



**MILLENNIUM CHALLENGE
ACCOUNT - ARMENIA**
STATE NON-COMMERCIAL ORGANIZATION

PRESS RELEASE

December 18, 2009

MCA-Armenia Marks the End of the Year by Signing Two More Contracts

Yerevan, Armenia - On December 18, 2009, the Millennium Challenge Account - Armenia (MCA-Armenia) SNCO signed two contracts: Rehabilitation of Ararat Valley Drainage System (Package I) and Rehabilitation of Tertiary Irrigation Canals (Package I).

This event holds a special significance for the MCA-Armenia Program as it marks the completion of contract awards for all types of irrigation infrastructure to be rehabilitated under its Infrastructure Activity. The remaining two contracts that are expected to be signed by spring of 2010 are the second stages of these two assignments. As of this date, MCA-Armenia has already signed contracts and launched construction under the Rehabilitation of 6 Main Canals (Packages I and II), Construction of 5 Gravity Schemes and Rehabilitation of 17 Pumping Stations.

The contract for rehabilitation of the Ararat Valley Drainage System (Package I) was awarded to Sahakyanshin CJSC (Armenia) with the contract price of 7,6 million USD. The Contract for Rehabilitation of Tertiary Irrigation Canals (Package I) was awarded to the Consortium comprised of Yerevanshin RPU LLC and Kamurjshin CJSC with the contract price of 2.3 million USD.

The signing ceremony was held at the RA Government press center with the attendance of Deputy Prime Minister Armen Gevorgyan and other members of the MCA-Armenia Governing Council, including the Stakeholders Committee delegates and representatives of the U.S. Embassy and MCC.

Rehabilitation of Ararat Valley Drainage System and the tertiary canals are the key components of the Infrastructure Activity of the MCA-Armenia Program. While the Ararat Valley is the biggest agricultural zone in Armenia and provides around 30% of the agricultural GDP of the country, productivity levels have been decreasing in recent decades as a result of water-logging and mineralization. The anticipated impacts of the system rehabilitation include increased crop productivity in the drainage area, better regulated groundwater levels and mineralization, and reduced water-logging within settlements. Tertiary canal rehabilitation directly impacts the reliability of farmers' water supply and reduces water losses. During the last year, pilot tertiary canal rehabilitation was conducted in 4 villages of Ararat and Armavir marzes. The next beneficiaries of the program are 14 communities in Armavir, Ararat and Vayots Dzor Marzes.

Following the signing ceremony, the MCA-Armenia CEO answered questions about the status of the program, progress to date with a specific focus on the workplan, and targets to be achieved in the next 19 months.

MCC's total investment into the agricultural and water sector in Armenia, through the MCA-Armenia Program, should amount to about 180 million USD by the time the program ends in September 2011.

For more information regarding this event and the MCA-Armenia program, please visit:

www.mca.am

Millennium Challenge Account-Armenia (MCA-Armenia), a State Non-Commercial Organization established by the Government of Armenia, is responsible for overseeing the transparent implementation of the Compact signed between the Millennium Challenge Corporation and the Government of Armenia.