

# Central Asia-Caucasus Analyst

BI-WEEKLY BRIEFING

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*Central Asia- Caucasus Institute  
Silk Road Studies Program*



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# THE CENTRAL ASIA-CAUCASUS ANALYST

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**KEY ISSUE:** A short 100-word statement of your conclusions about the issue or news event on which the article focuses.

**BACKGROUND:** 300-450 words of analysis about what has led up to the event or issue and why this issue is critical to the region. Include background information about the views and experiences of the local population.

**IMPLICATIONS:** 300-450 words of analysis of the ramifications of this event or issue, including where applicable, implications for the local people's future.

**CONCLUSIONS:** 100-200 words that strongly state your conclusions about the impact of the event or issue.

**Field Reports:** Field Reports focus on a particular news event and what local people think about the event, or about the work of an NGO. Field Reports address the implications the event or activity analyzed has for peoples' lives and their communities. Field Reports do not have the rigid structure of Analytical Articles, and are shorter in length, averaging ca. 700-800 words.

Those interested in joining *The Analyst's* pool of authors to contribute articles, field reports, or contacts of potential writers, please send your CV to: [scornell@jhu.edu](mailto:scornell@jhu.edu) and suggest some topics on which you would like to write.

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## Feature Article

# THE BAKU-TBILISI-CEYHAN PIPELINE: A RETROSPECTIVE AND A LOOK AT THE FUTURE

Richard Morningstar

*In July, 2006 the Baku-Tbilisi-Ceyhan (BTC) Pipeline became operational. The opening of the BTC pipeline was the successful culmination of a consistent, bipartisan United States policy relating to Caspian Basin energy resources that has spanned both the Clinton and Bush Administrations. The objectives that served as the framework for U.S. policy during the Clinton Administration remain equally valid today in this critical post-9/11 world. It is worth exploring how this policy developed, and the implications to be drawn from this experience for future American influence in the region.*

**BACKGROUND:** One need only look at a map of the greater Caspian region, which stretches from Turkey to Kazakhstan, to realize its huge geopolitical and economic importance. The United States' strong interest in the Caspian dates to the break-up of the Soviet Union. Virtually overnight, eight new independent states came into existence in an area rich with natural resources. The principal component of U.S. policy was to help these new states develop as stable independent countries that would ultimately become market democracies in an uncertain part of the World. Now, several years later, democratization in most of these countries has been slow, but they have maintained their independence, which many predicted would be impossible.

In addition, the United States believed and still believes that the development of natural resources in the region should provide an alternative source of oil and gas at a time when South Asia and the Middle East are becoming increasingly unstable and demand is soaring from India and China. The U.S. has wanted to make sure that these

resources be available for development by American companies as well as business

interests from friendly countries; that Turkey, because of its own historical roots, become more involved in the region to help ensure the independence of these new countries; and that multiple routes of access be developed for resources to be exported from the region. The U.S. position was and still is that Russia should not have a monopoly on pipelines, and that no pipelines should go through Iran thereby subjecting these new resources to the whims of a dangerous government.

Before discussing the implementation of U.S. policy regarding pipelines since the late 1990s, it is instructive to look at what the existing and proposed pipelines in the region following the break-up of the Soviet Union were. In the Western Caspian, apart from the proposed BTC pipeline, there was already in existence a small and decrepit pipeline from Baku to Russia's Novorossiysk port on the northern coast of the Black Sea. In addition,



the so-called Baku-Supsa early oil pipeline opened in the spring of 1999. This limited-capacity pipeline was designed to carry "early" oil from Western Caspian sites, and terminates in Supsa, on Georgia's Black Sea Coast.

With regard to the Eastern Caspian, the Caspian Pipeline Consortium, consisting primarily of Chevron, other oil companies and Kazakh and Russian state companies, was well under way by the late 1990s in developing the CPC pipeline from the oil fields of western Kazakhstan through Russia to Novorossiysk. The United States extended strong support to this project. This is evidence that the U.S. never had an "anti-Russia" policy in the Caspian. The U.S. has insisted that the sovereignty of new states in the region be respected and that those states have the ability to freely export their resources.

