

Armenia

1. Stakeholder perspective: Who participates, who doesn't?

1.1 Government and Parliament:

The Government of Armenia, represented by the Ministry of Finance and Economy, manages and coordinates the implementation of the PRSP. Several sector ministries are involved, among them e.g. the Ministry of Labour and Social Issues (MoLSI). Compared to participation during PRSP design, the government's efforts to foster participation among various stakeholders have considerably increased; the then active Steering Committee was revamped into the Participatory Steering Committee (PSC) in late 2004, integrating parliament, civil society, and donors into the process.



1.2 Non-state stakeholders: As Armenia's civil society is still in the early stages of development, it is yet fairly engaged in the PRS process. A number of NGOs, for example: the *Institute for Democracy and Human Rights (IDHR)*, Churches, Women's Groups, Trade Unions, Business Associations, Farmers Associations, Parents Unions have been more or less active in the PRS context. A weak point is that many NGOs are heavily reliant on funding—some argue most are mere subsidiaries of international NGOs holding offices in Yerevan. By means of the PA, the private sector became an integral part of PRS implementation and monitoring processes. 17 non-state actors have formed the *Armenian Civil Society Partnership Network (CSPN)* in the context of Poverty Reduction Strategy Paper (PRSP) development “as an effort to take the full advantage of the given opportunity to impact the long-term national strategy over poverty issues” (www.cso-network.am). CSPN criticizes the lack of involvement of the poor: “(...) though the level of participation in the development of the PRSP is high at the level of Non-Governmental Organizations, poor people's voices have not been adequately represented in the process to date and their awareness and involvement in the PRSP is low.”

1.3 Donors: Donor support plays a key role in the Armenian PRS exercise. The most important donors supporting the PRSP implementation are the World Bank, UNDP,

and GTZ, which are also represented in the PRSP Secretariat. Furthermore, DFID, USAID, and the EU are involved. The major donors in Armenia gather in monthly coordination meetings to discuss the progress. However, observers argue that donors mostly focus on implementing their strategies. For the donor alignment the way the PRSP process has been institutionalized is most important. This is not least because of the coordination mechanisms like the Participatory Steering Committee and the Working Group, as these enhance the coordination between donors and other stakeholders considerably. By the use of these mechanisms all donors have the opportunity to discuss the progress among each other and with their partners from the government and civil society (Mallmann 2005: 7). At the same time, according to CSPN, it is worth mentioning that the final version reflects the considerable impact of international donor organizations.

2. Process perspective: How has participation been realized beyond the strategy development?

2.1 Participation in PRS implementation (overall perspective): Beyond the design, CSOs appreciated the progress made since signing the *Partnership Agreement* in October 2004; but still, they request to be involved more intensively. According to a recent GTZ survey, NGO respondents felt that “participation still only exists formally, without much influence, and can be characterized as ‘fictitious’” (GTZ 2005: 75). IDHR even went so far to dropping out of the “so-called ‘coordination and partnership’ institutions” in March 2005 (IDHR 2005: 1). As lamented by IDHR, the participation exercise seems to end wherever donor expectations are met: “[The PRSP,] its’ processes and written reports (the last one of August 2004) are mainly addressed to the foreign institutions, such as the World Bank etc., and aimed at reporting and satisfying them, but not, own Armenian people” (IDHR 2005: 2). Moreover, CSOs state that government and donors concentrate exclusively on economic growth and not necessarily on poverty reduction *per se*. Consequently, in their view, this might even lead to the increase of poverty or inequity (GTZ 2005: 74).

