

Armenia can boost income growth and youth employment through agriculture

IFAD to support strengthening of infrastructure and rural finance

Rome, 12 November 2014 – The government of the Republic of Armenia and the International Fund for Agricultural Development (IFAD) signed a US\$11.0 million loan agreement to finance the Infrastructure and Rural Finance Support Programme in the seven regions of Shirak, a province in the north-west of the country.

With a total cost of \$52.8 million, the IFAD-supported project is co-financed with a \$25-million contribution from the OPEC Fund for International Development (OFID); \$3.5 million from other bilateral donors; \$10.1 million from the government of Armenia; \$3.5 million from the rural women and men benefitting from the project and \$0.9 million from national financial institutions. The financing agreement was signed today in Rome by Armen Harutyunyan, Deputy Minister for Agriculture and by Michel Mordasini, IFAD Vice-President.

Over 70 per cent of the land area in Armenia is used for agriculture which provides employment to 44 per cent of the country's population, including 65 per cent of people living in rural areas. Agriculture activities such as horticulture, viticulture and livestock production are favoured due to the high altitude of the land, small average farm size and abundant labour. This new IFAD-funded activity in Armenia helps respond to rapid changes in the business, financial and agricultural sectors as the country's economy continues on the road to recovery. It aims to improve the economic and social status of the population by generating income growth and sustainable employment opportunities.

The programme will target more than 66,000 beneficiaries, with a specific focus on women-headed households which are now more prominent as increasing numbers of men and young people are leaving rural areas in search of jobs. The seven regions covered (Lori, Tavoush, Gegharqunik, Vajots Dzor, Sjunik and Aragatsotn) have the highest incidence of poverty in rural Armenia, but also have high agricultural potential to lift beneficiaries out of poverty.

Since 1995, IFAD has invested a total of \$78.2 million in 6 programmes and projects in Armenia benefitting approximately 394,000 rural households.

Notes to Editors

Patrick Herlant, Country Programme Manager for Armenia, will be available for interviews in person or by phone.

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IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided about US\$16 billion in grants and low-interest loans to projects that have reached some 430 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.