Finally, the United States had a strong interest in the development of a Trans-Caspian gas pipeline (TPC) from Turkmenistan, across the Caspian Sea to Baku, which would then run parallel to the BTC to Turkey. This pipeline would have transported natural gas into Turkey, easing its reliance on Russia and Iran for gas supplies at a time of rising demand of gas. In spite a lot of false starts, the TPC never got off the ground. Saparmurad Niyazov, the mercurial President of Turkmenistan, never was fully committed to the project. He was wary of recriminations and retaliation from Russia and Iran, which were Turkmenistan's principal gas customers. Finally, despite many efforts at mediation by the United States, Turkmenistan and Azerbaijan remained unable to agree on a demarcation line which would define the interests of the two countries within the Caspian and pave the way politically for a pipeline across the Caspian. In retrospect, Azerbaijan never had much interest in a Trans-Caspian pipeline, since it had its own gas in the Western Caspian, and, indeed, a pipeline will be open later this year mirroring the BTC route, to ship Azerbaijani gas to Turkey, and perhaps ultimately into Europe.

The BTC pipeline became the centerpiece of U.S. Caspian energy policy. The United States, despite criticism from several quarters, strongly supported construction of the BTC pipeline, because it clearly met U.S. policy objectives. The BTC pipeline was consistent with the policy of multiple pipelines. It avoided all major pipelines from the Caspian going through Russia and into

the Black Sea. It also avoided a major pipeline going through Iran. In addition, Turkey strongly supported the BTC, because it would keep additional large tankers from exiting the Black Sea through the narrow straits of the Bosphorus, would provide transit fees to Turkey and would help to develop Eastern Turkey.

The strongest opposition to the BTC, at least in the initial stages, came from the oil companies, including those belonging to the Azerbaijan International Operating Company (AIOC), which together with the State Oil Company of Azerbaijan (SOCAR) operated the principal production sites in the Western Caspian off the coast of Azerbaijan. The companies' principal concerns in the early stages related to the price of oil, the amount of oil reserves in the Western Caspian and the cost of the proposed pipeline compared to other routes. The price issue clearly took care of itself. It is hard to believe that as recently as 1998, the price of oil reached a low of approximately \$10 a barrel with company projections that prices would not significantly rise.

Companies were also concerned that the amount of oil in the Western Caspian was significantly less than projected. This issue ultimately was resolved by rising prices and increasing opportunities to supplement oil being transited through the BTC by oil from Kazakhstan. The U.S. believed that supply issues were ultimately a question of timing as to when construction would commence. Hundreds of millions of dollars had been spent on exploration and development of production facilities in the Caspian. The companies would not ultimately let this oil be stranded.

Ultimately, the biggest issues related to the cost of construction. The companies believed that the cost of construction of the BTC was prohibitive and certainly higher than alternative routes, such as an expanded Baku-Supsa pipeline, which would require transit through the Bosphorus, or a pipeline through Iran. Interestingly, the companies never argued for another pipeline through Russia or for a pipeline that would ship oil by tanker from Supsa to Ukraine, Romania, Bulgaria or Greece, thereby avoiding the Bosphorus.

