



Agricultural Services Project

In line with IFAD's poverty reduction strategy and with that of Armenia's government, the project supported agricultural development, specifically irrigation and seed development. Although its scope was national, it focused on Armenia's poorest and most marginalized areas, with the objective of reducing poverty by supporting agricultural growth. Through microfinance programmes for small enterprise development and for groups of women, it provided support for rural poor people who are not in a position to benefit from growth in agriculture.

The project fostered improved seed production and certification and distribution through the private sector. It strengthened water users' associations and assisted them in providing for operation and maintenance of irrigation systems, and it developed irrigation infrastructure so that irrigations areas could be expanded. The people who have benefited from the project had an active role in designing, planning and implementing activities such as rehabilitating and managing irrigation systems and contracting for the services of private entrepreneurs. Microfinance activities to improve agricultural production and to support off-farm activities, particularly for women's groups, were based on a demand-driven participatory approach through village-based credit associations and the Armenian Cooperative Banking Association (ACBA). One of the aims of the project was to establish financially sound small and medium-size enterprises to provide employment opportunities in poor villages.

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Loan number(s): I-561-AM

Total project cost: US\$20.4 million

Approved IFAD loan: US\$15.5 million

Project type: Irrigation

Approval date: 26/04/2001