

Minutes No. 19

of the Meeting of the Governing Council of Millennium Challenge Account – Armenia September 7, 2007, 15:30

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

In attendance of

Members of Governing Council:

Vardan Khachatryan	Minister of Finance and Economy
David Lokyan	Minister of Agriculture
Vache Terteryan	Deputy Minister of Territorial Administration (for Hovik Abrahamyan, Deputy Prime Minister and Minister of Territorial Administration)
Nazeli Vardanyan	Forests of Armenia Environmental NGO
Tonakan Ghazaryan	Shenik WUA
Vanik Soghomonian	National Union of Farmers NGO
Vardan Hambardzumyan	Federation of Agricultural Associations Union of Legal Entities
Karine Baghdasaryan	Armenian Inter-Church Round Table NGO (for Karen Nazaryan, authorization letter is attached)

In absence of:

Vahram Nercissyan	Chief Economic Advisor to the President of Armenia
Andranik Manukyan	Minister of Transport and Communication

Present:

Ara Hovsepyan	CEO, MCA-Armenia SNCO
Ruzanna Ghazaryan	GC Secretary, Legal Counsel, MCA-Armenia
Alex Russin	MCC Resident Country Director, MCC Armenia
Gayane Harytyunyan	MCC Program Assistant
Levon Martirosyan	Assistant to Prime Minister
Simon Ghonakhchyan	Head of the Economic Department of the Staff of RA Government
Hovhannes Sahakyan	Senior Specialist, 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 the 5th Disbursement Request and the below listed documents (attached to the agenda) to be submitted to MCC:

- a) Disbursement Request and Quarterly Financial Report
 - b) Condition Precedent Report
 - c) Financial and Work Plans
 - d) Quarterly Progress Report
 - e) Procurement Performance Report
 - f) Procurement Operations Manual
2. Discussion and approval of final draft Contract for Consulting Services for “Environmental and Social Assessment and Oversight”.
 3. Discussion and approval of final draft of Implementing Entity Agreement to be signed between MCA-Armenia and “Rural Finance Facility Project Implementation Unit” State Institution (Reference 3 is attached).
 4. Discussion and approval of final draft Contract for Consulting Services Contract for “Design and construction supervision for rehabilitation of six main canals” to be signed between MCA-Armenia SNCO and “Hayjrnakhagits Institute” CJSC (Reference 4 is attached).
 5. Discussion and approval of Terms of Reference and announcement text for independent consultant to provide Consultancy Services for “Technical audit of the works, carried out for the roads, included in the first package of Rural Roads Rehabilitation Program. (Reference 5 is attached).
 6. Discussion and approval of evaluation results of technical proposals for Consulting Services for “Supervision of Civil Works» included in the 1st package of Rural Roads Rehabilitation Program.
 7. Based on recommendations of MCC, re-approval of evaluation results of technical proposals for the MCA-Armenia Fiscal Agent Consulting Services.
 8. Discussion and approval of preliminary selection results of candidates for the position of the MCA-Armenia Deputy Chief Executive Officer/Legal Counsel.
 9. Other issues:
 - a) Information on changes in draft contract for Consulting Services with maximal scores for rural communities survey to asses the impact of Water-to-Market activity,
 - b) Approval of Bid Challenge Committee structure.

Resolutions:

Related the first issue of the agenda it was unanimously decided:

- 1) to approve the 5th Disbursement Request and the below listed documents:
 - a) Disbursement Request and Quarterly Financial Report
 - b) Condition Precedent Report
 - c) Financial and Work Plans

- d) Quarterly Progress Report
 - e) Procurement Performance Report
- 2) to authorize Minister of Trade and Economic Development N.Yeritsyan to assure the implementation of condition precedent, mentioned in Clause 4.6 of fifth disbursement CP report, which states that /RA Government has worked out and adopted legislation and/or other legal acts or modify current legislation or other legal acts to make the establishment of consumer cooperatives easier, to submit to RA Government final revised version of draft “RA Law on Cooperatives” as soon as possible.
- 3) to discuss Procurement Operations Manual and approve by written consent during the next week after submitting by the MCA-Armenia of the Armenian version of the named Manual.

Related the second issue of the agenda it was unanimously decided: to approve final draft Contract for Consulting Services for “Environmental and Social Assessment and Oversight”.

