



**COMPACT GOAL**

MCC's Compact with Armenia concluded in September 2011 and included \$177 million of strategic investments, which represented the single largest grant investment in the country's irrigation infrastructure in the last 30 years. MCC also helped to ensure the infrastructure's sustainability through technical support to over 45,000 farmers and water supply institutions and the rehabilitation of key infrastructure. Nearly one-third of Armenia's farming households, comprising 427,000 rural residents in around 350 communities, are expected to benefit as a result of these investments. Continued monitoring will occur through the Finance Ministry's - Foreign Financed Project Management Center (FFPMC). The FFPMC's Project Management Group (PMG) will study the impact and effectiveness of the Armenia Compact and will continue to implement the farmer credit fund.



**COMPACT AT A GLANCE**

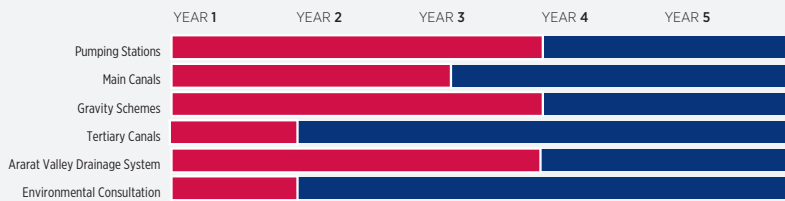
		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
Compact Signed	<b>03-26-2006</b>	<b>65%</b>	<b>Irrigated Agriculture</b> \$153.8
Entry Into Force	<b>09-29-2006</b>	<b>28%</b>	<b>Rural Road Rehabilitation</b> \$67.1
Compact End Date	<b>09-29-2011</b>	<b>5%</b>	<b>Program Administration</b> \$12.1
Compact Total	<b>\$235,650,000</b>	<b>1%</b>	<b>Monitoring and Evaluation</b> \$2.4
Amount Committed	<b>\$176,635,618</b>		
Amount Expended	<b>\$176,635,618</b>		
Estimated Program Beneficiaries	<b>427,600</b>		
Estimated Increase in Household Income	<b>\$300,000,000</b>		

■ Project Preparation ■ Project Implementation

**Irrigated Agriculture**

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>
<b>\$153,892,467</b>	<b>\$143,685,713</b>	<b>\$143,685,713</b>

This project aimed to increase agricultural productivity by extending and improving the quality of irrigation systems through the rehabilitation and construction of infrastructure, the strengthening of the management capacity of water supply entities, and the improvement of the provision of technical and rural credit assistance to farmers.



COMPACT ENDED SEPT. 29, 2011

**Projected Long-Term Results**  
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
<b>421,400</b>	<b>\$290,000,000</b>

**PROJECTED OUTCOMES**

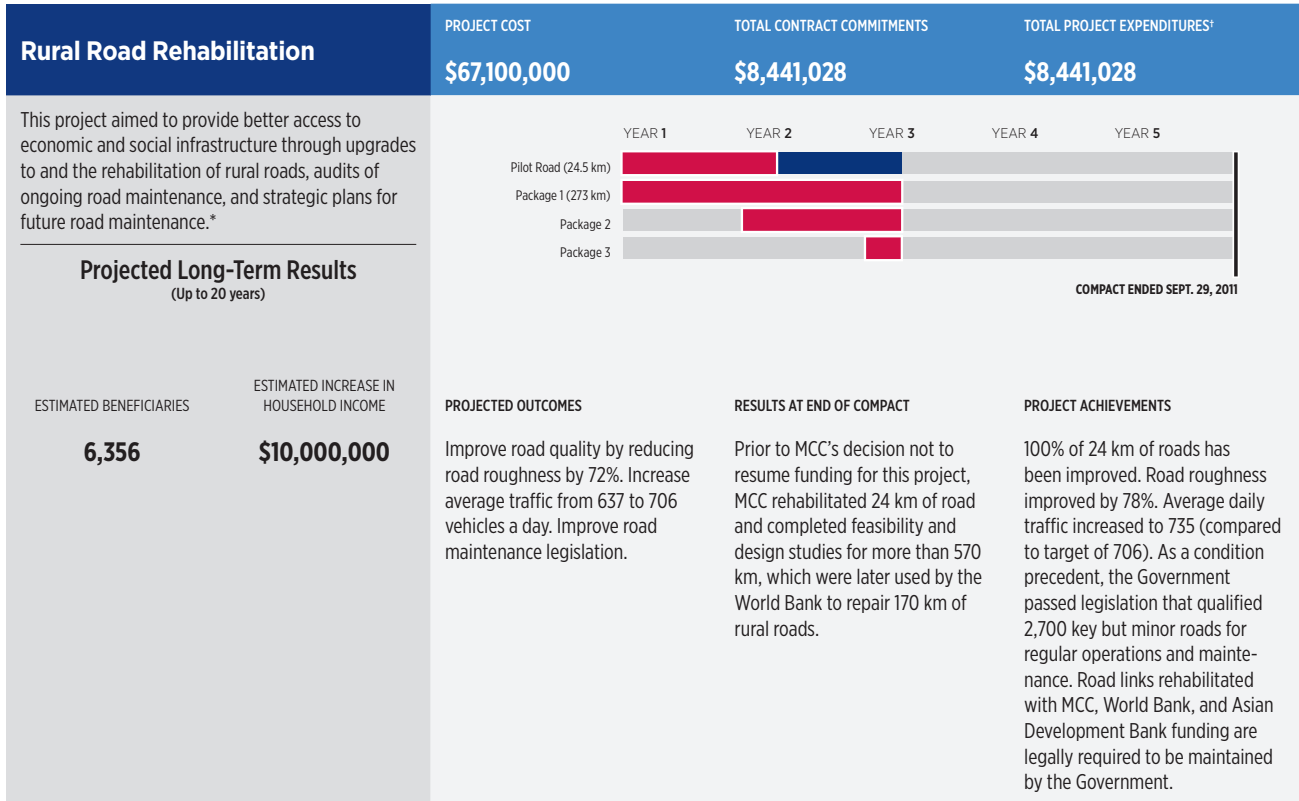
The Compact is expected to improve irrigation on 47,000 hectares of farmland in Armenia. Improvements to Water User Association management are expected to increase revenues to fund operations and maintenance. Nearly 17,000 farmers are expected to adopt improved water management practices, and increased farmer productivity will provide Armenian farmers with higher incomes and greater ability to pay operations and maintenance costs.

**RESULTS AT END OF COMPACT**

All infrastructure projects were completed. Over 780 km of canals have been rehabilitated in 5 gravity-fed irrigation systems, 6 main canals, tertiary canals in 100 communities, and 13 drainage systems in the Ararat Valley. 45,639 farmers have been trained in on-farm water management, exceeding the 45,000 target. 100% of the \$8.5 million credit fund has been disbursed to farmers.

**PROJECT ACHIEVEMENTS**

MCC funding has been instrumental in building the management and technical capacity of the 44 Water User Associations, whose principal function is to collect water user fees and provide operation and maintenance to the irrigation infrastructure. Infrastructure rehabilitation under the Compact will improve irrigation in 38,000 hectares.



\*As result of a June 2009 decision by MCC's Board of Directors, MCC did not resume funding for the Rural Road Rehabilitation Project. As such, all beneficiary and results figures above relate to the portion of the project completed prior to June 2009. MCC's total Compact investment in Armenia was approximately \$177 million.

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.