

ARMENIA POLICY ALERT



The Good, the Bad and the Ugly: Recent Electoral Changes in Armenia



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On December 5, the National Assembly of Armenia passed a package of legislative amendments to the Electoral Code, the Law on Political Parties, and other relevant legal acts presented by the Ministry of Justice. This culminated a two-year process that included extensive discussions and proposals from state authorities, international organizations, civil society organizations (CSOs), and other stakeholders. These newly introduced changes will define the rules for the parliamentary elections expected in 2026.

Although the drafting process was highly inclusive, several changes were introduced in the final stages, immediately before the first and second readings. These changes deviated from the initial agreements and the draft's original intent, as outlined in an [earlier policy alert](#). In this piece, we will examine “the good,” “the bad,” and “the ugly” of the electoral changes and their policy implications.

The Good: Provisions are deemed “good” when they align with principles of inclusivity, transparency, and accountability, promote democratic values, and address previously identified gaps or challenges.

The Bad: Provisions are considered “bad” when they create inconsistencies, reduce transparency, hinder accountability, or introduce complexities that undermine the effectiveness of oversight and equitable participation in the democratic process.

The term “ugly” applies to both the content of the approved regulations and the drafting process. Before the second reading, several changes to the Law on Political Parties were introduced, seemingly as the result of a rare agreement between the two major parliamentary factions, rather than the extensive discussions held during the two-year drafting period. These changes were significant and warranted a more thorough deliberative process. Moreover, as with the provisions concerning emergencies and martial law, CSOs and international organizations emphasized the importance of avoiding any amendments during the later stages of the legislative process. Nonetheless, the provisions were passed, with the justification that the consensus between the two parliamentary factions was sufficient.

Armenia has historically had progressive regulations on political finance by international standards and still retains many components aimed at fostering democracy, accountability, and transparency. However, in this legislative package, with the exclusive consensus of two (out of three) parliamentary factions, several provisions were approved that may hinder democratic development.

The Good

Towards Gender-balanced Representation

The Electoral Code regulates that if over 70% of a political party’s mandates go to one gender, the excess mandates will transfer to candidates of the underrepresented gender, aiming for at least 30% representation for both genders. Recent practice shows that, particularly at the local level, mandates of female elected council members have been subject to recusals and waivers. Moreover, there are communities with no female elected representatives, despite the aforementioned quota regulation, as the elected female representatives resigned their seats.

The initial draft suggested leaving mandates vacant if there are no candidates of the underrepresented gender, which aimed to prevent gender disbalance in elected bodies. Before the second reading, there was a proposal to revoke this provision. With the efforts of CSOs and international organizations, this provision was reversed and approved. Furthermore, the National Assembly made it a criminal offense to compel someone to relinquish their mandate.

Additionally, it is worth noting positively that the draft amendments include a proposal to increase the minimum number of representatives of each gender in the Central Electoral Commission (CEC), which consists of seven members, from two to three. This measure aims to enhance women’s participation and promote greater gender balance.

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Enhancing Accessibility in Elections

The National Assembly approved provisions from the initial draft aimed at enhancing accessibility in elections. These provisions include measures to improve accessibility for polling station staff with locomotor difficulties, and, relatedly, amendments were made to ensure voting secrecy for voters with locomotor difficulties. In this context, The Electoral Code was revised to reduce the number of voters per voting booth from 750 to 600. Despite suggestions to remove relevant provisions by an MP before the second reading, efforts by CSOs and international organizations ensured that provisions were retained which required the CEC to supply polling stations with additional tools (such as braille templates) to enable visually impaired individuals to vote. Furthermore, voters with locomotor difficulties will have the option to select their preferred polling station from a list of accessible locations online.

Making Political Parties Annual Reports More Efficient

While the package concerning political parties and political finance has controversial aspects, there is a positive regarding the improvement of party reports. The deadline for submitting annual reports has been moved forward from May 31 to February 20. Additionally, the reports will now be published on a dedicated web platform operated by the Corruption Prevention Commission (CPC), instead of being limited to Armenia's public notification official website, which has a poor user experience. These changes will enable media and CSOs to conduct more timely and precise oversight of political parties. Moreover, submitting annual reports will be a mandatory requirement for election participation.

