

Minutes No. 12

**of the Meeting of Governing Council of Millennium Challenge Account – Armenia
held on March 16, 2007, 16:00**

The session was chaired by H.E. Andranik Margaryan, The Prime Minister of the Republic of Armenia and the Chairman of the MCA-Armenia Governing Council.

In attendance:

Members of Governing Council:

Vahram Nercissyantz	Chief Economic Advisor to President of Armenia
Hovik Abrahamyan	Minister of Territorial Administration of the Republic of Armenia
Vardan Khachatryan	Minister of Finance and Economy of the Republic of Armenia
Andranik Manukyan	Minister of Transport and Communication of RA
David Lokyan	Minister of Agriculture of the Republic of Armenia
Nazeli Vardanyan	“Forests of Armenia” Environmental NGO
Karen Nazaryan	Armenian Inter-Church Round Table NGO
Tonakan Ghazaryan	“Shenik” WUA
Vanik Soghomonyan	“National Union of Farmers” NGO
Vardan Hambardzumyan	Federation of Agricultural Associations Union of Legal Entities

Invitees:

Andranik Andreyan	President of the RA State Water Committee
David Avetisyan	Deputy Minister of Finance and Economy

In attendace of:

Ara Hovsepyan	CEO, MCA-Armenia SNCO
Ruzanna Ghazaryan	Legal Counsel of MCA-Armenia, Secretary of the MCA GC
Alex Russin	MCC Resident Country Director, MCC Armenia
Edith Petrosyan	MCC Program Assistant
Simon Ghonakhchyan	Head of the Economic Department of the Staff of RA Government
Mery Harutyunyan	Head of Public Relations Department of the Staff of RA Government

The following items were included in meeting agenda:

1. Discussion and approval of 3-rd Disbursement Request with the below stated documents, to be submitted to MCC.
 - a/ Quarterly Financial Report and 3-rd Disbursement Request,
 - b) Condition Precedent Report,
 - c) Financial and work plans,
 - d) Quarterly Progress Report,
 - e) Procurement Performance Report,
 - f) Procurement Plan,
 - g) Bid Challenge System,
 - h) Audit Plan.
2. Discussion and approval of the evaluation results of technical proposals submitted for the design and construction supervision Consulting services for rehabilitation of six main canal.
3. Other issues:
 - Discussion of a written request about using three separate bank accounts of ACDI/VOCA, the company selected to implement Water-to-Market activity of the MCA program.

Resolutions:

Related the first issue of the agenda it was decided to approve 3-rd Disbursement Request, including the below stated documents, as well as the corresponding work, financial and procurement plans, attached to the Request and to be submitted to MCC:

- a/ Quarterly Financial Report,
- b) Condition Precedent Report,
- c) Work and financial plans for Irrigated Agriculture project, Rural Roads Rehabilitation project, Water-to-Market activity and Monitoring and Evaluation,
- d) Quarterly Progress Report,
- e) Procurement Performance Report,
- f) Procurement Plan /from April 1, 2007 until September 30, 2007/,
- g) Bid Challenge System,
- h) Audit Plan.

It was also decided:

- a) In order to assure timely implementation of condition precedent for MCC 3-rd Disbursement, mentioned in the preceding the last paragraph of point 5 of Water-to-Market activity work plan, that is the adoption of RA Law “On Agricultural Cooperatives” by RA National Assembly by September 1, 2007, RA Prime Minister assigned RA Minister of Trade and Economic Development Mr. K. Chshmarityan to present to RA Government draft model Law “On Cooperatives” until July 1, 2007;
- b) Given the fact that Lincy Foundation Agreement was signed after Millennium Challenge Compact and there are some duplications of the works planned, it was decided to review the similar scope of works of both programs come out with corresponding suggestions.
- c) When presenting Bid Challenge System to MCC’s final approval, it should be taken into account that RA Ministry of Finance and Economy could have recommendations and comments.

Related the second issue of the agenda it was decided to approve the evaluation results of technical proposals submitted for the design and construction supervision Consulting services for rehabilitation of six main canals.

Related the third issue of the agenda it was decided to reject the written statement about three separate bank accounts of ACIDI/VOCA, the company selected to implement Water-to-Market activity of the program, taking into account that during the consultants selection process it was considered as a consortium with general responsibilities, obligations and one bank account.

The meeting concluded when the agenda items were addressed.

Chairman of MCA-Armenia Governing Council,

RA Prime Minister

A. Margaryan

Secretary of MCA-Armenia Governing Council,

Legal Counsel, MCA-Armenia

R. Ghazaryan