



ANNUAL REPORT 2018





The role of rural cooperatives is important for the Republic of Armenia since agriculture is one of the key fields of economic development of the country and is the main source of income for the majority of rural population.

Cooperatives create an opportunity to increase the income of farmers in the conditions of shortage of agricultural land, lack of adequate infrastructure, lack of access to qualified agro-processing and agronomic specialized services, product sales and other difficulties.

Our experience shows that inclusive rural cooperatives contribute to poverty reduction, job creation, employment, and to the increase of income from agriculture. Farmers' joint efforts help to get knowledge and skills, to find investments and to mobilize resources.

The RA Law "On Agricultural Cooperatives" was as a positive change in 2015, but it was necessary to revise other related legal acts to achieve significant results. The latter is not happening and, as a result, most of the registered agricultural cooperatives are not functioning, while the development of agricultural cooperatives is one of the government's priorities.

Although we managed to improve the tax regulation field for the activities of the consumer cooperatives operating in the villages, the agricultural cooperatives continue to be viewed by the state as ordinary businesses, and are therefore not operating. Taking into account the dual role of cooperatives as a «union» and «social enterprise», legislation should provide such guarantees that individuals can fully exercise their right to freedom of association. The Legislation should take into account the peculiarities of cooperatives and their positive contribution to the improvement of their members' live and communities' well-off.

Based on the evident truth that inclusive cooperatives contribute to economic and social integration of people, as well as protection of their rights, Shen NGO in line with other activities will continue to advocate the interests of farmers working jointly in the villages in the coming years.

Shen NGO Board

Economic activity promotion projects



6. Construction of cold storage and drop irrigation demonstration system for "Organic Fruit Producers" consumer cooperative in Shenik village, Armavir marz
7. Construction of a tourist route connecting the villages of Gosh and Khachardzan in Tavush Marz
8. Reconstruction of the irrigation network of Tsaghkashen village of Aragatsoth marz
9. Reconstruction of irrigation water network of Lernavan village of Lori Marz (Phase 2)
10. Construction of solar photovoltaic plant in the community center of Shenik village in Armavir marz



1. Reconstruction of grain refining and winnowing units for Angeghakot consumer cooperative, provision of processing equipment, agricultural machinery, agricultural equipment, pesticides, veterinary materials and computer equipment
2. Provision of agricultural machinery, agricultural equipment, pesticides, veterinary materials and computer equipment to Areguni Cooperative.
3. Provision of agricultural machinery, agricultural equipment, pesticides, veterinary materials and computer equipment to Pambak Cooperative.
4. Provision of agricultural machinery, agricultural equipment, pesticides, veterinary materials and computer equipment to Geghmasar Cooperative.
5. Provision of agricultural machinery, agricultural equipment, pesticides, veterinary materials and computer equipment to Shaki Cooperative.





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Infrastructure rehabilitation and humanitarian projects

- 11. Construction of fruit cold storage and fruit drying unit for Ayrum Social Development Fund.
- 12. Construction of fruit cold storage for Berdavan consumer cooperative
- 13. Provision of rotary tiller and sprinkles for Sahmanapah agricultural cooperative of Koti, Voskevan and Baghanis villages of Tavush Marz.
- 14. Theoretical and practical seminars for marketing groups of Gegharkunik and Vayots Dzor Marzes
- 15. Providing solar dryers and other property to the Argina Community of Armavir marz



- 1. Reconstruction of drinking water network in Tatul community of Aragatsotn marz
- 2. Renovation and furnishing of kindergarten and sports ground in Ttujur village, Gegharkunik Marz
- 3. Renovation of sports ground in Martuni village, Gegharkunik Marz
- 4. Furnishing of kindergarten in Shahumyan village, Lori Marz





5. 1000 planted trees in Kaqavadzor village, Aragatsotn Marz

6. Renovation and furnishing of kindergarten in Saratak village, Shirak Marz

7. Reconstruction of drinking water network in Dprabak Village, Gegharkunik Marz

8. Provision of sewing machines to 340 low-income families in cooperation with a Ministry of labour, social affairs and resettlement of the Republic of Artsakh

9. Provision of 60 sewing machines to Social Centers of Mother See of Holy Etchmiadzin

10. Provision of used computers to the schools of Lusakn in Aragatsotn Marz, to the schools of Vazashen, Ayrum and Berdavan villages in Tavush Marz.