Refraining from Controversial Proposals

On the positive side, it is noteworthy that Parliament refrained from passing several proposed amendments. The most significant regulation postponed concerned the elections during emergencies and martial law. The suggested provisions sparked controversy and discussions among political parties, observer groups, and other stakeholders. It was agreed that these regulations would be removed from the current package and subjected to further discussion and evidence-based design to ensure broader consensus and confidence.

The Bad

Operational Changes in the CEC

Moving away from the positives, The Electoral Code has been amended to include a paragraph addressing the structure and staffing of the Central Electoral Commission (CEC). These changes aim to grant the CEC greater independence from the government in its recruitment processes. While these amendments can generally be seen as a positive step, concerns remain about potential staff expansion and reduced accountability in appointments.

Particularly, these concerns are mainly based on the specific regulation, which grants the CEC the right to fill vacant civil servant positions in a non-competitive basis solely by promoting existing

staff members. Although the promotion clause was removed from the initial draft, the newly approved legislation still enables the CEC to establish its own rules for staff recruitment, administration, and promotion, deviating from general civil service regulations.

Additionally, this specific authority provided to CEC may create unjustified disparities compared with other independent and autonomous bodies, hence creating tensions.

Limiting Transparency of TECs

The approved changes specify that live broadcasts of the Territorial Electoral Commission (TEC) sessions will be limited to result summary and recount sessions. This reduction in coverage will decrease the transparency of TEC sessions and limit oversight opportunities for observation missions, a concern that these organizations have openly [vocalized](#).

Poorly Designed Institutional Solutions for Political Finance Oversight

In 2021, a reform was initiated to concentrate political finance oversight functions within the Corruption Prevention Commission (CPC). It was decided to transfer campaign finance oversight functions from the CEC's Audit and Oversight Service to the CPC. The rationale behind this decision was that consolidating these functions within a single body would enhance oversight efficiency, thereby improving the transparency and accountability of political finance. However, this transfer never materialized.

Over the past three years, it was postponed annually, citing the CPC's underdeveloped staff and insufficient capacity to assume these responsibilities. With the latest legislative package, the reform was reversed, and campaign finance oversight functions were retained by the Audit and Oversight Service. As a result, campaign incomes will be scrutinized by the CPC, while expenditures will fall under the purview of the Audit and Oversight Service, consequently creating challenges for observer missions and CSOs.

CSOs and the Venice Commission have noted that, despite the absence of clear standards, unifying oversight of general party finances and campaign funding within a single body could offer advantages in terms of efficiency and consistency. Nevertheless, the new regulations not only maintain separate oversight functions but also restrict opportunities for administrative cooperation between the two bodies.

Campaign and General Party Funding: Misregulations and Pitfalls

Approved regulations specify that in elections conducted under a proportional system, only contesting political parties are permitted to fund campaign activities through donations to campaign funds. Natural persons are only permitted to donate finances to political parties, which parties will allocate to their campaign funds. The official rationale is to simplify accounting and reporting, thereby facilitating oversight of campaign funds.

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However, this regulation, due to its poor legislative design, creates several challenges. Firstly, it prohibits individuals without Armenian citizenship from donating to local electoral campaigns, even though they have the right to vote in local elections. Under the existing legislation, donations must be made through political parties, and only Armenian citizens are allowed to donate to these parties.

Secondly, since campaign funds are exclusively financed by political parties, the new changes to the Law on Political Parties state that donations made to parties during campaigns are exempt from the annual donation limits set for parties and individuals. This creates a loophole that could be exploited to exceed legally binding limits by collecting funds during campaigns and retaining them for general party expenditures.

Furthermore, as party donation data is only published in annual reports, this change reduces the transparency and traceability of campaign funding during the election period and delays the availability of relevant information, making oversight by observation missions less effective.

Unfulfilled Proposals

Over the two years of drafting and discussions, various suggestions—particularly from CSOs—were overlooked. Those include the provision of legal standing to the observation missions to appeal electoral commission decisions, election results, and illicit campaign actions. These suggestions were based on the [Venice Commission's report](#) and the [OSCE/ODIHR's Joint Opinion](#).