2.2 Participation in Policy Reforms linked to the PRS (specific perspective): An innovative approach to increase participation in policy reform processes is the creation of the *Open Forum*. The first Open Forum was held in Tekeyan in April 2005 to discuss the drinking water tariff increase. “The objective of the Open Forum was to find out whether the new tariff had been agreed with the PRSP policy and identify possible social impact, particularly on socially vulnerable groups. The Forum had around 80 participants from water government structure, PRSP state entities, NGOs, independent experts, international organizations and other stakeholders” (www.prsp.am). Another participatory instrument in the context of policy reforms are *Poverty and Social Impact Assessments (PSIA)*. Two of them have been conducted in the framework of the PRSP implementation: while DFID contributed a PSIA in the water sector, GTZ implemented a PSIA study on social sector reform. However, there is little evidence that participation in policy reforms plays a significant role in Armenia to date: The most recent PRSP progress report contains a long chapter about “Macroeconomic and sectoral policies and reforms” (Republic of Armenia 2005: 15–32)—and in it no mention of stakeholders’ participation in a single sentence.

2.3 Participation in PRS Monitoring: Like many other PRS countries, Armenia is still in the process of developing and implementing a PRS Monitoring System. The

PRSP monitoring system as proposed by an experts group was adopted by the Government in November 2004 and introduced in a workshop to government bodies in February 2005 (Republic of Armenia 2005: 46). IMF/World Bank staffs “commend the government for their strong emphasis on monitoring and evaluation and for making data widely available, including through the web (www.prsp.am).” (IMF/IDA 2005: 7) Broad stakeholders' involvement in the monitoring institutions is intended, but there is no experience with the realization of this approach so far.

2.4 Participation in PRS Revision: *no information available as revision process has not yet started*

3. Framework perspective: What are key factors determining the impact of participation?

3.1 Structures: Since early 2004 Government and non-state actors worked together in a so-called ‘negotiation table’ to develop a new multi-stakeholder institutional framework for the coordination of PRSP implementation and monitoring (Azizyan/Mallmann 2005: 2). The discussions resulted in October 2004 in a *Partnership Agreement* that stipulates an institutional structure for participation, consisting of the *Participatory Steering Committee*, Working Group, and Open Forum. The Participatory Steering Committee and the Working Group play a large role in facilitating the coordination between donors and other stakeholders (Republic of Armenia 2005: 41-42; GTZ 2005: 44). A number of non-state actors from civil society as well as from the private sector are members of the committee and the Working Group (RoA 2005: 42; see also www.prsp.am). Despite this innovative institutional setting, some non-state actors heavily criticize the structures as “mostly formal and superficial” (IDHR 2005). The popular and influential NGO states: “Actually these formal “participatory and partnership” institutions duplicate other ones and threaten the independent and harmonic development of our new established state's basic institutions.” (IDHR 2005) NGOs base their criticism partly on earlier experience with participation through government structures: Serving as one example, the *Economic Development Research Center (EDRC)* proposed macroeconomic figures, which were included in the first draft of the PRSP—a truly remarkable sign of participation. When the final PRSP of 2003 was issued, though, the EDRC proposals were not longer included; in fact, the figures agreed between government and IMF made it into the document (Oxfam International 2004: 9).

3.2 Rights: A specific feature of the Armenian participatory PRS process is its legally binding *Partnership Agreement (PA)*, signed by representatives of the government, the National Assembly, municipal governments, trade unions, NGOs, associations of executives and employers, Diaspora organizations, and the Armenian Apostolic Church. The PA establishes civil society and the private sector as integral to the PRS implementation and monitoring processes. It also stipulates an institutional structure for participation (GTZ 2005: 44; Republic of Armenia 2005: 41-42.).

3.3 Legitimacy: Parliamentary representatives are involved in the newly formed PRS structures (Steering Committee and Working Group), but their involvement as an institution is low (e.g. regarding decision-making in the context of PRSP). Non-state actors were granted formal legitimacy through the *Partnership Agreement*. Their legitimacy is further strengthened by network-building (see CSPN) and their frequent

competent contributions to poverty debates in Armenia. Legitimacy is also increased by transparent and participatory selection of their representatives. Take the “negotiation table” as an example: The non-governmental representatives “have been chosen (elected/appointed) through a broad public process by the respective thematic or institutional constituencies. This lead to the promising broadening of the legitimacy base of the societal interest groups involved in the PRSP process, compared to the earlier NGO and independent expert lead participation in the PRSP elaboration process.” (Azizyan/Mallmann 2005: 2)

