy capacity, their ability to monitor reform and their role in implementing and evaluating EU programmes. EU funding for such actions has been delivered through the dedicated Civil Society Facility (2011-2013) that empowers CSOs to contribute to policy-making and hold governments accountable. Commission Communication (2012) "The roots of democracy and sustainable development- Europe's engagement with Civil Society in external relations" prioritises overcoming capacity constraints of local CSOs ranging from limitations in technical management and leadership skills, fundraising, to results management and issues of internal governance. More generally, the EU is committed to reinforce its support to the capacity development of CSOs, particularly of local actors, as part of a long-term, demand-driven and flexible approach, giving particular consideration to constituency building and representativeness. This also includes support to building long-term and equitable partnerships for capacity development between local and European CSOs. Therefore, tailored funding constitutes an important component of the EU's engagement with CSOs and should allow better access for local organisations.

Moreover, the priorities of the Communication have been reflected in Armenia's EU Country Roadmap for Engagement with CSOs: In order to improve the impact, predictability and coherence of EU support to CSOs, the roadmap covers both policy dialogue and operational support. The intervention proposed by the 2015 Civil Society Facility (Armenia) is in line with Roadmap Priority 2.1: CSOs effective participation in public policy processes, including formulation, implementation and monitoring; Priority 3.1: Improved operational and management capacities of CSOs with a particular emphasis on grass root level regional CSOs and Priority 3.4: Improve financial sustainability of CSOs through increased access to alternative funding and opportunities of social entrepreneurship.

³ International Center for Human Development, Supporting Policy, Regulatory and Institutional Reforms for Civil Society Development in Armenia: Existing gaps and recommendations, 2012.

⁴ Risks and Opportunities for the NGO Sector in Armenia, Transparency International Anticorruption Center, Yerevan, 2011.

The priorities of the 2015 Civil Society Facility for Armenian CSOs is aiming to achieve complementarity with the Civil Society Organizations/Local Authorities Multi-annual Indicative Programme (CSO/LA MIP) 2014-2020. For the period 2015–2017 this Programme pays special attention to addressing capacity gaps through a demand-driven and flexible approach covering different needs as well as support to reinforcement and structuring of CSOs and LAs.

In addition, **Armenia's Human Rights Country Strategy** sets as key priority the support to active involvement of civil society organisations in implementation of actions aimed at ensuring the country's human rights objectives. The need to increase effectiveness of the activities of civil society organizations as well as promote their cooperation with public administration and local self-government bodies are among the pillars of this strategy.

Armenia Development Strategy (ADS) 2014-2025 has been developed with the active involvement of civil society. The strategy foresees deepening possibilities for social partnership and involvement of CSOs in participatory monitoring during its implementation of the ADS.

The programme supports this comprehensive and coherent strategic framework, in line with the SSF aiming at "developing civil society internal professionalism and capacities, including their capacity to form national associations and networks, and improving the delivery of services".

Stakeholder analysis

Target group: Local CSOs (such as service providers, community based organisations, think-tanks, foundations, watchdog/advocacy groups). Part of the intervention will focus on regional and grass-root rural organizations and part will be directed towards existing advocacy networks.

Final beneficiary of the programme is the civil society represented by the CSOs in Armenia and the population in general.

Since 2001 the number of CSOs and foundations registered with the Register of Legal Entities of the Republic of Armenia has increased. Currently there are 3,789 CSOs and 765 foundations registered. Out of these numbers however, it is argued that only 15% refers to organizations that are actually active⁵. The rest are institutions that exist only on paper or are awaiting their activation through an injection of a possible donor project. The majority of CSOs in Armenia can be divided into the following broad categories: (1) organisations the main mission of which is policy advocacy and watchdog activities and (2) social service providers. It is important to mention that most regional CSOs are involved in social service delivery and to some extent advocacy. None are intrinsically involved in policy elaboration or monitoring, missing thus on the opportunity to capitalise on their extensive experience in the areas in which they are active. This reflects also the capacity gap that exists between Yerevan-based and rural CSOs, especially in terms of internal organizational management, communication skills and financial sustainability. The Armenian National Platform of the Eastern Partnership is a cooperation platform for its 190 members and is a stakeholder in policy dialogue; in particular in terms of ensuring consistency of reforms and awareness of all segments of the society about European reform agenda.

⁵ Mapping study of CSOs in Armenia, EUD 2012.

Other stakeholders include state authorities, in particular the Ministry of Justice as main authority regulating the CSO environment, the Ministry of Labour and Social Issues coordinating the delivery of social services, local authorities, as well as several councils established by the government.

