Financial Report

2023
2024

2025 Change Armenia

Executive Summary

- Organisation Name: **Change Social-Healthcare NGO** (**Change Armenia**)
- Report Period: years ended **December 31, 2023**, and **December 31, 2024**
- Overall budget in 2023: **4.985 EUR**
- Overall budget in 2024: **~ 47.644,41 USD** (from which)
  | 14.905 EUR
  | 24.374,76 USD
  | 3.122.000 AMD

From a financial standpoint, the 2023-2024 period reflects a clear progression in the organization's financial strategy, marked by increase in funding in 2024, following a relatively modest budget in 2023.

In 2023, the organization operated with limited resources, heavily reliant on project grants and without core funding support. However, in 2024, the organization significantly increased its financial capacity, with a more diversified funding base and enhanced investment in key areas, including rapid response capabilities.

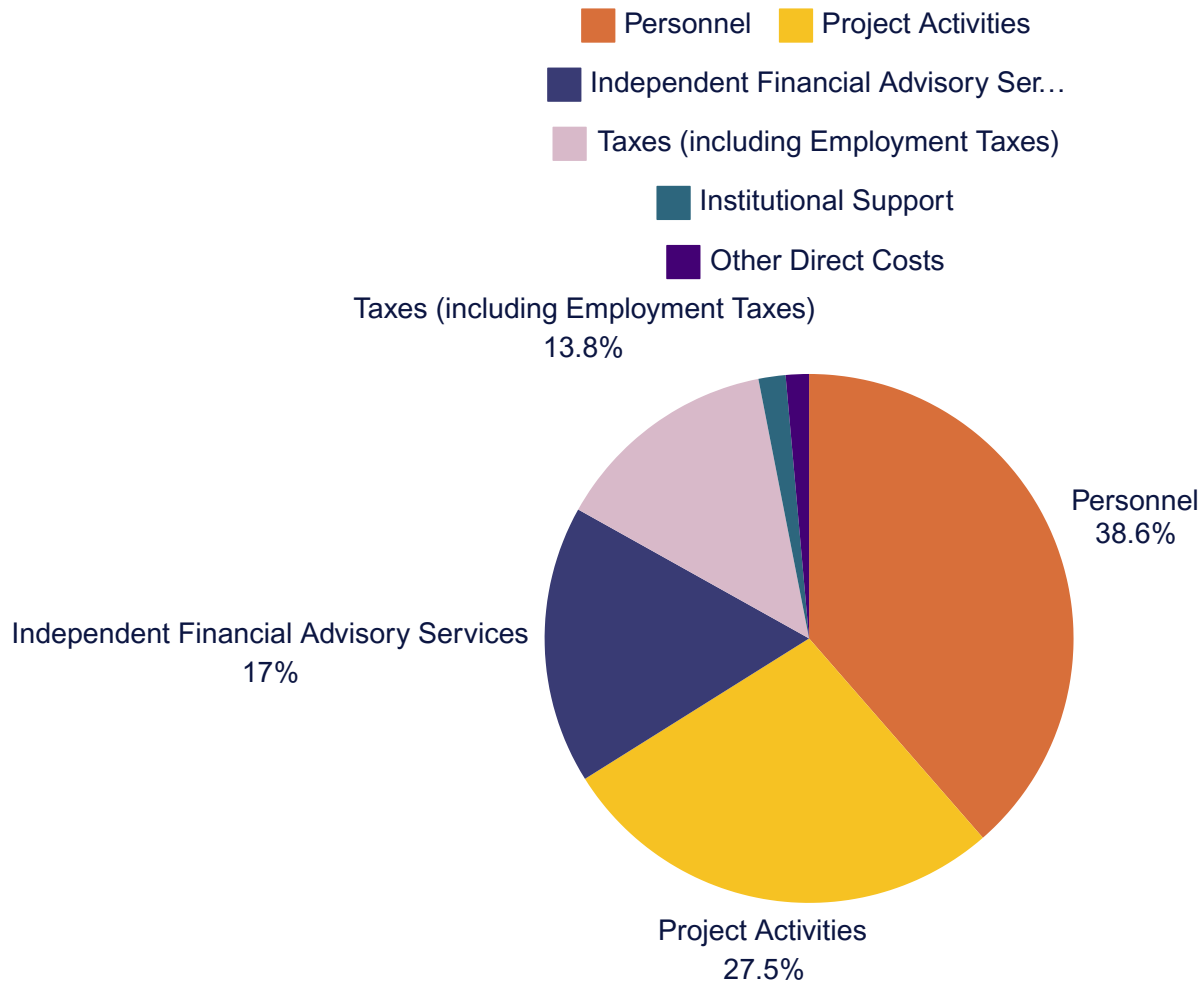
While this expansion in funding was substantial, one of the grants received in 2024 is earmarked for project whose implementation will commence in 2025.

