

Diaspora Humanitarian Assistance to Armenia in the Last Decade

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Note on Data Gathering: The financial data used to prepare this report is based on the information and financial statements provided to the author of this report by the 14 organizations surveyed here. (A list of the names of the organizations is provided at the end of this report). In addition, financial information from Armenian Government sources used in this report include data provided by the Government Commission on Humanitarian Aid and the Ministry of State Revenue (Customs Department).

Since the December 1988 earthquake in Armenia and especially after Armenia's independence in 1991, there has been an enormous outpouring of aid to Armenia: at least 50 large and small Diaspora organizations or groups around the world have been involved in philanthropic activities in Armenia. While many Armenian organizations and individuals have supported humanitarian projects or assistance in Armenia, the overall picture and direction of assistance is not always clear: what is the long term purpose of humanitarian assistance; what projects are selected, by whom and why; what is the measure of success; how sustainable are the humanitarian projects undertaken. The list of issues that can be raised is long. The answers necessitate a comprehensive long term assessment of Armenia's needs as well as the Diaspora's financial and human capacities.

This report is not an exhaustive or complete survey of all organizations or individuals who have lent assistance to Armenia in the last decade. Nor does it provide a comprehensive analysis of the issues involved. Instead and as a first step, the report simply outlines the key issues pertaining to humanitarian assistance in Armenia in the hope that the conference organizers might commission a more comprehensive study following the conference. Given time constraints, the report focuses on 14 large organizations so as to give, to the extent possible, some concrete quantitative and qualitative data for analysis and recommendations.

Assistance ranging from \$10,000 to \$100,000 each by over two dozen other Diaspora organizations is not included in this report, due to logistical difficulties in collecting the precise amounts of contributions. Such donations should be considered in any future assessment or report.

I. This Study Reveals That:

- The 14 organizations surveyed for this report have provided over \$630,000,000 of assistance to Armenia in the last decade.
- Diaspora organizations are committed to long-term assistance to Armenia and Karabakh with short-term projects. Based on their experience organizations are doing more short-term projects than committing themselves to long-term projects that would require years of commitment of financial and human resources. For example, two Diaspora organizations are planning to `privatize' a clinic set up in Yerevan and an agricultural equipment facility in Echmiadzin - transfer to the employees who work in the projects - **a)** to encourage self-sufficiency, **b)** generate-income for the employees; **c)** accord the providing-organization a chance to engage in other, more needed projects.
- When major national emergencies occur (such as the earthquake, energy crises in 1993-1994, etc.), Diaspora assistance peaks and greater mobilization efforts are employed.
- Large Diaspora organizations have created an infrastructure for needs assessment, allocation of funds and goods, and distribution of aid, through a complex network of donors, facilitators, legal and administrative arrangements, and identification of beneficiaries in Armenia.
- Over the years, Diaspora organizations have been relatively successful in coordinating their humanitarian assistance with the government of Armenia (albeit customs and legal difficulties), various ministries, NGOs and local independent organizations.
- Humanitarian assistance could be considered an important `industry' in Armenia, a largely ignored `sector.' Some 2000-3000 citizens of Armenia (excluding Diasporans) are employed directly or indirectly by Diaspora aid-providing organizations; and a host of offices and facilities are set up in Armenia for the purpose of aid management and distribution. This `industry' has generated income both to a significant number of local employees and their families and to Armenia's economy in general. In addition, over the years, Diaspora organizations have also trained a cadre of management professionals and personnel who are involved with their projects.
- Over the last decade, Diaspora organizations have gradually learned and have been relatively successful in soliciting funds and `in kind' (non-cash contributions, such as goods and supplies) donations from non-Armenian agencies, institutions and sources. Indeed, a large percentage of the \$630 million aid sent by the Diaspora organizations surveyed here are from non-Armenian sources -- 70 to 90 percent with some organizations. In the health

sector, organizations have also been successful in identifying sources, whereby medical supplies are purchased at highly reduced or discounted prices. (See section IV, 'Donor Fatigue' below.)

- Despite existence of some cooperation, Diaspora assistance is not coordinated in a systematic fashion. Generally each organization operates independently. This is not a 'negative' factor per se, but a reflection of the character of the Diaspora itself. Coordination does not and should not mean centralization. Indeed, decentralized processes of providing aid to Armenia have generally had positive effects.