1.1.2 Priority areas for support/problem analysis

Through this action, the EU will seek to build the capacity of CSOs to be effective and accountable independent actors. This will be achieved through implementation of a comprehensive horizontal capacity building programme. One part of the programme will focus on strengthening organisational and management skills of CSOs, whereas the second part will support the reinforcement of skills needed for influencing and monitoring public policy.

Lack of diversified sources of funding that would offer an alternative to donors' grants makes Armenian CSOs very vulnerable in terms of responsiveness to community needs and prioritization of public accountability. Together with lack of professional and strategic approach to organizational management, this contributes to the low level of institutional development of Armenian CSOs. Modifications are being introduced in the regulatory framework for CSOs which will allow direct involvement of the civil society organizations in income generating activities through social entrepreneurship. This is an important momentum that needs to be capitalised by the proposed initiative in order to strengthen financial sustainability and diversification of CSO financial resources.

In recent years, CSO participation in public policy formulation has achieved some progress: various regulations enforcing participation, joint working groups and councils involving CSOs and state representatives have been created, while CSO coalitions, non-formal groups have launched more advocacy campaigns, using online tools and mobilising more people. However, CSO impact on public policy is still limited and non-structured. There is a clear need to build a participation culture and implement capacity-building initiatives that will contribute to a more effective and powerful civic participation in policy dialogue Armenia.

Thus, capacity development will support CSOs in addressing the above mentioned gaps using both standard training, as well as training of trainers (ToT), coaching/mentoring and peer-based mechanisms to cross fertilize capacity of CSO in Yerevan to the regions. CSOs will be given the opportunity to apply their enhanced skills through financial support (sub-granting) targeted at supporting their involvement in addressing community needs (social service delivery⁶), policy dialogue, advocacy and monitoring. The action will target those types of services that are provided by CSOs in the social sector and are not part of the mandate of local authorities such as e.g. establishment of day care centres for vulnerable groups ; provision of legal and/or psychological assistance, etc. It will also pursue fostering social innovation in service delivery and generating best practice models of social service delivery, that would better fit beneficiaries' needs and that could be taken over by local authorities in time. Encouraging closer cooperation between CSOs and authorities at local level would allow organisations that are specialised in delivery of specific social services to better capitalise on their experience in the dialogue with the government.

⁶ Social service delivery is implemented in the framework of agreed cooperation between the local authorities (LAs) and CSOs based on the needs identified jointly by the local government/civil society through an established outsourcing mechanism (e.g. delivery of legal, social, medical assistance to vulnerable groups as well as informal education and capacity building in various fields).

Regarding specific training/capacity development needs for beneficiaries of this Action, based on a recent EU-funded mapping study and consultations in the framework of elaboration of the EU Roadmap for Engagement with CSOs, the top three areas that are mentioned by the CSOs for capacity building purposes are financial management, alternative sources of funding (social entrepreneurship), fundraising (30% of respondents), public relation and communication skills (29%), and general leadership skills including human resource management, planning, delegation and goal performance (28%). These are followed by strategic planning, volunteer management, and project design and implementation (all supported by 22% of respondents).⁷ Furthermore, business management and entrepreneurial skills will be reinforced to allow social entrepreneurship development.

In terms of policy formulation/monitoring/advocacy, the following areas have to be targeted: role of CSOs in policy reforms, monitoring of public policies at all levels, negotiations, coalition building and networking. After an assessment of the capacity and potential of CSO involved in different sectors (including energy/ transport policy, municipal infrastructure, agricultural policy, standards on public procurement, peace and reconciliation, human rights, international trade issues, environmental law, property rights, market regulation), the programme will select pilot areas to further strengthen its capacity. This will ensure that in pilot sectors a critical mass of CSOs will be trained and equipped to enter into an efficient dialogue with the government.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
CSOs may encounter obstacles to their work as a result of possible changes in the regulatory framework	L	The EU is actively involved in the process of developing amendments to the law on public organizations. A number of public debates with CSOs and media have been and will be organized in the framework of Support to Democratic Governance project. Further political dialogue is ensured to safeguard adoption of the new Law in its current form.
Unfavourable environment for effective operation of CSOs due to political pressure following decision of Armenia to join Eurasian Economic Union	M	Enhanced political dialogue in line with government's intention for continued cooperation with EU. Engaged in policy dialogue in cooperation with USAID to ensure that the law on public organisations ⁸ is adopted and is in line with the Council of Europe Convention on Human Rights and recommendation on the