3.4 Capacity: Civil society is a quite new phenomenon in Armenia. This means that—in many organizations—lack of resources (financial, staff) is combined with lack of experience in political processes. On the other hand, the example of civil society's macro-economic input into the PRSP design phase—that was not taken into account as documented above—demonstrates that civil society in Armenia has the skills to engage in core policy debates. A positive factor for the ability of non-state stakeholders to act is the open information policy of the Government (see for example the website www.prsp.am with lots of information including minutes of recent meetings in the context of PRS). Government undertook also other efforts to communicate the strategy content and its implementation plans, e.g. by dissemination of a popular PRSP version, a number of information workshops, and media activities (Republic of Armenia 2005: 40).

4. Resources: Statistical Data, Documents and Links

4.1 Statistical data

a. Developmental status

Human Development Index (UNDP) (2004) http://hdr.undp.org/statistics/data/cty/cty_f_ARM.html	Rank 82 of 177
“Freedom in the World” country ratings (Freedom House) (2004) http://www.freedomhouse.org/research/freeworld/2004/countryratings/armenia.htm	“partly free”
Worldwide Press Freedom Index (Reporters Without Borders) (2004) http://www.rsf.org/article.php3?id_article=11715	Rank 83 of 167
Index of Economic Freedom (Wall Street Journal/Heritage Foundation) (2005) http://www.heritage.org/research/features/index/country.cfm?id=Armenia	Rank 42 of 155

b. Indebtness

Armenia is not participating in the HIPC II initiative. For more information on Albania's debt status see:

World Bank: Armenia Estimated Debt Service Payments
<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/0,,PAGESIZE:10~menuPK:177680~pagePK:169643~piPK:169646~theSitePK:136917~COUNTRYCODE:AM,00.html?countrylist=AM>

c. Further statistical resources

National Statistical Service of the Republic of Armenia

<http://www.armstat.am/>

World Bank: Armenia Data & Statistics

<http://www.worldbank.org.am/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/ARMENI/AEXTN/0,,contentMDK:20169001~menuPK:301604~pagePK:141137~piPK:217854~theSitePK:301579,00.html>

4.2 Important documents

a. Official PRS-related documents

IMF/IDA (2005): Republic of Armenia. Joint Staff Advisory Note on the Poverty Reduction Strategy Paper Progress Report. April 8.

[http://siteresources.worldbank.org/INTPRS1/Resources/Armenia_JSAN-PRSP-PR\(April8-2005\).pdf](http://siteresources.worldbank.org/INTPRS1/Resources/Armenia_JSAN-PRSP-PR(April8-2005).pdf)

IMF/IDA (2003): Republic of Armenia. Joint Staff Assessment of the Poverty Reduction Strategy Paper. November 4.

http://povlibrary.worldbank.org/files/Armenia_JSA_PRSP.pdf

IMF/IDA (2002a): Republic of Armenia. Joint Staff Assessment of the PRSP Preparation Status Report. September 18.

http://povlibrary.worldbank.org/files/Armenia_JSA_PRSP_PSR.pdf

IMF/IDA (2001): Armenia. Joint Staff Assessment of the Interim Poverty Reduction Strategy Paper. April 27.

<http://povlibrary.worldbank.org/files/armenia%20jsa.PDF>

PRSP Working Group (2005): Minutes of the Meeting on June 6, 2005.

www.prsp.am

Republic of Armenia (2005): PRSP Progress Report (August 2003 - Dezember 2004). Yerevan.

[http://siteresources.worldbank.org/INTPRS1/Resources/Armenia_PRSP\(Dec-2004\).pdf](http://siteresources.worldbank.org/INTPRS1/Resources/Armenia_PRSP(Dec-2004).pdf)

Republic of Armenia (2003): Poverty Reduction Strategy Paper. Yerevan.

http://povlibrary.worldbank.org/files/Armenia_PRSP.pdf

Republic of Armenia (2002): PRSP Preparation Status Report. September 2.

http://povlibrary.worldbank.org/files/Armenia_PRSP_PSR.pdf

Republic of Armenia (2001): Interim Poverty Reduction Strategy Paper. March.

