

**Press Conference with Chargé d'Affaires Anthony Godfrey  
Friday Club  
January 24, 2007**

**Chargé Godfrey:** Good morning. Thank you all for coming. It's great to see so many. I've been chargé d'affaires at the American Embassy since September 10 when Ambassador Evans departed. But I've been in Armenia since August of 2004 and my family and I are very much enjoying our stay here. By this time I recognize an awful lot of the faces around, and I'll take the opportunity to wish you a happy New Year. The strong friendship that exists between the United States and Armenia has led to close cooperation between our countries in a large number of areas, from the fight against terrorism to promoting business and economic ties. Today I look forward to discussing U.S.-Armenian relations with you. I know that our development programs have been in the news a great deal lately, and I look forward to discussing them with you too. I'm proud of our record of cooperation. The total value of our assistance programs since Armenia's independence is more than 1.6 billion dollars. Our assistance programs have changed and developed since Armenia has developed. In the early years of independence, our effort was focused largely on humanitarian assistance, including a highly successful earthquake zone recovery program. More recently, our development assistance has focused on three broad policy areas: helping to build regional stability and security; helping to develop Armenia's democratic institutions and civil society; and helping ensure that Armenia's economic growth is both sustainable and enjoyed by all Armenians, regardless of whether they live in the great city of Yerevan or in rural areas. The most important new development in U.S. assistance to Armenia is certainly the Millennium Challenge program. But I'd like to take this opportunity to introduce my colleague Alex Russin, who is the Millennium Challenge Country Director for Armenia. Yesterday evening, which was early this morning in Armenia, President Bush mentioned this great new program in his State of the Union address. And he called on the Congress to fully fund the program, which supports country where democracy is on the rise and corruption is in retreat. This program, the compact of which was developed by the Government of Armenia, is to provide \$236 million for a five-year program of strategic investments in rural roads and irrigation infrastructure. But this program is contingent on Armenia demonstrating that it is keeping to the commitments of continued reform. I'll close by noting the importance of the work that you do as journalists. Access to fair and unbiased information is a cornerstone of every democracy, and it is essential to Armenia holding free and fair elections in 2007 and 2008. And with that, I'll thank our host and open the floor up to questions.

**Lragir.am:** You mentioned that you are proud of the productive cooperation. Is this cooperation so productive that there is no need to appoint a new ambassador to Armenia? Why is the appointment of an ambassador being delayed for so long?

**Chargé Godfrey:** Well, thank you for the question. The appointment of an American ambassador to the Republic of Armenia is very important for our bilateral relations. That decision is not being taken in Armenia. The Republic of Armenia has already agreed to the President's appointment. The President has made his appointment and it is now up to

the United States Senate to provide its advice and consent as described in our Constitution. So that decision is being made in Washington and we hope that it will be a fast-moving decision. I'm very fortunate that I have close cooperation with colleagues from the Government of Armenia and with my colleagues in Washington as well. But I'm certain that the presence of an American ambassador would raise the level of this cooperation and would demonstrate the importance of the relationship between the United States and the Republic of Armenia to all Armenians and to Armenian-Americans in the United States.

**Radio Liberty:** For free and fair elections in Armenia the United States has committed \$6 million. Has this project started and what is this project about?

**Chargé Godfrey:** Thank you. That's a great question as well. And I did expect to get it. Many of you, I think, were present at the press conference in October 2005 when Ambassador Evans and USAID Director Robin Phillips announced this program. And before this announcement even took place, we discussed this program with the Government of Armenia at the highest level. And the answer is, yes, of course these programs have begun. And our activities as part of this 9-point program--and I encourage you all of find it on our website, it's very easy to find--these activities assist not only non-governmental organizations, but also organizations of the Government of Armenia. We're working with the Police and with OVIR to improve the National Voter Registry. We're working with the Central Election Commission to train all territorial and precinct election committee members. Some of our programs could not begin until the Electoral Code was already in place. And some of our programs won't begin until President Kocharian signs the decree on elections. We're very proud of this program and we really are convinced that it will succeed. One thing I'd like to point out is that it's not just the American government that is working to help Armenia succeed in its goal for free and fair elections. A variety of other organizations, including the Council of Europe, UNDP, OSCE, and another level of international NGOs which are helping as well. But we share one goal, and that is to help Armenia succeed. It's our belief that the legitimacy of a government comes from its support, and the more legitimate a government is, the stronger and more stable it is, and the better a partner it will be.

