



Armenia

Corporate Social Investment

Program Goal - to increase the local philanthropy activities of Armenia's private sector.

In response to increasing public scrutiny and calls for heightened corporate social responsibility, many companies feel the need to illustrate their good governance practices by instituting highly visible philanthropy programs. In contrast to traditional charity actions, corporate social investment (CSI) incorporates the company's mission, business plan, resources and philanthropic interests to simultaneously benefit the community and add value to the business.

In 2006, Eurasia Partnership Foundation (EPF) initiated a baseline assessment of the state of CSI in Armenia. Representatives of medium and large-sized companies in Armenia were included in the survey, which examined the current level of understanding of corporate social investment among Armenia's private sector; trends in CSI practices among businesses; businesses' primary motivations for engaging in CSI-related activities; as well as the primary obstacles to expanded CSI practices within the private sector.

According to the assessment's findings, the current understanding of corporate social investment among business people in Armenia is very poor and there are only a small number of businesses that regularly engage in philanthropic activities. The majority of charitable contributions made by these businesses take the form of single-term, spontaneous donations and are not part of a long-term strategy that responds to both community needs and company goals. The assessment also found that businesspeople in Armenia have largely overlooked the role that NGOs can play in the implementation of CSI initiatives, and it revealed a lack of coordination between businesses' philanthropic activities and the development initiatives of both civil society and government.

Eurasia Partnership Foundation is working to maximize the value of corporate social investment in Armenia by building the capacities of its partner businesses to develop CSI strategies; by providing networking opportunities for businesses in Armenia with CSI practitioners abroad; and by advocating for legislative changes that will support businesses' corporate social investment activities.

Building Business Capacities

In August 2007, Eurasia Partnership Foundation convened over 25 representatives of Armenia's business sector in Yerevan for a two-day workshop on Corporate Social Investment (CSI) practices led by experts from Russia, the United States and the United Kingdom. This event marked the launch of Eurasia Partnership Foundation's program for the promotion of corporate social investment in Armenia. Businesses including Coca-Cola, Microsoft, Ashtarak-Kat, Synopsys, Arm-Swiss Bank and Aporia Mineral Waters participated in the workshop. Business representatives heard presentations on the experience of Russia's business community in the CSI field, and independent experts from the United States and the United Kingdom shared case studies from the social investment practices of American and British corporations.

Following the workshop, Eurasia Partnership Foundation sponsored a study tour for six Armenian businesses and the Deputy Minister of Trade and Economic Development to Moscow, where they were given the opportunity to visit Russian companies active in corporate social investment and to learn from their experiences. Two companies, Ashtarak Kat and Arm-Swiss Bank, have already expressed an interest in working with Eurasia Partnership Foundation on the development of their corporate social investment strategies.

In the coming year, EPF will work to build the capacity of its partner businesses to develop and implement CSI strategies that respond to each company's mission, business plan and philanthropic interests by offering them opportunities for in-depth consultations with experts in the field; by organizing network meetings in partnership with the American Chamber of Commerce in Armenia that will allow local businesses to learn from each others' experiences implementing CSI programs; and by partnering with local businesses on the implementation of their CSI strategies. In 2008, Eurasia Partnership Foundation also plans to identify a local university in Yerevan, with which it will partner on the design and launch of a certificate course for Armenian business professionals in the field of CSI.

Eurasia Foundation (EF) is a privately managed non-profit organization supported by the United States Agency for International Development and other public and private donors. Since 1992, Eurasia Foundation has invested over \$370 million through more than 8,400 grants and technical assistance projects in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. The Foundation's headquarters office is located in Washington, D.C. Since 1993, the Foundation has invested more than \$30 million in grants and technical assistance in Armenia.

Eurasia Partnership Foundation (EPF) is the locally-registered, legacy institution of Eurasia Foundation in Armenia.

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Policy Reform

Armenian legislation does not currently offer any tax incentives for businesses to engage in philanthropic activities. In 2008, EPF will initiate a comparative analysis of the legislative framework for CSI in Armenia and other countries and will work with the Ministry of Trade and Economic Development and its local business partners to advocate for amendments to existing legislation in Armenia that will support businesses' corporate social investment activities.

Increasing Public Awareness of CSI

Eurasia Partnership Foundation will work to increase media coverage of program activities in order to improve the public's understanding of CSI. As part of this effort, EPF supported the participation of a journalist from a prominent local newspaper in the study tour to Moscow and has organized a series of press conferences to publicize the program.

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