**IMPLICATIONS:** The United States took a very hard and consistent line regarding alternative routing. The U.S. told the companies that it supported Turkey's

position that additional tanker traffic through the Bosphorus was environmentally unacceptable and that it was irrelevant that an expanded Baku-Supsa pipeline would be less expensive than BTC, because Turkey would not let them have it. The companies argued that the Montreux Convention of 1936 required access to the Bosphorus, however Turkey responded that the Convention was enacted when Istanbul was a fraction of its present size, and that it could not accept the risk of additional large tankers through the Bosphorus. Turkey argued that it could legitimately enact regulations and restrictions regarding traffic through the Bosphorus that would make an expanded Baku-Supsa pipeline uneconomical. The companies also complained that Turkey had not objected to the CPC pipeline, which would require that large tankers cross the Black Sea from Novorossisk and exit through the Bosphorus to the Mediterranean. The difference was that there was no realistic alternative to CPC, but that BTC, which had the added attraction of providing transit fees to Turkey, was a suitable alternative to the Baku-Supsa pipeline. The companies ultimately determined that they needed U.S. and Turkish support and grudgingly abandoned the expanded Baku-Supsa alternative.

There was somewhat less pressure to build a pipeline through Iran, but some companies would have clearly preferred this alternative. The U.S. position was that it was unclear that an Iranian route would be less expensive than the BTC pipeline, but that, in any event, a pipeline through Iran would be a violation of the Iran-Libya Sanctions Act (ILSA). U.S. officials argued that a pipeline through Iran would be foolhardy for both geopolitical and commercial reasons. Why would companies want to take the commercial risk of transporting oil through Iran? How could the U.S. grant a waiver under ILSA that would subject new sources of oil to the whims of an Iranian Government? Likewise the U.S. Government consistently refused to grant licenses for “swaps” of Caspian oil for Iranian oil. Under a “swap” arrangement a company would deliver Caspian oil to a northern Iranian port and in return pick up Iranian oil at a southern Iranian port. The U.S. was concerned that swaps could create the perception that BTC was not needed and could still subject Caspian oil to the whims of the Iranian Government. Given recent history in Iran, it

is clear that U.S. policy regarding transit through Iran was absolutely correct.

Western European countries, particularly Britain and France, voiced concerns about U.S. Caspian policy, particularly relating to Iran. French and British officials in private meetings took the position, similar to several companies, that we should not let politics interfere with commercial decisions. A high-level official at Whitehall said to a group of American officials that “Tony Blair may be Prime Minister, but we are all “Thatcherites”. The view that commercial and political issues are not related would appear to be rather naïve, if not cynical. How can commercial decisions, for example, be made with respect to building a pipeline through Iran without considering the “politics” whether domestically or in Iran? Recent events have made perfectly clear that constructing a pipeline through Iran would have been foolhardy and dangerous.

Ultimately, BP, as the manager of AIOC, came to realize that BTC was the only alternative for the transit of oil from the Western Caspian. However, the U.S. Government did more than beat the companies’ with sticks to force them to accept BTC. The U.S. took many constructive steps to help make the project possible.

Perhaps the biggest breakthrough came with respect to cost of construction. Turkey’s cost estimates for construction of the pipeline were significantly less than AIOC’s estimates. The U.S. took the position with Turkey that if it believed its numbers and wanted the pipeline to be constructed, it should give a formal guarantee that costs would not exceed a set amount. After much negotiation, Turkey agreed in principle to a cost guarantee and ultimately agreed to guarantee the cost of the Turkish portion of the pipeline. This made sense because the Azerbaijani and Georgian portions of the pipeline would have to be built even if the pipeline were to go to Supsa. The U.S. role in conceiving and obtaining the guarantee gave it considerable credibility with the companies. Turkey also attained significant credibility with the companies that it was serious about the pipeline.

In addition, U.S. government agencies, the Overseas Private Investment Corporation (OPIC) and Export-Import Bank provided financing and, in the case of OPIC, political risk insurance for the project. Funding in

the form of loans was also made available by the World Bank and European Bank for Reconstruction and Development. Some have asked why the U.S. Government did not provide direct subsidies to the project. Apart from the likelihood that Congress would not have approved such direct subsidies, the U.S. Government did not need to do it. The U.S. Government helped considerably in different ways to make the pipeline possible, but ultimately the companies had no other choice but to build the pipeline.