⁷ KAS Mapping study "CSO engagement in policy-making and monitoring of policy implementation: needs and capacities", 2014.

		legal status of NGO.
Overlapping projects and duplication of funding due to limited absorption capacity and applications from same organisations	L	Regular donor co-ordination mechanism, complementarity with EU support programmes to civil society.
Limited number of good quality project proposals for the call	L	The guidelines of the call shall be clearly defined to ensure participation of applicants with relevant experience. The "learning by doing" approach has been suggested to increase local ownership of the results.
Assumptions:		
<ul style="list-style-type: none"> • The Armenian government is committed to continue an effective dialogue with civil society, in particular in terms of involvement of CSOs in policy formulation, implementation and monitoring; • The government is interested to cooperate with civil society and contribute to its development; • The Law on Public Organizations⁹ does not worsen, thus restricting the enabling environment; • CSOs have the capacity to submit eligible and acceptable project proposals following a call; • Adequate interest to this intervention is shown by members of the CSOs, including women, environmental and youth organizations; • All the main stakeholders (namely CSOs' representatives) are fully involved in capacity building exercises and show willingness to apply the knowledge in practice. • The EU continues its close collaboration with USAID in the framework of their ongoing support (gradually phasing out) to ensure that their respective support to civil society build on each other in order to increase the capacity of CSOs to effectively contribute to democratic decision making processes in Armenia. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

- It is confirmed that EU funding and support has contributed to capacity improvement of organizations and beneficiaries as well as achievement of expected results. However, a number of lessons learnt to be addressed through this programme have been identified in the framework of evaluations of EIDHR Country Based Support Schemes (CBSS) and NSA-LA thematic programmes, consultations held with civil society, implementation of regional initiatives aimed at CSO capacity building and recent concept paper of the European Commission: capacity building measures need to be more grounded in the practical realities of the Armenian context, rather than ‘off the shelf’ type trainings. Expanding the training to such issues as project design, identification of project objectives, results and milestones, and project management skills should be considered.

⁹ See footnote 1, p. 3.

- One of the main lessons learnt indicated in the EU Roadmap for civil society and technical assistance component of the CSF (KAS project) is that effectiveness of CSOs has to be improved by increasing their capacity for analysis, monitoring and advocacy as well as networking, partnership, coalition-building and active involvement in the policy and law making processes.
- CSOs financial sustainability, autonomy, representativeness and accountability have to be improved.
- Emphasize gender dimension in the guidelines for applicants to demonstrate how they ensure equal gender representation in the projects and at all levels of their organisation.
- Encourage social entrepreneurship: CSOs will be able to engage directly in social entrepreneurship activities which will contribute to sustainability and diversification of their financial resources.
- The capacities of CSOs should be viewed holistically and the EU must invest more broadly in the organisational development of CSOs and their ability to do effective advocacy on the basis of evidence-based research and analysis.¹⁰

3.2 Complementarity, synergy and donor coordination

Complementarity: The action ensures complementarity and coherence with the thematic programmes (namely EIDHR and CSO-LA), bilateral and regional envelopes of the Civil Society Facility (2011-2013) and actions under the bilateral co-operation framework, in particular the Technical assistance component of the CSF (KAS support). This action is a comprehensive horizontal initiative that will result in improved capacity of a civil society organization at individual, organisational and sector/network levels, thus improving the level and quality of institutional development of CSOs and overall sustainability of civil society in Armenia as well as improving skills necessary to advocate, lobby and monitor the public policy reforms agenda.

Civil society is extensively involved in the formulation of EU budget support and sector reform contract operations, as well as in their implementation and monitoring. The proposed action will reinforce synergies with bilateral sector interventions, by building capacities of CSOs to engage with all EU funded instruments and to be active in dialogue with the EU and other donors.

Framework Programme AAP 2013 (ENPI) for Armenia includes further support for civil society in monitoring reforms and increasing public accountability in areas covered by the EU-Armenia agreements, as well as the EU-Armenia ENP Action Plan, including areas related to fundamental human rights.

Support to Civil Society covered by the AAP 2011 (ENPI): Within AAP 2011 assistance is provided to cover a pressing need for capacity building in terms of applying for EU funding with adequate and high quality proposals as well as capacity to implement/manage EU projects. The proposed programme under AAP 2015 will add value in terms of capacity building for structured and meaningful participation of civil society in governance and accountability processes.

