

Azerbaijan: Improving Rural Livelihoods



RURAL INVESTMENT

Improving Rural Livelihoods in Azerbaijan

Overview

The *Azerbaijan Rural Investment Project (AzRIP)*, under implementation since 2005, has supported the rehabilitation of critical infrastructure in 430 poor communities across the country. An emphasis on sustainable infrastructure and direct monitoring of implementation by participating communities ensured that over 90% of rehabilitated infrastructure is operational. The project has produced multiple gains in road improvements, school renovations and potable water quality, which resulted in improving the lives of some 600,000 farmers and reducing poverty of some 150,000 people. Most importantly, **AZRIP** has mobilized community members to identify needs and implement priority actions to address these.

Challenge

A critical challenge in Azerbaijan is to channel the dividends of oil-driven economic growth – mostly concentrated in Baku – to the rural areas to improve access to social services and conditions for more productive use of the agricultural potential. Examples include: The poor condition of rural roads has forced farmers to sell their produce to external agents at prices 30% lower than when directly delivered to the market; potable water supply has been of a sub-quality standard for 30% of the rural population; and during the winter many children have been absent from school since some local roads become impassable and schools lack heat.

MULTIMEDIA

Approach

AzRIP is designed to foster development through small sustainable investment, decided and driven by local communities. Local actions are supported through guided use of innovative methods of community participation, including Participatory Rural Appraisal facilitation and economic analysis to assess the distributional impact of project interventions. AzRIP puts communities in the lead in determining their priority investments and investment options and broad participation in program governance is actively supported. Local communities apply for block grants, subject to the preparation of operation and maintenance plans, and confirmation by local governments to support the investments

More Results



1,300 km

The approximate number of kilometers of new or reconstructed roads since the project launch.

and to finance specific items. Regional firms support communities to design investments and supervise contractors, and participating communities engage with each other through facilitated peer learning.

Results

Since project launch in January 2005, the following results are evident:

- To date, about 1.2 million people in 431 communities have benefited from a total of approximately 1,300 kilometers of new or reconstructed roads.
- The condition of rural roads has improved for over 640,000 people in 200 communities, with improved access to schools and clinics, and increased income of farmers.
- About 80% of farm products are now brought to markets by farmers themselves (18% in non-beneficiary areas). Prices of crops paid to farmers have increased on average by 20% in project areas. Weighted average productivity has increased by 46% for potato, 40% for maize, 38% for cotton and 31% for wheat.
- Small-scale irrigation systems have been rehabilitated in 30 communities, reaching 700,000 people.
- Over 13,000 person-months of jobs in civil works have been generated, from which the rural poor have received more than \$6.5 million equivalent in wages.
- Municipalities and the central government mobilized \$800,000 equivalent for the operation and maintenance of rehabilitated infrastructure.

Under the original IDA Credit of \$15 million equivalent, \$12 million was disbursed as grants for infrastructure rehabilitation, and approximately \$2 million for the capacity development of rural communities. Under the IDA Additional Financing of \$15 million equivalent, approximately \$6 million has been spent on infrastructure rehabilitation.

Toward the Future

The long-term sustainability of rural infrastructure still remains a challenge, with substantial capital repair investments required in the coming years, including the more recently upgraded infrastructure. The government of Azerbaijan has requested a follow-on project to expand the project investments to communities not yet serviced. The new project is expected to be approved in 2011. This project will seek to strengthen sustainability of supported investments.

Voices

80%

The percentage of farm products now brought to markets by farmers themselves.

6.5 million

The total wages earned from the new civil works jobs created for the rural poor.

MORE INFORMATION

- › Results in ECA: Investing in Azerbaijan's Agriculture
- › Official web site
- › Ministry of Agriculture

MATERIALS

- › Azerbaijan Rural Investment Project Additional Financing – PDF
- › [Azerbaijan Rural Investment Project Wikipedia page](#)
- › [Improving People's Lives in ECA 2010](#)
- › [Interview with Santosh Ishihara, Team Task Leader, AzRIP](#)



- › Slide-Show: [click image](#)

PARTNERS

- › Embassy of Japan in Azerbaijan
- › National AzRIP Conference

“ All the people of the village participated in the mobilization process. A vast majority of the villagers voted for irrigation water supply project as the priority number one. My farm's income increased by more than 30% after the irrigation system had been rehabilitated with the grant of about \$50,000 ”

—*Mahir Aliyev, a farmer living in Qaramanli*
