

Minutes No. 21

of the Meeting of Governing Council of Millennium Challenge Account – Armenia held on October 16, 2007, 16:30

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:

Members of Governing Council:

Hovik Abrahamyan	Minister of Territorial Administration of RA, Deputy Prime Minister
Vardan Khachatryan	Minister of Finance and Economy of RA
David Lokyan	Minister of Agriculture of RA
Andranik Manukyan	Minister of Transport and Communication of RA
Nazeli Vardanyan	Director “Armenian Forests” Environmental NGO
Tonakan Ghazaryan	President of “Shenik” WUA
Vanik Soghomonyan	President of “National Union of Farmers” NGO
Vardan Hambardzumyan	President of “Federation of Agricultural Associations” Union of Legal Entities
Karine Baghdasaryan	Armenian Inter-Church Round Table NGO (instead of Karen Nazaryan, authorization letter is attached)

In absence of:

Vahram Nercissiantz	Chief Economic Advisor to President of Armenia
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Invitees:

Andranik Andreasyan	Chairman of State Water Committee, Ministry of Territorial Administration of RA
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In attendace of:

Ara Hovsepyan	CEO, MCA-Armenia SNCO
Ruzanna Ghazaryan	GC Secretary, Legal Counsel, MCA-Armenia
Myron Hirniak	Deputy 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	Chief Specialist of Economic Department, 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 combined evaluation results of the Technical and Financial Proposals submitted for Survey on Technical and Economic Justification on Rehabilitation and Increased Efficiency for 68 Pumping Stations (IA-06/006 under) Infrastructure Activity of the Irrigated Agriculture Project .
2. Discussion and approval on Prequalification of companies for participation in tender on Consulting Services on “Final Design and Construction Supervision for Construction/Reconstruction of 7 Irrigation Reservoirs (IA-07/2003) under Infrastructure Activity of the Irrigated Agriculture Project .
3. Discussion and approval of technical evaluation results of proposals submitted for consulting services on Final Design and Construction Supervision for Construction of 8 Gravity Irrigation Systems under Infrastructure Activity of the Irrigated Agriculture Project.
4. Discussion and approval of technical evaluation results of proposals submitted for consulting services on Final Design and Construction Supervision for Construction of 4 Gravity Irrigation Systems under Infrastructure Activity of the Irrigated Agriculture Project.
5. Discussion and approval of Expression of Interests and Short Listing results for Consulting Services for “Design and Construction Supervision for Rehabilitation of Tertiary Irrigation Canals” (IA-07/002) under Irrigated Agriculture Project.
6. Discussion and approval of modifications to be made in the Implementing Entity Agreement signed between “MCA-Armenia”SNCO and “Armenian Roads Directorate” SNCO on 15 January, 2007.
7. Discussion and approval of standard RFP for selection of Consulting Companies.
8. Discussion and approval of Evaluation Results of Technical Proposals, submitted by Consulting Companies for the MCA-Armenia Audit.
9. Discussion and approval of changes in the MCA-Armenia Procurement Plan, approved by the Governing Council on 25 July, 2007.
10. Other issues
Information about election of the MCA-Armenia Stakeholders’ Committee (SC) second delegation and as a result of that on the necessity of changes of SC members delegated to MCA-Armenia Governing Council

Resolutions:

Related to the first issue of the agenda it was unanimously decided: to approve combined evaluation results of the Technical and Financial Proposals submitted for Survey on Technical and Economic Justification on Rehabilitation and Increased Efficiency for 68 Pumping Stations IA-06/006 under Infrastructure Activity of the Irrigated Agriculture Project.

Related to the second issue of the agenda it was unanimously decided: to approve Expression of Interest for Prequalification of companies for participation in tender on Consulting Services on “Final Design and Construction Supervision for Construction/Reconstruction of 7 Irrigation Reservoirs (IA-07/2003) under Infrastructure Activity of the Irrigated Agriculture Project.

Related to the third issue of the agenda it was unanimously decided: to approve technical evaluation results of proposals submitted for consulting services on Final Design and Construction Supervision for Construction of 8 Gravity Irrigation Systems under Infrastructure Activity of the Irrigated Agriculture Project.