<http://povlibrary.worldbank.org/files/armeniaiprsp.pdf>

For the most recent official PRSP documents see

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPRS/0,,contentMDK:20200608~pagePK:210058~piPK:210062~theSitePK:384201,00.html>

b. Major donor-related documents

European Commission: Armenia Country Strategy Paper 2002-2006

http://europa.eu.int/comm/external_relations/armenia/csp/02_06_en.pdf

IMF (2005): Republic of Armenia: Request for a Three-Year Arrangement Under the Poverty Reduction and Growth Facility. Washington D.C., June 2.

<http://www.imf.org/external/pubs/ft/scr/2005/cr05178.pdf>

World Bank: Armenia Country Assistance Strategy (CAS)

<http://www.worldbank.org.am/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/ARMENIAEXTN/0,,contentMDK:20169019~menuPK:301586~pagePK:141137~piPK:217854~theSitePK:301579,00.html>

For further donor-related strategy documents see <http://www.countryanalyticwork.net>

4.3 Reports and analyses

a. PRSP-related publications

Azyzian, H. (2003) The PRSP and its Development Process in Armenia, in: Economic Periodical – Policy and Poverty, No. 1 May 2003.

http://www.edrc.am/user_files/22.pdf

Azizyan, H./Christopher T. Mallmann (2005): Armenia - PRSP Strategy Development Project. Update April 22. Yerevan.

Bojö, Jan et al. (2004): Environment in Poverty Reduction Strategies and Poverty Reduction Support Credits. World Bank, Environment Department, Environmental Economics Series, Paper No. 102, Washington D.C., November. (includes data on Armenia)

http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2004/12/16/000090341_20041216111209/Rendered/PDF/308900PAPER0EDP0102.pdf

Bojö, Jan/Rama Chandra Reddy (2003): Status and Evolution of Environmental Priorities in the Poverty Reduction Strategies. An Assessment of Fifty Poverty Reduction Strategy Papers. World Bank, Environment Department, Environmental Economics Series, Paper No. 93, Washington D.C., November. (includes data on Armenia)

[http://Inweb18.worldbank.org/essd/envext.nsf/44ByDocName/StatusandEvolutionofEnvironmentalPrioritiesinthePovertyReductionStartegiesAnAssessmentofFiftyPovertyReductionStrategyPapers/\\$FILE/StatusandEvolutionofEnvironmentalPrioritiesinthePovertyReductionStrategies.pdf](http://Inweb18.worldbank.org/essd/envext.nsf/44ByDocName/StatusandEvolutionofEnvironmentalPrioritiesinthePovertyReductionStartegiesAnAssessmentofFiftyPovertyReductionStrategyPapers/$FILE/StatusandEvolutionofEnvironmentalPrioritiesinthePovertyReductionStrategies.pdf)

Coyle, Erin/ Evans, Alison (2003): PRSP Synthesis Note 6. Experience with PRSPs in transitions countries. PRSP Monitoring & Synthesis Project, Synthesis Note 6. (includes data on Armenia)

<http://www.prspsynthesis.org/synthesis6.pdf>

Dewachter, Sara (2005): The Participation Conditionality under Poverty Reduction Strategy Papers: The Joint Staff Assessment –experience. University of Antwerp, Institute of Development Policy and Management, IDPM-UA discussion paper 2005-6, April. (includes data on Armenia)

http://www.ua.ac.be/main.asp?c=*IOBE&n=4267&ct=001595&e=o74918

Economic Development and Research Center (EDRC) (2005): Millennium Development Goals in Armenia. Localization Issues. Yerevan, June.

http://www.edrc.am/user_files/186.pdf

Economic Development and Research Center (EDRC) (2003): Economic Periodical – Policy and Poverty, No. 1, May. (various articles on the PRSP process in Armenia)

http://www.edrc.am/user_files/22.pdf

Economic Development and Research Center (EDRC)/Oxfam (2002): Growth with Equity. Policy Choice for Poverty Reduction Project. Yerevan.