2023
Financial Overview

In 2023, the organization received a portion of the grant from **Prague Civil Society Centre** (project title: "Deinstitutionalisation: A Shift From Conversation to Action") amounting to **4.985 EUR** (after bank transfer fees).

The total grant for the project was 9.935 EUR, with the remaining portion to be received in 2024.

These funds were allocated across various operational categories as follows:



2024
Financial Overview

In 2024, the organization received several grants which allowed for a more diversified funding base, contributing to both the continuation of existing programs and the initiation of new projects.

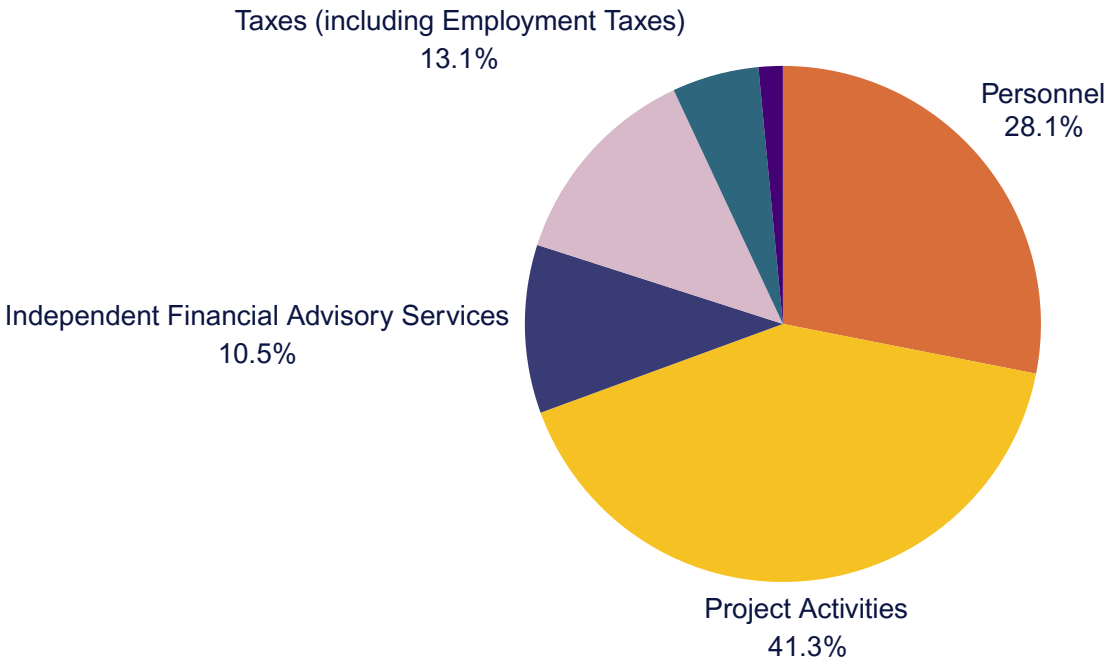
The received funds were allocated across various operational categories as follows:

- **remaining portion of the Prague Civil Society Centre** grant: The organization received the balance of the grant (after bank transfer fees: **4.920 EUR**), completing the total amount allocated for this project.
- grant from **Freedom House:** The real project budget for this project titled "Empowering Civil Society Organizations: Addressing Mental Health and Legal Support Needs of Displaced Women and Girls from Nagorno-Karabakh" was 10.000 USD, but after bank transfers fees, the organization received **9.951,38 USD** in 2024. These funds were fully allocated in the year.
- grant from **Search for Common Ground SHE WINS Rapid Response Fund:** The organization received **14.423,38 USD** from the donor for the project titled "Addressing Mental Health Needs for Forcibly Displaced Women and Girls from Nagorno-Karabakh." The full project budget was 27.650 USD, but the organization received 14.423,38 USD in 2024 after bank transfer fees. Part of this project will be implemented until February 15, 2025, and there is still 13.150 USD to be received in 2025 to complete the project.