**Zhamanak Yerevan:** About the railway from Akhalkalaki to Tbilisi, we know about the U.S. position on this issue, but recently Deputy Assistant Secretary Bryza mentioned that although the position of the United States is clear, Georgia, Azerbaijan, and Turkey may proceed with this if they want. Does this mean that the United States is removing funding on this?

**Chargé Godfrey:** We strongly encourage regional integration in the South Caucasus. Removing trade barriers would improve regional integration and enhance economic cooperation and development. It's our belief that regional integration should include all countries of the region. And we're not in a position to comment on merits of specific railroad routes--the choice there is not entirely within our control. I saw Matt's comments--Matt will be in town later today as the Minsk Group co-chairs are arriving--and he actually said that we would like the railway which connects Turkey with Baku to

pass through Armenia. Though if Azerbaijan, Turkey, and Georgia want to construct a railway and don't involve American financing, we can't object--it's not up to us to make that decision. But let me again make the point that we think that regional integration in the Caucasus should involve all countries of the Caucasus.

**Public Radio:** My question is addressed to the MCC Country Director. For this program we often hear discussions that it may be suspended if certain requirements are not met. In the information that you just provided you said that the program started in September. Could you please confirm this. And please talk specifically about what could serve as a reason for the suspension or termination of this program. Please give specific issues. There has been a lot mentioned and a lot said about it, but give something specific please.

**Chargé Godfrey:** Well, I'll start off by saying that Alex will talk about the beginning of the program. We have already achieved some very significant milestones. And then I'll talk a little bit about the indicators after he's finished describing where the program is right now.

**MCC Country Director Alex Russin:** Thank you for the question. The program was really initiated with the signing of the compact in March of 2006. But it came into force in September of 2006 with the finalization of the key documents. What the program has achieved so far is first of all establishing the team of Armenians who are going to be implementing this program. You may have read about the MCA-Armenia until led by Ara Hovsepyan, who are now in the process of analyzing the infrastructure that is funded through this program. From a technical standpoint, we would expect this year to be occupied by reviewing the design of the roads and the design of the irrigation structure, as well as the beginning of some assistance to the farmers who will be benefiting from the water, to all take place. The major construction would begin after those designs are complete. Armenia is one of 23 different countries that is eligible for this type of funding from the United States. And I think that from a technical standpoint, the team in Armenia has done an excellent job. They not only have demonstrated the professionalism needed to move the project forwards, but I think they are complying with one of the MCC principle objectives, which is to make sure that this program is one that is owned by all of Armenia and benefits, in the case, the rural poor of Armenia. As Anthony Godfrey will explain, one of the requirements of all countries that are eligible, and to maintain their eligibility, is to continue to implement good policies in the political sphere, the economic sphere, and the social sphere.

**Chargé Godfrey:** Thanks Alex. As you can see, we're very proud of this program. In November of last year, the MCC Board of Directors decided that Armenia would remain eligible for this coming year. They took their decision based on advice from the Government of Armenia, from U.S. government agencies, and also independent information about Armenia's progress. And the main tool that they used to make their decisions was their score card. This score card is a publicly available document, as is the score card for every country that is eligible or that is seeking support from the Millennium Challenge Corporation. It has indicators in three broad areas. It has six