II. Diaspora Assistance to Armenia (and Karabakh) Has Focused on Several Key Areas:

Social welfare projects

These include assistance to orphans, pensioners, refugees, war victims and economically disadvantaged sector of society, and during national emergencies, the general population (e.g., Operation Winter Rescue in 1993 and Winter Fuel Project in 1994).

While most government-to-government assistance has focused on amelioration and creation of infrastructure, Diaspora organizations, along with non-Armenian NGOs, have played an important role in providing short-term to mid-range assistance to relatively smaller sector of society whose lives might otherwise have been more difficult.

Health sector

This includes providing medical supplies, equipment and medicine, improvement of medical care in Armenia, staff and experts training, sustained consultation and visits by Diaspora doctors and building of new medical facilities.

In addition to critical surgeries and medical care provided by a large number of Diaspora doctors and medical experts on voluntary basis, Diaspora organizations and experts have greatly contributed to the improvement and modernization of Armenia's medical care system. While contributing to existing state medical institutions, new and most advanced medical facilities have been established by Diaspora physicians and organizations.

Education

This includes assistance (funds, computers, literature, and teaching material) mostly to higher educational institutions (universities and technical schools) and salary

subsidies to scientists and teachers. Most notable is the establishment of the American University of Armenia. Assistance to elementary and secondary schools are minimal over the last decade as a whole, however, in the last few years there is growing interest in and assistance to 'public' schools in Armenia, including renovation of buildings, amelioration of infrastructure, and creation of better educational environment.

Cultural projects

These include assistance to writers, musicians, artists and group performers and facilitation of exposure to Diasporan and international audiences.

Religious

This includes renovation and building of churches, providing religious literature, education and training, youth summer camps, and evangelical ministries.

Technical assistance

Numerous groups of professionals and experts have visited Armenia to provide expertise, consultations and assistance methodologies to various sectors, especially in the areas of agriculture, energy, environment and technology. Since the earthquake dozens of expert groups have conducted surveys and studies in Armenia for the benefit of the government and institutions. It is virtually impossible to estimate the dollar amount for these services.

III. Perspective

Non-Armenian Humanitarian Assistance

Starting in 1992, Armenia received large-scale humanitarian assistance from international donor countries and organizations. Assistance in this period was conditioned by the post-independence social hardships, economic transition and transportation and energy blockade. However, not all assistance in the early years after independence was registered by the Ministry of Statistics and if recorded, their value was not calculated. For example, in 1992 the US humanitarian assistance package alone amounted to some \$84 million.

In 1994 estimates of the Department of Statistics put the value of cargo imports of humanitarian assistance to Armenia at \$71.3 million (excluding 270,000 tons of wheat).

In 1995, a peak year, humanitarian assistance reached \$151.3 million, the two major donors being the United States and the European Union.

It was only in the fall of 1996 that the Ministry of Statistics started to systematically register the size and value of humanitarian assistance intended for direct relief for the vulnerable segment of the population.

Based on government figures for January 1998 to June 1999, Armenian and non-Armenian organizations and NGOs sent over \$82 million-worth of aid (41.1 billion Drams) to Armenia in 1998 (30 percent less than 1997). 62.2 percent of the humanitarian aid was received by charitable, religious and non-profit organizations; 37.8 percent by various ministries and state institutions. Of the total volume of assistance, 20 percent was sent from the United States (largely by the Los Angeles-based United Armenian Fund).

Humanitarian supplies and goods sent to Armenia constituted 9.1 percent of all imports to Armenia in 1998. In the first four months of 1999, humanitarian assistance was at 13.5 billion Drams, 8.1 percent of all imports in 1999. The Customs Department of Armenia (which started keeping computerized records starting in 1996), reports that in the first six months of 1999, about \$35.6 million-worth of humanitarian goods and supplies were imported to Armenia; \$82.1 million in 1998; \$117.2 million in 1997; and \$81.2 million in 1996.

In 1998, almost half of the assistance (49.7 percent) was for the agricultural sector (mostly wheat and fertilizers); 16.1 percent (2.5 billion Drams) for the health care sector; 8.1 percent for educational and scientific purposes; and 10.8 percent (1.7 billion Drams) for the social sector. A large portion of the aid included advanced computers and management tools and technologies and medical equipment which, according to a government report, has had significant impact on modernization of the economy and development processes.

In 1998, various countries implemented over \$25 million-worth of projects (12.8 billion Drams), 72.2 percent of which came from the government of Japan. Some 34 percent of the aid was for realization of various economic and development projects; 13 percent for the energy sector; 15 percent the health care sector; 17 percent construction projects; 4 percent agriculture; 4 percent for education.