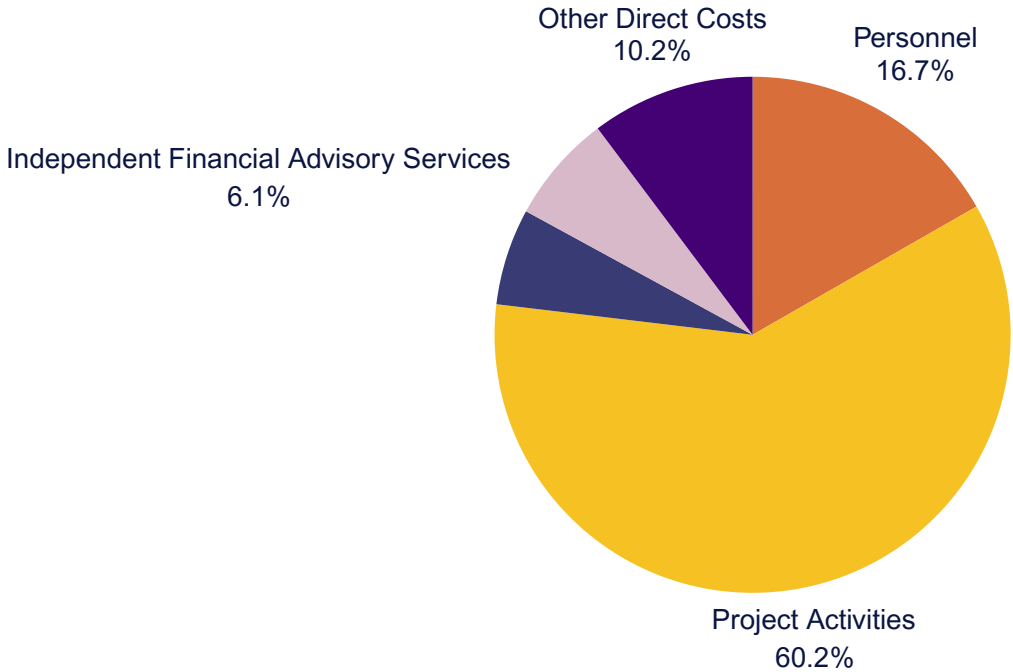
- grant from **Prague Civil Society Centre**: The organization received **9.985 EUR** from the donor for the project titled "Shifting Narratives on Mental Health in Media." The real project budget for this grant was 10.000 EUR, but due to bank transfer costs, 9.985 EUR was received in 2024. A portion of this grant will fund project implementation until May 31, 2025, with the full funding received in 2024, though project activities will continue into 2025.
- grant from **People in Need, Armenia**: The organization received **3.122.000 AMD** from donor in December 2024 for the project titled "Health Rights Unveiled: Content for All." The project will officially start in January 2025 and needs to be implemented by June 30, 2025. There is still 1.324.000 AMD to be received during 2025 to complete the project.

The funds received in 2024 were distributed across various operational categories, including personnel, activities, and mandatory social contributions.

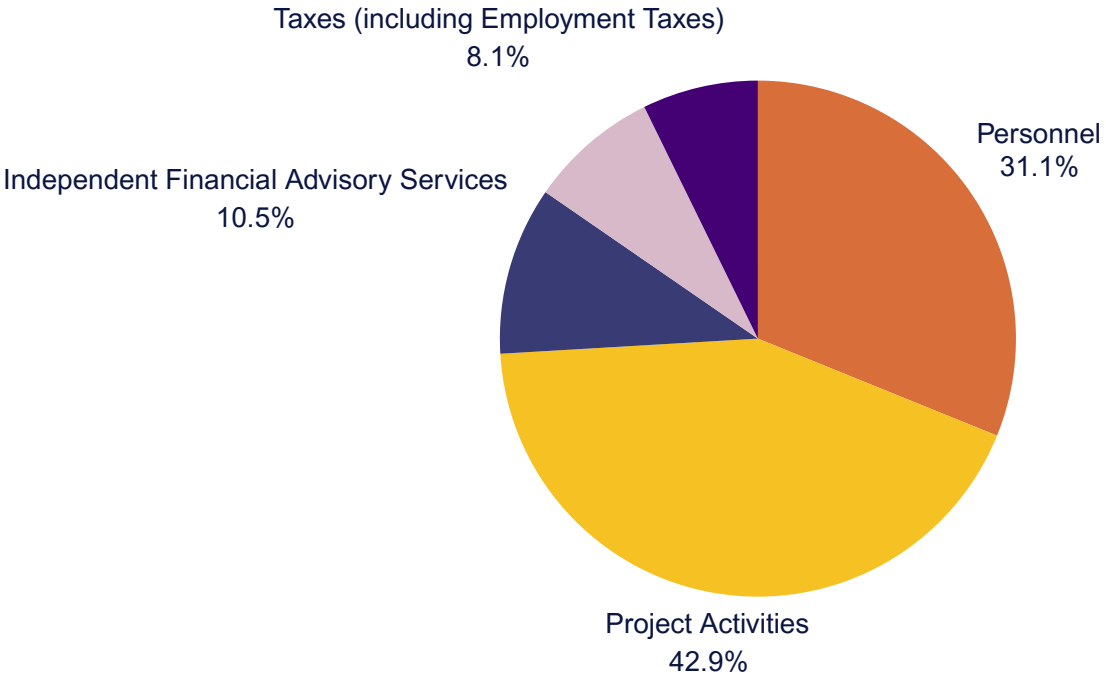
- **Prague Civil Society Centre grant: overall 14.905 EUR**