<http://www.edrc.am/pdf/245.pdf>

GTZ (2005): Making Poverty Reduction Strategies Work –Good Practices, Issues, and Stakeholder Views—A Contribution of German Development Cooperation for the 2005 PRSP Review May 2005. Eschborn, May. (includes Armenia Good Practice sheet)

<http://www.gtz.de/de/dokumente/en-prsreview-making-prs-work-2005.pdf>

Heidel, Klaus (2004): Poverty Reduction Strategy Papers – blind to the rights of the (working) child? The (I-)PRSPs' perception of child labour. A problem outline and annotated collection of source material. Kindernothilfe/Werkstatt Ökonomie, Duisburg/Heidelberg, March. (includes data on Armenia)

http://www.kindernothilfe.org/downloads/ka_prsp_mar_20044.pdf

IMF/IDA (2002b): Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Early Experience with Interim PRSPs and Full PRSPs. Washington D.C., March 26. (includes data on Armenia)

<http://www.imf.org/external/np/prspgen/review/2002/032602a.pdf>

Institute for Democracy and Human Rights (IDHR) (2005): COMMUNIQUE To the President, the Government, the National Assembly of the Republic of Armenia, and all Armenian People; Yerevan, 3rd March 2005.

www.prsp.am/critics.php

Lucas, Henry/David Evans/Katherine Pasteur (2004): Research on the current state of PRS monitoring systems. Institute of Development Studies (IDS), Discussion Paper 382, Brighton, December. (includes data on Armenia)

<http://www.ids.ac.uk/ids/bookshop/dp/dp382.pdf>

Mallmann, Christopher T. (2005): Fact Sheet Armenia. Appendix I. In: GTZ 2005:

Making Poverty Reduction Strategies Work—Good Practices, Issues, and Stakeholder Views—A Contribution of German Development Cooperation for the 2005 PRSP Review May 2005.

<http://www.gtz.de/de/dokumente/en-prsreview-making-prs-work-2005.pdf>

Manoukian, Violeta (2002): Participatory Monitoring and Evaluation Learning Event. Workshop Report. The World Bank Yerevan Office, Congress Hotel, Yerevan, Armenia, June 24-26 2002.

<http://www.worldbank.org/participation/pme/PMEArmeniaReport1.pdf>

OECD/DAC (2004): Role of Infrastructure in Economic Growth and Poverty Reduction. Lessons Learned from PRSPs of 33 Countries. DAC Network on Poverty Reduction, Berlin, October 27-29. (includes data on Armenia)

<http://www.oecd.org/dataoecd/57/60/33919674.pdf>

Oxfam International (2004): From 'Donorship' to Ownership? Moving Towards PRSP Round Two. Oxfam Briefing Paper 51, January. (includes data on Armenia)

http://www.oxfam.org/eng/pdfs/pp040119_prsp_.pdf

Schmidt, Mary Beth (2002): Review of the Integration of Social Funds With Poverty Reduction Strategy Papers and Country Assistance Strategies. Consultant's Report to Human Development Network, World Bank Group, Washington D.C, May 31. (includes data on Armenia)

[http://wbln0018.worldbank.org/HDNet/HDDocs.nsf/eaec72231ebf956085256d13005a8fae/b293ad95b017c7da85256ce1006582f3/\\$FILE/SIFs%20in%20PRSPs%20and%20CASs.pdf](http://wbln0018.worldbank.org/HDNet/HDDocs.nsf/eaec72231ebf956085256d13005a8fae/b293ad95b017c7da85256ce1006582f3/$FILE/SIFs%20in%20PRSPs%20and%20CASs.pdf)

World Bank (2005): Poverty Reduction Support Credits: A Stocktaking. Operations Policy and Country Services (OPCS), Washington D.C., June 24. (includes data on Armenia)

http://siteresources.worldbank.org/PROJECTS/578280-1120680791169/20573838/PRSC%20Stocktaking%2006-28-05_.pdf

World Bank (2004): Poverty Reduction Strategies: Their Importance for Disability. Disability and Development Team, Washington D.C., July 7.