In the first quarter of 1999, half of the humanitarian assistance was in the health care sector (10.5 billion Drams) and one-third for agriculture. About one billion Drams was for construction and supply of computers and a large amount of second-hand clothing (160 tons), toys and sports equipment.

During the 18 month period reported by the government (January 1998-June 1999), the Japanese government provided about 30 percent of the total aid, United Methodist COR 6.2 percent, 10.1 percent the US government, 4.2 percent Catholic Relief Services, 3.9 percent German organizations, 3.8 percent Norwegian Refugee Commission, 2.4 percent Save the Children.

According to a report prepared by the government's Humanitarian Assistance Commission in 1998 non-Armenian organizations implemented \$25 million-worth of projects in Armenia. In another report the Commission provides the breakdown of various humanitarian projects and sponsoring organizations as follows: American

Red Cross (33 percent), UAF (19 percent), AGBU (11 percent), UN (9 percent), FAR (4 percent), AMAA (4 percent), French MSF (3 percent) and others.

IV. Problems

Record Keeping

Both in Armenia and the Diaspora, until a few years ago there were no systematic processes to count the aggregate flow of assistance to Armenia. It is only in recent years that the government of Armenia (starting in 1996) and the Diaspora organizations have started to keep detailed count of their activities and donations. Most 'in kind' (goods, supplies and equipment acquired without paying for them) assistance provided at the beginning of the decade are either not recorded or segregated or do not have estimates of value. This is the case especially with non-Armenian sources of funds or supplies. Thus, the amount in this report does not reflect the total or 'real' amount of assistance sent by Diaspora organizations to Armenia since 1989.

Double counting

Double counting is another problem. As Armenian organizations have cooperated in certain projects or contributed to a specific program, the amount of assistance has been reported by the donor organizations, the receiving organization and sometimes by the end beneficiaries (for example, the Winter Fuel Project). This survey has paid a particular attention to detect double counting and the figures provided reflect the contributions of each organization, and avoids double counting, at least for major projects. Indeed, this report is the first attempt to calculate Diaspora assistance to Armenia in the last decade and the total figures present the minimum amount that has been allocated.

Difficulties

Virtually all organizations surveyed here, reported logistical and administrative difficulties in providing assistance in Armenia. 'Working in Armenia is not easy. It taxes your patience every day,' said one executive. From customs officials who expect favors to disorganized (and corrupt) civil servants, each organization has experienced unnecessary delays and bureaucratic hurdles.

It should be noted that there is a large decline of bribe-seeking personnel at the airport, not necessarily because of the changes of personnel, but because over the years Diaspora organizations have categorically refused to give bribes to anyone and have firmly upheld certain ethical standards.

There are improvements in the ways the government has handled aid-related issues in the last decade. However, the 'improvements' introduced by the government instead of enhancing the work of aid-organizations have actually increase bureaucracy. For example, in recent years, as several organizations have complained, clearing humanitarian assistance from the airport has become much more time consuming due to the amount of added paperwork needed from various state agencies.

Relief versus Development

There is no consensus among the Diaspora aid-providing organizations whether assistance efforts should shift from Relief to Development. While in recent years there is a growing trend toward development, some organizations believe that the population in Armenia is still in need of relief assistance for at least another decade, if not more. They argue that humanitarian assistance needs to continue while engaging in longer-term development projects. The switch from humanitarian assistance to development projects should be gradual and on a slower pace. For example, according government data, there are still 230,000 most vulnerable families in Armenia who receive family allowances. This is about 26 percent of the total of 812,000 families officially counted in Armenia.

Donor Fatigue

There is general donor fatigue in virtually all Diaspora communities. As reflected in the large percentage of non-Armenian grants received by Armenian organizations surveyed here (at times as high as 90 percent), over the years financial contributions by Diaspora communities have steadily declined, relying more on large individual donations. For example, the average number of regular, annual donors of the three large US Armenian organizations surveyed in this report is 7,000 Armenians (with an average \$100 donation). All organizations acknowledge that their communities have much larger resources but have not contributed enough and tend to contribute less and less. It should be noted that many Diasporans send assistance to Armenia through individual channels, directly or indirectly, or through smaller groups or for small, one-time projects.

One executive surveyed noted: 'If people trust they give more and regularly, you have to be transparent, accountable, reporting honestly, preserve integrity in operations and maintain a personal relationship with your donors.'

