

# Rural assets creation programme

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## **ENTERING INTO FORCE**

The financial Agreement for the “Rural Assets Creation Programme” was signed, on November 30, 2010 in IFAD Headquarter in Rome by authorized representatives of the Republic of Armenia (RA) and International Fund for Agricultural Development. On March 17, 2011, the Governing Board of the OPEC Fund for International Development (OFID), meeting in its 134th Session, approved of the Rural Assets Creation Program. On April 8, 2011 the Constitutional Court of Armenia constituted that the Financing Agreement does not contradict to the Constitution of RA. In April 2011 the National Assembly of Armenia ratified the agreement and an according note was submitted to IFAD, on May 4 after which the programme entered into force.

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### **1.1.1. RACP GOAL AND OBJECTIVES**

The overall goal of the Rural Assets Creation Program is to reduce rural poverty in the Republic of Armenia. The objectives include;

- Establishment of economically viable fruits and nuts sector with backward linkages for poor rural smallholders.
- Establishment of industrial agricultural practices;
- Establishment of modern demonstrative orchards;
- Support to the whole value chain in horticulture;
- Introduction of special financial product for orchard development;
- Rehabilitation of rural public infrastructures.
- Establishment of special financial credit products for non-contracted farmers to develop new orchards.

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### **1.1.2. PROGRAMME AREA AND DURATION**

Programme target areas are Aragatsotn, Lori, Shirak, Vayots Dzor, Syunik, Gegharkunik and Tavush marzes of Republic of Armenia. As already mentioned above the programme started its activities in May 2011 and will be effective up to May of 2016.

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## RACP COSTS AND FINANCIAL SOURCES

Programme costs are estimated to be approximately 53 million USD

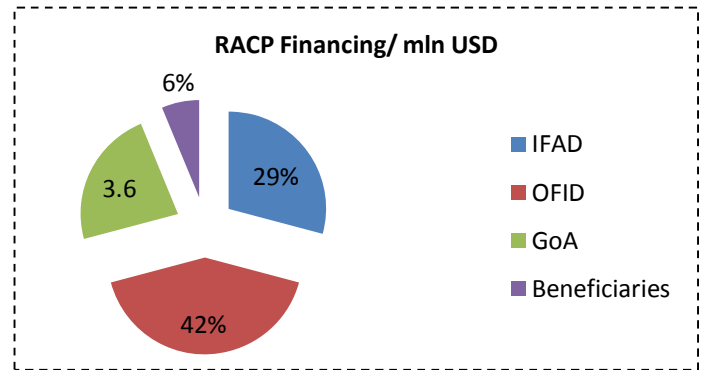
Financing sources are:

IFAD - app.14 million USD (including 500,000 IFAD Grant)

OFID - 20 million USD

Government of RA- app.11 million USD

Beneficiaries - 3 million USD



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### 1.1.3. RACP COMPONENTS

RACP will conduct its activities under four main components:

- ➔ Support to Fruits and Nuts Sector;
- ➔ Rural Infrastructure
- ➔ Horticultural Credits
- ➔ Programme Management

Support to Fruits and Nuts Sector component will reach these objectives under two sub-components: (I) Establishment of Fruit Armenia; (II) Promotion of Standards and Exports.

Accordingly, the Rural Infrastructure component would consist of two sub-components: Public Utilities Investments and Rural Transportation Investments. The beneficiaries include all poor target groups under PUI subcomponent and poor target groups linked to Component