



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

*PRESS RELEASE*

*April 30, 2009*

## **Contracts Signed Between MCA-Armenia and Banks and Universal Credit Organizations**

Millennium Challenge Account – Armenia SNCO announced the award of contracts to “Ameriabank” CJSC, “Ardshininvestbank” CJSC, “Converse Bank” CJSC, “Armbusinessbank” CJSC, and the following Universal Credit Organizations - “Aniv” UCO LLC, “Farm Credit Armenia” UCO CC, “Nor Horizon” UCO LLC, “GFC General Financial and Credit Company” UCO CJSC, “CARD AgroCredit” UCO CJSC and “SEF International Credit Organization” LLC - to implement the MCA-Armenia credit component. It will provide loans to MCA-Armenia beneficiaries living in rural areas to enlarge agricultural production and apply effective technologies. The contracts were signed by MCA-Armenia CEO and the directors of the above mentioned financial organizations.

Credit component is a part of MCA-Armenia Water-to-Market project which aims to provide technical assistance to farmers by transition of knowledge and new technologies, as well as to provide agricultural loans to beneficiary farmers and technical assistance to financial institutions selected for the implementation of credit component.

The credits are being provided only to beneficiaries living outside of Yerevan with the purpose of intensifying primary agricultural production, modernizing equipment, expanding orchards and vineyards, purchasing tree stock and root stock, purchasing livestock, developing machinery contracting and other service businesses that support smallholders, agri-business marketing and export services, establishing or expanding consolidation centers and developing or expanding small-agro processing factories or processor out-grower schemes. The loans are being disbursed among the farmers who have completed the Water-to-Market project classroom training, and attended practical, on-farm demonstration to implement the gained knowledge with the borrowed money.

The total amount of credit resources being provided to banks and credit organizations is equal to USD 8.5 million for 5 years, with maturity period of up to 7 years, and up to 12 percent of annual interest rate. The first tranche – USD 1.5 million – has already been disbursed to the rural stakeholders by September 30, 2008. It is planned to provide USD 5.5 million by September 2009 and the final tranche of USD 1.5 million in 2010.

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

[www.mca.am](http://www.mca.am)

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*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.*