CSOs and international organizations highlighted flaws in the current regulations regarding the use of administrative resources and third-party financing. Suggestions highlighted the importance of extending the period during which The Electoral Code regulates their misuse. Currently, these regulations are superficial and apply only to the campaign period.

CSOs also raised concerns about regulations governing party blocs and partisan/non-partisan quotas in party lists. Political parties often avoid forming blocs due to the higher electoral threshold (7% for blocs, 5% for parties), instead integrating members of other parties—up to 30%—into their lists while pooling financial resources for campaigning. This allows parties to formally compete as single entities while, in practice, functioning as party blocs. At the same time, there is a risk of political parties or factions being captured by non-partisans (30%) if partisan members on the list waive or resign their seats. These concerns were also left unaddressed by the relevant authorities.

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The Ugly

Inconsistency in Public Funding of Political Parties

Moving towards more negative changes, before the recent changes, existing regulations stipulated that political parties eligible for public funding received two types of funding. These were general funding and targeted funding, with a 60/40 distribution. To qualify for targeted funding, political parties had to meet three conditions: maintaining a gender-balanced governing body, having territorial representation in more than half of Armenia's administrative units (marzes), and conducting research or publications on ideology-related matters, political programs, or public policy issues. Additionally, targeted funds could only be allocated to the specified purposes outlined in the regulations.

The Corruption Prevention Commission (CPC), the body responsible for oversight, frequently raised concerns about the complexity of verifying compliance with these conditions, particularly regarding research requirements. Since 2022, following legislative changes, targeted funding has been provided without any compliance checks.

Before the second reading, provisions were introduced and subsequently approved, suggesting the following changes: shifting the distribution of general and targeted funding from 60/40 to 80/20, and removing the third condition concerning research and publications. The most absurd is eliminating the legal requirement for parties to allocate received funds to specified purposes. This last change is particularly problematic, as it directly contradicts the fundamental concept of targeted funding.

Setting Unreasonable Limits for Donations

The Law on Political Parties sets annual donation limits, allowing individuals to contribute up to approximately €6,000. Donations from legal entities and non-citizens are prohibited. At the same time, political parties are allowed to collect a maximum of approximately €1,200,000 annually. These amounts are significant within the Armenian socio-economic context, where the average monthly salary is around €600.

While the individual donation limit is logically tied to average income levels, general monitoring of annual party reports indicates that no political party has come close to raising amounts near the annual limit. However, investigative journalists have [reported](#) that, in recent years, the individual donation limit has been circumvented through the use of proxies.

Consequently, arguably the two wealthiest political parties agreed to significantly increase the donation limits: approximately €24,000 for individuals and €2,400,000 for annual party donations. This unjustified increase is likely to exacerbate disparities among citizens in their influence on politics, bolster the infiltration of private interests into the political sphere, and promote oligarchy. Ultimately, these changes could inflict irreversible harm on Armenia's developing and fragile democratic institutions.



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Recommendations

1. Align the Central Electoral Commission's (CEC) staff recruitment and promotion procedures with general civil service regulations to ensure accountability and consistency with other independent bodies.
2. Reinstate live broadcasts of all Territorial Electoral Commission (TEC) sessions to enhance transparency and oversight opportunities for observation missions.
3. Amend the Electoral Code to provide observation missions with the right to appeal electoral commission decisions, election results, and campaign irregularities.
4. Introduce regulations regarding party lists to address the de facto formation of party blocs that circumvent higher electoral thresholds and comprehensively define party blocks in legislation.
5. Revise donation regulations to guarantee the right of non-Armenian citizens with voting rights to participate in campaign funding in municipal elections.
6. Reinstate the requirement that political parties allocate targeted funds strictly to specified purposes, and implement rigorous compliance checks to uphold the integrity of public funding mechanisms.
7. Reverse the recent increase in donation limits to align them with Armenia's socio-economic realities, and introduce mechanisms to prevent proxy donations and undue influence by wealthy individuals or entities.

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EPDE is financially supported by the European Union and the Federal Foreign Office of Germany. The here expressed opinion does not necessarily reflect the opinion of the donors.