V. Recommendations

Needs assessment

In the last decade each Diaspora organization has adopted different methodologies of assessing humanitarian needs in Armenia. Sometimes they have responded to government or institutional request, at times they have done their own assessment through their internal channels and at times they have 'shopped' for projects. Other than the established projects - for example in the health care sector - assistance is mostly determined by the size of the organizations' purse. A well-planned and comprehensive needs assessment mechanism would better serve the humanitarian needs of Armenia and avoid duplication of efforts, and most important, would avoid distribution of assistance to all layers of the population instead of the most needy. For example, the population in the northern part of Armenia, in the earthquake zone, is poorer than the population in other urban areas of the country. People lacking sufficient education are also more vulnerable, together with pensioners and the disabled.

Legal

The government of Armenia needs to develop clear laws concerning humanitarian aid and establish proper procedures of administration. Currently there is lack of consistency and proper regulations. All organizations believe that humanitarian aid should be tax exempt as it discourages and demoralizes assistance efforts. Creating clear laws, procedures and methodologies should not mean increase of bureaucracy and paperwork. Procedures should be practical, logical and least time consuming.

Humanitarian Assistance

It is highly recommended that the government of Armenia maintains a balance between humanitarian assistance and the need for Diaspora investments. Declaring that Armenia does not need humanitarian aid but investments would give the wrong public impression and could affect allocation of much needed humanitarian assistance. Economic investments should be simultaneous with or complementing humanitarian needs. Indeed the future of Armenia is investments, but at least for the next decade, humanitarian needs should not be overlooked.

Armenian and non-Armenian organizations have reported that the government has not paid due attention to the growing poverty in Armenia. While projects to create microeconomic stability and development have been instituted, social welfare issues have been overlooked. According to aid organizations, the government's position regarding humanitarian assistance could affect future plans, volume and orientation of donor organizations and institutions.

Future Focus

One of the main areas of focus for future assistance for the Diaspora organization is Education (other than organizations which are dedicated to exclusive sectors, such as health care). Most organizations believe that gradually, as dire humanitarian needs decrease, they would concentrate on improving the educational system in Armenia and concern themselves with the education of the young generation. Already, some organizations are phasing out their various projects to engage in the educational sphere, such as building schools, providing teaching material, teachers training, etc.

In the coming years, it is likely that humanitarian assistance from non-Armenian sources will gradually decline. As one UN report put it, 'Only grave humanitarian situations caused by wars or elements of nature is regarded urgent for the international community. The grave humanitarian situation, caused in Armenia by large-scale poverty is typical of many underdeveloped countries.'

As the number of economically disadvantaged and disaster-ridden countries increase around the world, the role of the Diaspora organizations will become more critical in providing sustained assistance to the vulnerable segment of Armenian society.

Database

It is highly recommended that the government or an independent agency or organization set up a comprehensive database of humanitarian assistance needs to better manage and coordinate assistance and draw qualified assessment and analysis of needs. (The UNDP and OCHA have already started a donor database.) All donor Armenian and non-Armenian organizations, international governmental agencies and NGOs should cooperate by providing relevant information and assistance.

Conclusion

In conclusion, over the last decade Diaspora organizations have played a significant role in providing assistance to Armenia and have gained valuable experience in the process, which should be taken into account when addressing improvements to the current 'system.' There is positive qualitative change, however difficult to quantify, between the early years of the decade and recent years in the way the government of Armenia has handled and facilitated humanitarian assistance. There are still major problems (legal, administrative, logistical) that need to be addressed by the government together with donor organizations. Over the years, the exposure and engagement of Armenian government, ministry and customs officials with Diaspora organizations in particular and the international donor community in general have had a positive impact on improving the aid allocation, importation and distribution system in Armenia. And it is hoped that interest by this Conference will be the beginning of a more transparent and systematic process of public and detailed accounting, study, analysis and planning of humanitarian assistance to Armenia.

List Of Organizations Surveyed:

- American University of Armenia (AUA)
- Armenia Fund (*Himnatram*)
- Armenian Missionary Association of America (AMAA)
- Armenian Relief Society (ARS)
- Armenian General Benevolent Union (AGBU)
- Armenian Assembly of America (AAA)
- Aznavour Pour l'Armenie (APA)
- Canadian Diocese of the Armenian Church
- Eastern Diocese of the Armenian Church
- Lincy Foundation
- Medical Outreach for Armenia
- Prelacy of the Armenian Apostolic Church (Eastern)
- United Armenian Fund (UAF)
- Western Diocese of the Armenian Church