indicators in the economic freedom category, and Armenia is performing extraordinarily well in these areas. It has indicators in the investing in people area, and Armenia is performing fairly well in those areas as well. The area in which the MCC Board of Directors expressed concern, however, was the ruling justly category. And in two particular areas--in political life and civil liberties. The MCC Board of Directors, through their Chief Executive Officer, expressed to the Government of Armenia and the MCA Governing Council its concern. And dialogue has been established, and we have encouraged the Government of Armenia to develop a plan to address these areas of concern. Again, as with every part of the Millennium Challenge Corporation program, you can get all of this information. It's all transparent. The MCC Board of Directors did express to the Governing Council that a serious deficiency in the elections upcoming would cause the MCC Board of Directors to review out of season the eligibility of Armenia. Again, the rules, or the process of selecting for eligibility is transparent. A sharp drop in performance in any one of the indicators can bring about a review of eligibility. But, we are confident, or I am optimistic, that that's not going to happen this year. I have seen the commitments made by Armenia's top leadership for free and fair elections. And I have seen the great interest with which you all are following this issue. And I would like to make sure that everyone understands that we want this program to succeed, we want it to move forward. We don't want this to be a goal that is too difficult for Armenia to reach. We've already invested a lot of time, and Alex's time, into the success of this program. So we want to see a return on that investment.

**Hayots Ashkhar:** Sometime ago there were sanctions placed against Azerbaijan, but then they were removed. But now that Azerbaijan is pursuing a new railway, and at the same time they are tightening the blockade of Armenia, can the blockade serve as a reason for reapplying the sanctions?

**Chargé Godfrey:** That's an important question, and the Congress is really the deciding factor in this. So, I am afraid I will not be able to answer your question fully, that's an issue that is going to be discussed in Washington rather than here. But again, it's our goal, and we fully support the Minsk Group process, to seek regional integration and to support any programs that will promote cross-border understanding, and not just with Azerbaijan. My friend Deputy Assistant Secretary Matt Bryza will arrive later this afternoon, and our continued participation in the Minsk Group process, I think, is a demonstration of our commitment to seeing this goal achieved. But I apologize if that was not a direct enough answer to your question. But sometimes diplomats have to give diplomatic answers.

**Haykakan Zhamanak:** From the words you said earlier, one can assume that Armenia is among the countries where corruption is going down. Can you give some examples so that we can have a better sense of this? And second, pro-government parties have already started campaigning for the elections and the other parties do not have resources. I mean primarily access to TV. Don't you think that this already means that they are falling behind and the elections are already in danger?

**Chargé Godfrey:** Well, I said I was optimistic, but I guess I am cautiously optimistic. You have a couple of different questions in there, as well as some commentary, and I'll do my best to address the questions. The question about corruption is a very serious one. I did quote President Bush's speech this morning, and the program does support countries where democracy is on the rise and corruption is in retreat. Control of corruption is one of the indicators that we are watching very closely. And we are concerned about Armenia's performance in this indicator. Its performance in this indicator compared with other MCC eligible countries is very close to becoming an area of concern. But we're looking to the Government of Armenia to follow through on its commitments, and it has made important commitments, and this includes international organizations, to fight more actively against corruption. I'll tell you, as a long time resident of Yerevan already, I was glad to see the change in the presence of the traffic police around the streets. But I know that that's just more of a superficial change. Polling data that we saw suggest that a large number of Armenians view corruption as a serious issue. And I would say that political candidates who seek to be successful would take into account the desires of potential voters. And again, this polling issue is part of our election assistance. Through making clear to political candidates or potential political candidates what issues the voter are interested in, we hope to make this a campaign about ideas rather than about personalities. Did I answer all of the questions in you question?

**Haykakan Zhamanak:** The question is how the elections can be free and fair if we are facing the issue that several parties have abundant resources for campaigns and the others do not have access to them.

**Chargé Godfrey:** That's a good question and you are right to follow up on it. And it's an issue that is very much in the political discussion in the United States, as well. In the United States political contributions are required to be more transparent than they are in many developing countries. But the role of money in campaigns is very controversial, and I have to admit that it's going to continue to be controversial in the United States, and I expect it will be here as well. It seems to many Americans that the goal of politicians as soon as they are elected is to begin raising funds again to fund their next election campaign. Campaigns are incredibly expensive--producing television ads, traveling around, reaching out to people. Armenia is not the United States, obviously, and follows more the European model. And I would expect that it would take more of an example from European procedures. But again, if I can make an appeal to you, and especially to the broadcast journalists, to be equitable, be fair, make sure that your listeners, and your viewers, and your readers have an opportunity to hear from all the candidates.