Related to the fourth issue of the agenda it was unanimously decided: to approve technical evaluation results of proposals submitted for consulting services on Final Design and Construction Supervision for Construction of 4 Gravity Irrigation Systems under Infrastructure Activity of the Irrigated Agriculture Project.

Related to the fifth issue of the agenda it was unanimously decided: to approve the text of RFP and Short Listing results for Consulting Services for “Design and Construction Supervision for Rehabilitation of Tertiary Irrigation Canals” (IA-07/002) under Irrigated Agriculture Project.

Related to the sixth issue of the agenda it was unanimously decided: to approve modifications, proposed by Millennium Challenge Account-Armenia SNCO in the Implementing Entity Agreement signed between “MCA-Armenia”SNCO and “Armenian Roads Directorate” SNCO on 15 January, 2007. At the same time it was decided to set the exchange rate of GC approval day, which is the exchange rate, stipulated by RA Central Bank as of October 16, 2007.

Related to the seventh issue of the agenda it was unanimously decided: to approve the text of standard RFP for the selection of Consulting Companies.

Related to the eighth issue of the agenda it was unanimously decided: to approve Evaluation Results of Technical Proposals, submitted by Consulting Companies for the MCA-Armenia Audit.

Related to the ninth issue of the agenda it was unanimously decided: to approve changes, proposed by the Millennium Challenge Account-Armenia SNCO in the MCA-Armenia Procurement Plan approved by the Governing Council on 25 July, 2007.10.24

Related to the tenth issue of the agenda it was decided: to take into account the information, provided by Ara Hovsepyan, Chief Executive Officer of the MCA-Armenia SNCO about election of the MCA-Armenia Stakeholders’ Committee (SC), held on September 29, 2007 and in the result of that on the necessity of changes of SC members, delegated to MCA-Armenia Governing Council.

At the same time Ara Hovsepyan was authorized to submit to RA Government in a stipulated order draft RA Government decree on making corresponding changes in the structure of the MCA-Armenia Governing Council.

When all agenda issues were addressed, Chairman of Governing Council proposed to discuss below listed other issues, related to Program:

- a) During implementation of works on Rehabilitation and Increased Efficiency for 68 Pumping Stations, review once again the priorities, compose a new list, rearrange the names of the pumping stations based on urgency of rehabilitation works /the recommendation was made by D. Lokyan/

The proposal was not accepted, taking into account that MCA-Armenia Program has been already approved with the priorities of each component, including pumping stations rehabilitation priorities, arrangement and implementation terms and corresponding amounts stipulated. In case of necessity for emergency rehabilitation of any pumping station, a justified proposal should be submitted to Government of RA.

- b) Report of CEO of MCA-Armenia SNCO on lack of resources for rehabilitation of roads, included in 1st, 2nd and 3rd packages (proposed by A. Manukyan). It was mentioned that lack of resources for the works, planned by Program is the result of foreign currency rate reduction and taking into account the existing lack, it was proposed to make changes in priorities and scopes of works.

The proposal was not accepted. It was decided to carry out works in accordance with the approved Program and in future in case of inadequate financing for each specific case, initiate discussion of each case separately and come to corresponding decision.

At the same time, Serge Sargsyan, Prime Minister of RA, Chairman of the MCA-Armenia Governing Council, reminded that MCC CEO, Ambassador John Danilovich during his official visit to Armenia stated that Millennium Challenge Corporation is inclined to assist Republic of Armenia in initiating 2nd Millennium Challenge Account Program. Taking into account the above mentioned statement, Prime Minister of RA proposed to envisage the works, which have not been carried out due to lack of financing in the next program.

- c) The proposal (H. Abrahamyan) regarding simplification of procedure of all Program activities, to be discussed with MCC CEO, Ambassador John Danilovich, was also rejected, taking into account that the procedures were developed based on the World Bank procedures, which cannot be modified for each country separately.

Therefore, Serge Sargsyan, RA Prime Minister, Chairman of the MCA-Armenia Governing Council informed that within the frames of his official visit to Washington dated October 17; he is planning to meet MCC CEO, Ambassador John Danilovich.

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