Synergy and donor coordination: The EU Delegation coordinates closely with the Member States that are active in civil society development on regular basis, in particular with the Netherlands which provides support for the development of strong political parties and

¹⁰ Concept Paper DEVCO B2 "Capacity Development of CSOs".

supports initiatives that promote freedom of religion or belief, advances anti-discrimination legislation in Armenia, as well as the work of human rights defenders in the regions of Armenia. A major intervention in support of civil society is a five-year USAID-funded CSO development project implemented by Eurasia Partnership Foundation. This initiative aims at increasing the internal management capacity of CSOs through trainings and implementation of pilot initiatives. The scope of capacity building component of the project is limited to five organisations based mostly in Yerevan.

3.3 Cross-cutting issues

This action will pay specific attention to **gender aspects**, especially women's rights (particular consideration will have to be given to women's representation in the labour market and their representation in political decision making, whether at the national, regional or local level); to the rights and needs of **vulnerable groups**, to cultural diversity and to environmental aspects.

The specific priorities of the programme are also aimed to mainstream **good governance** through promoting transparency of public policies and through fostering civil society's capacity to participate in service delivery and decision making. Thus, it contributes potentially also to anti-corruption monitoring. Finally, public monitoring can indirectly address also environmental sustainability (e.g. reduction of pollution and to enforce existing and future environmental legislation, thereby protecting the health of current and future generations), as a project with such a theme would be of high relevance to the programme objectives and priorities.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective is to strengthen and build capacity of Armenian civil society to effectively contribute to democratic decision making processes in Armenia. Specific objectives: (1) to improve organisational capacity of CSOs; (2) to improve capacity of civil society to engage in policy formulation/monitoring.

Expected results:

R1 Capacity of CSOs to better respond to citizens' needs strengthened:

- R1.1 Planning, project management, human resources management enhanced and increased
- R1.2 Financial management skills, fundraising skills and knowledge of CSOs on social entrepreneurship as a way to ensure financial viability improved
- R1.3 Capacity of CSOs to deliver social services improved
- R1.4 Research, communication and reporting skills improved

R2 Capacity of civil society to engage in policy formulation/monitoring improved and oversight functions of civil society strengthened

- R2.1 Technical skills, capacity in formulation, monitoring and reporting on policies (including increased awareness of EU reform agenda) enhanced
- R2.2 Capacity of CSOs to conduct constructive dialogue with the Government improved in particular in selected pilot areas.
- R2.3 CSO networking and advocacy skills strengthened

R3 Pilot social entrepreneurship projects implemented by CSOs

4.2 Main activities

For Results 1 and 2, the Delegation will launch one call for proposals with two lots. The grant beneficiaries will implement the following activities:

R1 – Lot 1: Capacity of CSOs to better respond to citizens' needs strengthened

A.1.1 Training

- Identification of training needs of CSOs.
- Design of training programmes based on identified needs to strengthen CSO capacities, with focus on local CSOs (technical skills, strategic planning, project management, human resource management, financial management, social entrepreneurship etc.).
- Delivery of basic and specific trainings, Training of Trainers (ToT) and establishment of a peer-to-peer coaching/ mentoring mechanism.

R2 – Lot 2: Capacity of civil society to engage in policy formulation/monitoring improved and oversight functions of civil society strengthened

A.2.1 Training

- Update the analysis of existing framework for CSO engagement in policy formulation/monitoring and definition of pilot sectors.
- Design of the training programmes, in particular in pilot sectors, on reporting and monitoring mechanisms, consultations, focus groups, networking and advocacy skills.
- Delivery of capacity development activities, ToTs, and, establishment of a peer-to-peer coaching/ mentoring mechanism a peer-based and consultancy mechanisms (capacity to formulate, monitor, report, transparency and accountability mechanisms, awareness of EU reform agenda, evidence-based reporting).

A.2.2 Update of the mapping study of civil society in Armenia.

R3 – Pilot social entrepreneurship projects implemented by CSOs

In order to achieve Result 3, the Delegation will launch a second call for proposals. Activities under grant scheme include:

A.3.1 Implementation of social entrepreneurship projects by the trained CSOs

4.3 Intervention logic

The intervention logic is in line with the overall objective of strengthening and building the capacity of Armenian civil society to effectively contribute to democratic decision making processes in Armenia. Part of the intervention will focus on regional and grass-root rural organizations and part will be directed towards existing advocacy networks. The logic is supported by the following factors:

- Assistance to civil society will strengthen their position in reform efforts and will lead to stronger voice and accountability in strengthening democratic processes in Armenia.
- Synergies and encouragement for partnerships promote consolidation of currently largely fragmented civil society, and also linkages between CSOs.
- Calls for proposals would allow the EU to target real needs of final beneficiaries presented in good quality proposals which will also contribute to increased cooperation among the CSOs.