**Hayk newspaper:** What political measures will the United States Government use if there are serious problems with these elections?

**Chargé Godfrey:** The United States, like Armenia, is a member state of the OSCE. We welcomed earlier this month the visit of Ambassador Strohal, the Director of the OSCE's Office of Democratic Institutions and Human Rights. We understand that he had productive discussions with all senior members of the Armenian government and that they discussed the modalities of the arrival of long-term observers and short-term

observers. And we will look to the OSCE's evaluation of the May elections. But, frankly, we're not going to sit idly by and just wait for the elections to happen. We share the goal that these elections should be free and fair and we are going to work to help Armenia achieve this.

**ALM TV:** You mentioned that serious deficiencies in the May elections may result in the MCC Board reviewing Armenia's continued eligibility, and you mentioned that this year you believe it won't happen. Do you think that this won't happen this year but it is likely to happen next year?

**Chargé Godfrey:** I'm sorry, one of the few rules that they teach us in diplomat school is not to answer hypothetical questions. So, I'm sorry I can't help you there, but we are following this very closely and the MCC Board of Directors meeting is scheduled for this November.

**A1-Plus:** Do you believe that the settlement of the Nagorno-Karabakh issue is solvable this year given the statement made by President Kocharian that he would disappoint everyone and won't let anyone use the issue of Nagorno-Karabakh for campaign purposes.

**Chargé Godfrey:** The issue of Nagorno-Karabakh is dealt with exclusively by the United States by the Minsk Group co-chairs. I, as head of the bilateral mission, don't have a direct role in this. But I can understand how the issue of Nagorno-Karabakh settlement is of vital importance. And I would hope that the work of not just the Minsk Group co-chairs, but also that the sides are doing, would not become a target for political opportunists. I hope that during their short stay here, the Minsk Group co-chairs will be able to have a press availability and perhaps you can ask that question to them.

**Question:** You mentioned that you are optimistic. Don't you think that political murders that occurred on the even of the elections, including murders of rural mayors, will have an impact on your optimism?

**Chargé Godfrey:** I think I will do my best to take all factors into account and I'm certain that the OSCE will as well. We recognize that Armenia is a developing democracy. Political intimidation and murder, obviously, are not part of any democratic process. But I am optimistic that the process in the run-up to the May elections will be a great improvement. I again hope that all of you will do your best to make a positive contribution to that.

**Azg:** Does the United States make any efforts in helping to stop Armenia's insulation from regional developments and we know of theoretical statements that are being made, but is there something specific or tangible being done in this regard? And when Armenia is not part of regional projects, don't you think this might result in regional instability?

Well, you really answered your own question. We do think regional integration would lead to greater stability. And we do think that artificial borders or blockades on trade,

movement of people, investment, energy supplies, are not helpful. As to our efforts to break down some of these barriers, certainly first and foremost has to be our participation in the Minsk Group. But then at the social and economic level, we're trying to do what we can as well. We fund the Eurasia Foundation, of course, which is working to connect non-governmental organizations, groups of citizens, and journalists as well. And just last weekend we sponsored what, to me, was a very interesting seminar on the economic benefits of opening the border between Armenia and Turkey. We can get you more information--I'll ask my colleagues from the Public Affairs Section to get you more information on what we're doing cross-border.

**Azg:** so do you think the efforts made by the United States are enough?

**Chargé Godfrey:** No, the efforts made by the United States are only our efforts. The key efforts and the things that will lead to success are the efforts by the parties themselves. And again, I would like to express my admiration for the leadership of all the parties to the conflict to stay committed to the Minsk Group process. These are difficult issues and I admire their commitment.

Thank you very much, everybody.