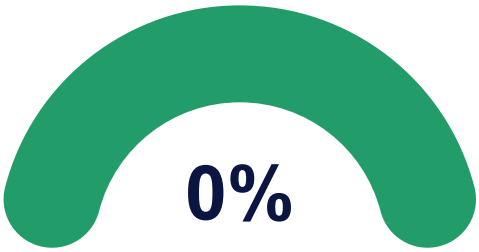
- **Freedom House grant: overall 9.951,38 USD**



- **Search for Common Ground SHE WINS Rapid Response Fund: overall 14.423,38 USD**



- **People in Need, Armenia: overall 3.122.000 AMD**



as of December 31, 2024

Financial Assessment and Recommendations

1. Financial Sustainability and Fundraising Strategy

As independent consultants, we recommend that the organization continue its efforts to diversify its funding sources, which has been a positive step in 2024. While the organization has made progress, the absence of core funding remains a challenge. We suggest that the organization consider securing more predictable and diversified sources of funding, including the pursuit of core support, to ensure long-term financial sustainability. Given the organization's expanding programmatic work, strategic efforts should be made to secure additional funding streams in 2025, which will further strengthen its financial foundation.

2. Impact of Socio-Political Context on Financial Planning

The unpredictable nature of socio-political changes may impact funding priorities. In light of the evolving socio-political context, we recommend that the organization continue adapting its financial strategy to meet emerging needs and external challenges.

3. Financial Efficiency and Use of Funds

While this report does not constitute an audit, we recommend that the organization consider the value of an independent audit when resources allow, in line with its ongoing commitment to financial transparency and responsible fund management. The organization has demonstrated efficiency in managing its resources, but an external audit would provide an additional layer of accountability, further strengthening the organization's financial oversight.

4. Establishing Emergency Funds

Given the increasing threats faced by the communities the organization supports, particularly in light of the ongoing risk of armed conflict in the region, we strongly recommend that the organization consider setting up an emergency fund. This fund would provide financial flexibility and rapid response capabilities in the event of unexpected crises or escalations, such as those posed by the ongoing threats from Azerbaijan. Establishing an emergency fund would ensure that the organization is better equipped to respond quickly to the needs of vulnerable populations in times of crisis, without being solely reliant on donor funding cycles. It is a strategic move to enhance the organization's ability to continue its mission and support communities under the most challenging circumstances.

5. Strengthening Financial Sustainability

To ensure the long-term viability and impact of its work, we recommend that the organization prioritize the development of a comprehensive financial sustainability strategy. This strategy should focus on securing a more diverse and stable funding base, including the pursuit of unrestricted core funding, partnerships with a broad range of donors, and potentially exploring new income-generating activities. In addition, the organization could consider building up financial reserves over time to better weather funding fluctuations and unforeseen challenges. By focusing on long-term sustainability, the organization can continue to effectively support communities, enhance its programmatic work, and safeguard its mission, regardless of shifts in the external funding landscape.

Preparation and Approval

This financial assessment and set of recommendations were **prepared on January 3, 2025 by independent financial consultants**

Emma Baghdasaryan

Vardik Avanesyan

The report has been reviewed and **approved by Change Armenia's Assembly on January 7, 2025.**

Change Armenia is committed to maintaining transparency and accountability in its financial practices, and this report accurately reflects the financial status for the periods of 2023 and 2024 and strategic recommendations for future sustainability.

Gohar Khachatryan (Co-Executive, Director)
Stella Chandirian (Co-Executive, Chairperson of the Board)

2025 Change Armenia