- A separate call for proposals will support CSOs to engage in social entrepreneurship type of activities as a way to strengthen the sustainability of their activities and diversify their resources.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is **not** foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this Action Document. Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.4 Implementation modalities

5.4.1 Grants: call for proposals "Support to Capacity Building of Civil Society in Armenia" (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The overall objective of **the call for proposals** is to strengthen and build capacity of Armenian civil society to effectively contribute to democratic decision making processes in Armenia. **Call** for proposals will be divided into two lots:

Lot 1: Main objective of this lot is to improve organizational capacity of CSOs to better respond to citizens' needs. It is envisaged to use part of the grant for financial support to third parties. Main fields of intervention will indicatively include technical skills, strategic planning, project management, human resource management, financial management, social entrepreneurship. Expected results are:

R1.1 Planning, project management, human resources management enhanced and increased

R1.2 Financial management skills, fundraising skills and knowledge of CSOs on social entrepreneurship as a way to ensure financial viability improved

R1.3 Capacity of CSOs to deliver social services improved

R1.4 Research, communication and reporting skills improved

Lot 2: Main objective of this lot is to improve capacity of civil society to engage in policy formulation/monitoring. It is envisaged to use part of the grant for financial support to third parties. Main fields of intervention will indicatively include capacity to formulate, monitor, report, transparency and accountability mechanisms, awareness of EU reform agenda, evidence-based reporting. Expected results are:

R2.1 Technical skills, capacity in formulation, monitoring and reporting on policies (including increased awareness of EU reform agenda) enhanced

R2.2 Capacity of CSOs to conduct constructive dialogue with the Government improved in particular in selected pilot areas

R2.3 CSO networking and advocacy skills strengthened

(b) Eligibility conditions

In order to be eligible for a grant, applicants **must**:

- be legal persons **and**
- be non-profit making **and**
- belong to one of the following categories:

civil society organisations, including non-governmental non-profit organisations and independent foundations, think tanks, community based organisations and networks at local, national, regional and international level.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 2 million. The grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grants (implementation period) is 36 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 90%.

In accordance with Article 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

This call will be launched in the trimester following the adoption of this decision.

5.4.2 Grants: call for proposals "Support to social entrepreneurship initiatives" (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

Main objective of this call for proposals is to support CSOs to engage in social entrepreneurship type of activities as a way to strengthen the sustainability of their activities and diversify their resources. Main fields of intervention will indicatively include tourism development, agriculture and food processing, provision of social services, informal education, etc.

Expected results:

R3 Pilot social entrepreneurship projects implemented by CSOs

(b) Eligibility conditions

In order to be eligible for a grant, applicants **must**:

- be legal persons **and**
- be non-profit making **and**
- belong to one of the following categories:

civil society organisations, including non-governmental non-profit organisations and independent foundations, think tanks, community based organisations and networks at local, national, regional and international level;

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is EUR 0.2 million. The grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grants (implementation period) is 36 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 90%.

In accordance with Article 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

This call will be launched in the trimester following the adoption of this decision.

5.4.3 Procurement (direct management)

Subject	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Supporting actions: visibility	Services	1	First trimester of 2016

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, (amount in EUR)
5.4.1 – Call for proposals "Support to Capacity Building of Civil Society in Armenia" – (direct management)	4 000 000	444 444
5.4.2 - Call for proposals "Support to social entrepreneurship initiatives" – (direct management)	700 000	77 778
5.4.3 – Visibility	300 000	N.A.
Totals	5 000 000	522 222

5.7 Organisational set-up and responsibilities

This Action will be managed by the EU Delegation in close collaboration with key stakeholders involved in the implementation of the Action. A mechanism of regular coordination with other donors active in the area of civil society has been established and will be maintained.

The donor coordination group will continue to provide constant feedback on opportunities for synergies as well as exchange of experience in terms of capacity building support offered to CSOs to promote their sustainability and constituency-building.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of projects resulting from a call for proposals will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact of innovative pilot actions (social entrepreneurship) to be implemented in the framework of this assistance.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Indicatively, one contract for visibility measures shall be concluded under a framework contract in the first trimester of 2016. The visibility measures will include promotion of public awareness on civil society actions implemented in the framework of this assistance.