Related the third issue of the agenda it was unanimously decided: to approve final draft of Implementing Entity Agreement to be signed between MCA-Armenia and “Rural Finance Facility Project Implementation Unit” State Institution, by making changes in it based on the recommendations received from RA Ministry of Finance and Economy regarding the reference in the Contract, according to which Manual is attached to Contract, which is not actually worked out, it will be worked out after contract signing.

Related the fourth issue of the agenda it was unanimously decided: to approve final draft Contract for Consulting Services Contract for “Design and construction supervision for rehabilitation of six main canals” to be signed between MCA-Armenia SNCO and “Hayrnakhagite Institute”.

Related the fifth issue of the agenda it was unanimously decided: to approve Terms of Reference and announcement text for independent consultant to provide Consultancy Services for “Technical audit of the works, carried out for the roads, included in the first package of Rural Roads Rehabilitation Program.

Related the sixth issue of the agenda it was unanimously decided: to approve evaluation results of technical proposals for Consulting Services for “Supervision of Civil Works» included in the 1st package of Rural Roads Rehabilitation Program.

Related the seventh issue of the agenda it was unanimously decided: to re-approve evaluation results of technical proposals for the MCA-Armenia Fiscal Agent Consulting Services based on recommendations of MCC.

Related the eight issue of the: in order to avoid conflict of interest N. Vardanyan has left. In the absence of the later, *with 8 pro, no cons/abstains*, **it was unanimously decided** to approve preliminary selection results of candidates for the position of the MCA-Armenia Deputy Chief Executive Officer / General Counsel and short list of candidates in accordance with the order, suggested by MCA-Armenia SNCO: 1) Nazeli Vardanyan, 2) Nora Martirosyan, 3) Maria (Monica) Harutyunyan. The short list will be submitted to MCC for final selection.

Related the ninth issue of the agenda it was unanimously decided:

- 1) Regarding sub-clause “a”, it was decided:

- to take into account information, provided by Ara Hovsepyan, CEO of the MCA-Armenia on changes in draft contract for Consulting Services with maximal scores for rural communities survey to assess the impact of Water-to-Market activity and give no-objection to the changes made.
- 2) Regarding sub-clause “b”, it was decided:
to approve the following structure for Bid Challenge Committee based on Article 2 and 6 of the MCA-Armenia Bid Challenge System:
1. Tigran Barseghyan – Head of Legal Department of RoA Government Staff
 2. Ashot Vardanyan – Head of Procurement Department of Armenian Social Investments Fund
 3. Sergey Tantushyan – Procurement Specialist of the World Bank Project on Education Quality and Relevance
 4. Sergey Vardanyan – Lawyer, Finance Consultant of USAID Development Programs
 5. David Atanesyan- President of American Chamber of Commerce in Armenia
 6. Mariné Ghazaryan- Chief Financial Officer of Holy See St. Etchmiadzin
 7. Tigran Jrbashyan –Country Director for Armenia, Armenian-European Center of Economic Policy and Legal Consultancy
 8. One representative from the Ministry of Finance and Economy
 9. One representative of Stakeholders’ Committee

When all agenda issues were addressed, CEO of the MCA-Armenia Ara Hovsepyan informed that in “Other issues” of the agenda there is a information received from SC member Vardan Hambardzumyan, presented in written and addressed to Serge Sargsyan, RA Prime Minister/Chairman of the MCA-Armenia Governing Council (attached in 2 languages) and GC members (Armenian version) as well as to Millennium Challenge Corporation Resident Country Director, Governing Council observer Alex Russin (English version).

The letter refers to General Assembly of representatives of civil societies, invited to discuss and approve draft Regulation of SC members elections, which was held on September 4, 2007, requesting intervention by the Government to assure the participation of consumer cooperatives in the election of the MCA-Armenia Program Stakeholders’ Committee.

Regarding the issue raised Governing Council has not made any decision, since the involvement of Governing Council in issues regarding election of the MCA-Armenia SC could be considered as intervention by the Government in the activities of independent body, established by civil society.

The meeting concluded when the items were covered.

MCA-Armenia Governing Council Chairman
RA Prime Minister

S. SARGSYAN

The minutes were taken by:

Ruzanna Ghazaryan

*Legal Counsel,
MCA-Armenia SNCO*