



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



PRESS RELEASE

March 12, 2010

U.S. Government's Millennium Challenge Corporation Commits US\$ 8.08 Million to the Rehabilitation of Ararat Valley Drainage System

Yerevan, Armenia - On March 12, 2010 the Millennium Challenge Account - Armenia (MCA-Armenia) SNCO signed a contract on the rehabilitation of Ararat Valley Drainage System (Package II).

The contract was awarded to the Consortium of "SADE" (France), "Blesk" LLC (Russian Federation) and "Artezia" LLC (Armenia) as a subcontractor, with the total price of USD 8.08 million. Contract completion date is July 31, 2011. The contract was signed at the MCA-Armenia office by Mr. Ara Hovsepyan, MCA-Armenia CEO and the representatives of "SADE" and "Blesk".

The above contract is in addition to the first package of works for the rehabilitation of the Ararat Valley Drainage System that MCA-Armenia awarded and signed the contract in December 2009 with a local Armenian company – "Sahakyanshin" – with a total value of more than US\$ 7 million.

Ararat valley drainage system is a component of MCA-Armenia Irrigated Agriculture Infrastructure activity. The rehabilitation of the drainage system will reduce ground water levels in 35 beneficiary communities of Ararat and Armavir marzes, improving social conditions in communities and promoting development of agriculture. Rehabilitation of drainage system includes cleaning and deepening of collector, secondary and tertiary drains, improvement of drainage system by constructing 3 big culverts and numerous small structures, removal of blockages in the drains and provision of substitute measures to provide irrigation water, rehabilitation of a number of artesian wells, limited amount of work on sub-surface drainage within 3 sub-regions - south-eastern, central and northwestern parts of Ararat Valley, while maintaining an optimally balanced ecosystem in the wetlands.

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 reduced water-logging within settlements.

MCC's total investment into the agricultural and water sector in Armenia, through the MCA-Armenia program, should amount to about US\$180 million 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.