APPENDIX - INDICATIVE LOGFRAME MATRIX¹¹

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective impact	To strengthen and build capacity of Armenian civil society to effectively contribute to democratic decision making processes in Armenia	Percentage of civil society organisations surveyed that believe to have an impact on policy making' (CSO Sustainability Index)	3.3% (2013)	Increased percentage	CSO Sustainability Index for Central and Eastern Europe and Eurasia	Armenian government is committed to continued and effective dialogue with civil society, in particular in terms of active involvement of CSOs in policy formulation/ implementation/ monitoring
Specific objective outcome	SO1: To improve organizational capacity of CSOs	Level of diversification of sources of funding for CSOs' – measured by the proportion of CSOs receiving service or membership fees	Sources of CSOs funding : 8.7% service fees 26.6 % membership fees	Increase in the existing levels	Mapping study of CS in Armenia updated at the end of the project	- The government is committed to cooperate with civil society and contribute to its development - Law on Public Organizations does not worsen, thus restricting the enabling environment

¹¹ Indicators aligned with the relevant programming document are marked with '*' and indicators aligned to the EU Results Framework with '**'.

	SO2: To improve the capacity of civil society to engage in policy formulation/monitoring	<p>Number of CSO initiatives in formulation, implementation and monitoring of public policies - Roadmap indicator 2.1</p> <p>- Improved skills and mechanisms for public oversight</p>	<p>15% (2014) of CSOs are involved in the policy dialogue within the framework of services provision</p> <p>10% of CSOs are involved at policy monitoring and evaluation stage (2014)</p>	Increase in the existing levels	Mapping study of CS in Armenia updated at the end of the project	<p>- The government is committed to cooperate with civil society and contribute to its development</p> <p>- Law on Public Organizations does not worsen, thus restricting the enabling environment</p>
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Outputs	R1: Capacity of CSOs to better respond to citizens' needs strengthened					
	R1.1 Planning, project management, human resources management enhanced and increased,	Number of CSOs trained in management/human resources/financial management skills	170 CSOs trained in 2015 by donors (USAID and EU)	Increase in the existing levels	Donor coordination reports	
	R1.2 Financial management skills, fundraising skills as well as knowledge of CSOs on social entrepreneurship as a way to ensure financial viability improved	Percentage of CSOs receiving membership funding - Roadmap Indicator 3.4	26% (2014)		Mapping study of CS in Armenia updated at the end of the project	
	R1.3 Capacity of CSOs to deliver social services improved	Percentage of CSOs engaged in social entrepreneurship activities – Roadmap indicator 3.4	8.7% (2014)			
R1.4 Research, communication and reporting skills, improved	Percentage of CSO using public campaigns as a way of awareness-raising -	24.7% (2014)				

	<p>R2: Capacity of civil society to engage in policy formulation/monitoring improved and oversight functions of civil society strengthened</p> <p>R2.1 Technical skills, capacity in formulation, monitoring and reporting on policies (including awareness on EU reform agenda) enhanced</p> <p>R2.2 Capacity of CSOs to conduct constructive dialogue with the Government improved, in particular in selected pilot areas</p> <p>R2.3 CSO networking and advocacy skills strengthened</p>	<p>- Number of CSOs trained in analytical/advocacy/negotiation skills</p> <p>- Number and types of laws/strategies/policy documents effectively consulted and owned by the CS actors – Indicator 3.2 of the Roadmap</p> <p>- Platforms/networks/coalitions and issue-based alliances exist and operate effectively – Indicator 3.3 of the Roadmap</p>	<p>70 CSOs received training in 2015</p> <p>15% of CSOs are involved in the policy dialogue within the framework of service provision</p> <p>10% of CSOs are involved at policy monitoring and evaluation stage</p> <p>26% of CSO are engaged in a platform/network or coalition</p>		<p>Donor coordination reports</p> <p>Mapping study of CS in Armenia updated at the end of the project</p>	<p>- CSOs have the capacity to submit eligible and acceptable project proposals for the call.</p> <p>- Adequate interest in this intervention is shown by members of the CSOs, including women, environmental and youth organisations</p> <p>- All the main stakeholders (namely CSOs representatives) are fully involved in capacity building exercises and show willingness to apply the knowledge in practice</p>
	<p>R3 Pilot social entrepreneurship projects implemented by CSOs</p>	<p>- Sustainability of CSOs supported through the call for proposal</p>	<p>% of income generated through social entrepreneurship activities for grant beneficiaries</p>		<p>Monitoring and evaluation reports</p>	