11. "Eye glasses for Armenia" Project in Lori Marz

12. Organization of summer camp for the children from low-income families in Yegnajur village, Shirak Marz





Trainings have been organized in the frame of EU funded project “Integrated Support for Sustainable Economic Development in Rural Mountainous Areas of Armenia” in Angeghakot, Shaghat, Shaki and Geghamasar, Areguni Pambak villages.

1. Greenhouse cultivation of vegetables and greens
2. Trainings of agronomists
3. Concept and values of cooperatives
4. Management of Cooperatives
5. Biogas production
6. Trainings of Cooperatives' Veterinarians
7. Trainings of Cooperatives' Accountants
8. Flaxseed oil production
9. Drying of herbs and berries
10. Best practices of cereals production
11. Cereal Processing. grain production
12. Marketing for Cooperatives



HEKS/EPER

Improvement of Livelihood of Rural Households in Vayots Dzor and Gegharkunik Marzes Through Development of Horticulture. In the frame of the project trainings have been organized in the villages of Rind, Chiva, Areni, Arpi, Getap, Hermon, Taratumb, Qaraglukh, Shatin, Aghavnadzor, Khachik, Lusakunq, Akunq, Tsovak, Shatjreq, Karchaghbyur, Khachaghbyur, Geghamasar, Mets Masrik.

1. Fruit tree pruning and selection of planting material
2. Introduction to state provided agricultural
3. Grant Project Presentation, Grant proposal writing skills
4. How to develop business development strategy
5. Visits to intensive horticulture and viticulture farms
6. Visit to leading Armenian companies importing and selling agricultural inputs
7. Development of the Organic Agriculture Management Plan and Cultivation and Care Schedule for 2018
8. Visit to Syunik nursery and dwarf gardens for beneficiary farmers of Synik NGO
9. High value and added value agriculture
10. Presentation of intensive production orchards' activities
11. Presentation of "EuroChim" (Russia) mineral fertilizers producer company to the visitors of two beneficiary marzes.
12. Visit to well established drying units
13. Visit to a specialized fruit processing plant
14. Introducing with center of fresh fruit and vegetable harvesting/City Supermarkets
15. Annual Sum-up Meeting of Marketing Groups and Grantees of Vayots Dzor and Gegharkunik Marzes



IFAD

Trainings organized for members of consumer cooperatives in Ayrum, Shenik, Shaghat, Koti, Berdavan and Ashotavan villages within the framework of the project "Promotion of Inclusive Value Choices in Armenia, Georgia, Moldova and Kazakhstan"

1. Early spring care of orchards
2. Early spring care of fruit and vineyards
3. Organization of orchards care and pest control
4. Practical Advice on sowing organic basil
5. Greenhouse exploitation and local high value sorts of vegetables
6. Organization of pest management in orchards
7. Organization of pest management in vineyards
8. Hail protection covers for homesteads and drip irrigation of vineyards
9. Theoretical and practical training on the use of advanced methods of crop cultivation, fertilization and irrigation, pruning and formation: pruning of peach tree and kaki tre. The training was organized jointly by the EU funded and UN Food and Agriculture Organization (FAO) projects.



BfdW

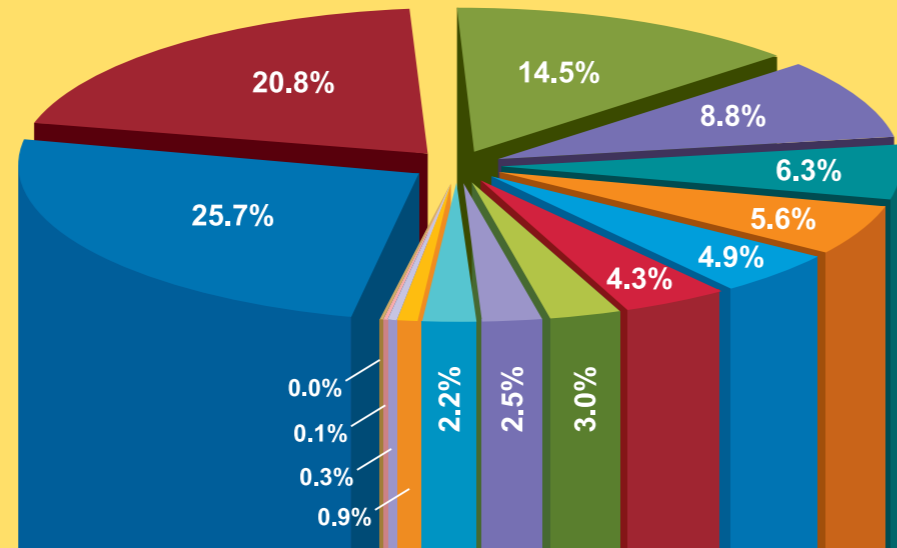
Trainings for Consumer Cooperatives in Martuni, Ttujur, Berdavan, Koti, Navur, Hartavan villages within the framework of the project Development of Inclusive Rural Cooperatives, Improvement of Infrastructure and Capacity Building of CBOs to Support Sustainable Well-off Communities