Zuckerman, Elaine (2002): Evaluation of Gender Mainstreaming in Advocacy Work on Poverty Reduction Strategy Papers (PRSPs). Synthesis Report, Gender Action, May. (includes data on Armenia)

<http://www.genderaction.org/images/Evaluation%20PRSP-Gender%20Oxfam.pdf>

b. Background reading

American Bar Association/Central European and Eurasian Law Initiative (ABA/CEELI) (2004): Judicial Reform Index for Armenia: Volume II. December.

http://www.abanet.org/ceeli/publications/jri/jri_armenia_2005_eng.pdf

American Bar Association/Central and East European Law Initiative (ABA/CEELI) (2002): Judicial Reform Index for Armenia. April.

http://www.abanet.org/ceeli/publications/jri/jri_armenia.pdf

Freedom of Information Civic Initiative (2004): Statement – Amendments threaten to undermine FOI Law. Yerevan, February 19.

<http://www.freedominfo.org/news/armenia/>

Law of the Republic of Armenia on Freedom of Information. Adopted by the National Parliament on September 23, 2003.

<http://www.forum.am/groups/A2I/mat/2.pdf>

Osmani, S.R. (2005): The Employment Nexus Between Growth and Poverty. An Asian Perspective. SIDA Studies No. 15, Stockholm. (includes Armenia case study)

http://www.sida.se/content/1/c6/03/89/45/SIDA4773en_SidaStudies_15.pdf

4.4 Links to stakeholders involved

a. PRSP

PRSP Armenia

<http://www.prsp.am/> (website sponsored by GTZ)

PRSP News: Institute for Democracy and Human Rights (IDHR)

<http://www.idhr.am/prsp/index.htm>

Government of the Republic of Armenia

<http://www.gov.am/>

b. Civil society

Civil Society Partnership Network

www.cso-network.am

Economic Development and Research Center

<http://www.edrc.am/>

Armenia Forum (initiative by the National Academy of Sciences in Armenia with support from UNDP Armenia)

<http://www.forum.am/>

National Academy of Sciences in Armenia

<http://www.sci.am/>

NGO Center

<http://www.ngoc.am/>

Institute for Democracy and Human Rights

<http://www.idhr.am>

Directory of some Armenian Civil Society Organizations

<http://www.civilsoc.org/nisorgs/armenia/armenia.htm>

Directory of Development Organizations (national / international)

<http://www.devdir.org/files/Armenia.PDF>

c. Donors / International actors

International Monetary Fund (IMF) – Armenia country profile
<http://www.imf.org/external/country/ARM/index.htm>

World Bank – Armenia country profile
<http://www.worldbank.org.am/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/ARMENI/AEXTN/0,,menuPK:301584~pagePK:141159~piPK:141110~theSitePK:301579,00.html>

United Nations Development Programme (UNDP) – Armenia country office
<http://www.undp.am/>

Directory of Development Organizations (national / international)
<http://www.devdir.org/files/Armenia.PDF>

4.5 General country information

Development Gateway
http://www.developmentgateway.com/countryprofile/?country_iso=am

Armenia Development Gateway
<http://www.armgateway.org/index.jsp>

International Crisis Group (ICG) – Armenia country profile
<http://www.crisisgroup.org/home/index.cfm?id=2454&l=1>

Freedom House – Armenia country profile
<http://www.freedomhouse.org/research/freeworld/2004/countryratings/armenia.htm>

4.6 General links that also provide country-specific information

European Network on Debt and Development (Eurodad)
<http://www.eurodad.org/>

International Monetary Fund (IMF)
<http://www.imf.org/>

The World Bank Group
<http://www.worldbank.org/>

Paris Club
<http://www.clubdeparis.org/en/index.php>

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