1. Management of cooperatives'
2. Values and principals of cooperatives'
3. Regulatory framework of cooperatives'
4. Business plan development and marketing of cooperatives'
5. Accounting of cooperatives'

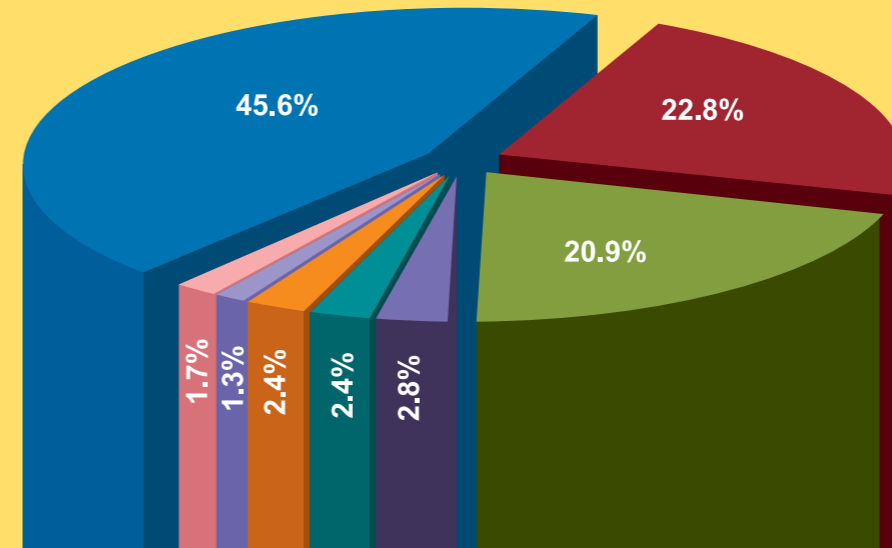


- European Union
- Bread for the World, Germany
- Government of the Republic of Armenia (Co-financing of EU project)
- HEKS-EPER, Switzerland
- Yalkezian Foundation, Canada
- Foundation Audemars Piguet, Switzerland
- IFAD
- Communities
- Chene-France
- Hrach Mardikian
- Foundation Aniv, Armenia
- RA Government (VAT exemption)
- UMCOR Armenia Foundation
- OxYGen Foundation
- From membership and private contributions

INCOME (AMD)



EXPENDITURES (AMD)



- Empowerment of agricultural cooperatives
- Infrastructure improvements
- Job creation
- Empowerment of marketing groups
- Social support projects
- Environmental projects
- Empowerment of Communities
- Administration

European Union	173,703,454
Bread for the World, Germany	140,807,747
Government of the Republic of Armenia (Co-financing of EU project)	97,844,065
HEKS-EPER, Switzerland	59,675,312
Yalkezian Foundation, Canada	42,385,549
Foundation Audemars Piguet, Switzerland	38,040,761
IFAD	33,321,627
Communities	29,427,000
Chene-France	20,323,817
Hrach Mardikian	16,971,600
Foundation Aniv, Armenia	15,000,000
RA Government (VAT exemption)	5,954,658
UMCOR Armenia Foundation	2,000,000
OxYGen Foundation	1,000,000
From membership and private contributions	337,352
Total	676,792,942

Empowerment of agricultural cooperatives	315,797,434
Infrastructure improvements	158,267,741
Job creation	144,966,071
Empowerment of marketing groups	19,524,816
Social support projects	16,971,600
Environmental projects	16,818,413
Empowerment of Communities	8,733,815
Administration	12,054,827
Total	693,134,717