A third area where the United States played a constructive role was in working closely with the leadership and other officials of the three transit countries; Azerbaijan, Georgia and Turkey. The U.S. helped at various points to further the negotiations of the intergovernmental agreement among the transit countries as well as the host government agreements between AIOC and each of the three transit countries. These agreements provided the political and legal foundation for the pipeline, without which financing would have been impossible and the pipeline would not have been commercially feasible.

In addition, the BTC would have been impossible without the steadfast support during the early years of then Presidents Heydar Aliyev of Azerbaijan, Eduard Shevardnadze of Georgia, and Suleyman Demirel of Turkey. The three Presidents made numerous joint public statements of support for the project. If, for example, a problem would arise regarding some part of the negotiations relating to Azerbaijan, President Demirel would literally pick up the phone and straighten out the issue with President Aliyev. President Shevardnadze's support for the project never wavered despite the fact that an expanded Baku-Supsa pipeline would have meant more revenues for Georgia. He valued regional cooperation and Georgia's relationship with Turkey more than Georgia's narrow interest. President Saakashvili's government has also strongly supported the project. The United States was a valuable cheerleader for the project but it was the unwavering support of the three Presidents that as much as anything else convinced the companies that BTC was their only alternative.

There can be no question that BTC has been a success from the standpoint of United States energy policy. The Caspian basin provides a necessary alternative source of

energy that can provide a significant percentage of increased world demand for oil over the next several years, and BTC provides an outlet for these resources that neither traverses Iran nor contributes to an over-dependence on Russia for energy supply.

**CONCLUSIONS:** U.S. policy goals, however, cannot be limited to energy. The BTC success must be translated into success in other areas. First, we must help countries in the region make progress in the development of civil society. We must also recognize that economic development and security are essential to the development of civil society and democratic institutions. Critics say that the BTC pipeline rewards Azerbaijan which has a questionable record on democracy. There certainly, however, is no reason to believe that without BTC, Azerbaijan would have a better record on democracy. BTC has made possible increased engagement with Azerbaijan, which should have an incrementally positive effect in the human rights and democracy areas. However, this means positive involvement. The U.S. must work with Azerbaijan's leaders and leaders of other countries in the region to demonstrate that it is in their interest to improve their democracy record. The U.S. must also give assistance to the private sectors in these countries to help develop civil society. It must also be remembered that it is difficult to work with the private sector without some cooperation from the Government.

That does not mean that there should be a cookie-cutter approach. Balancing the importance of strategic interests versus records on democracy and human rights is extremely difficult. Each country should be treated individually. The U.S. should go the last mile in working with leaders that it believes that it can influence in a positive direction, such as President Ilham Aliyev of Azerbaijan. But when leaders reach the point where it makes little sense to deal with them any longer, the U.S. should limit its ties with their governments, even when there may be competing strategic interests, while at the same time attempting to work with non-governmental sectors to develop civil society over the long term.

Second, the United States must continue to develop strategic relationships with those countries it can successfully work with. The United States, for example, has worked successfully with Azerbaijan on maritime



security and stemming the flow of terrorists. But we should not force strategic relationships with countries that have unacceptable human rights records and show no indication of moving in a positive direction. Uzbekistan is such an example, though some within and outside the Administration argue that a resumed strategic relationship outweighs Uzbekistan's human rights and democracy records.

Third, the United States cannot and should not ignore Russia. The relationship between the United States and Russia in the Caspian Region, but for a brief post-9/11 honeymoon period, has been tenuous at best. When this writer was first introduced to Russia's former Foreign Minister Igor Ivanov in 1999, Mr. Ivanov said in a somewhat jocular but biting way, "We know you, and we do not like what you are doing!" The United States has never sought to, nor could it, exclude Russia from the region. The United States was a strong supporter of the CPC pipeline. But it also cannot be American policy that all pipelines lead through Russia. No country should have an effective monopoly on Caspian resources and potentially limit the sovereignty of new states in the region. In addition, Europe should be particularly concerned about any such monopoly, given the dependence that it already has on Russian-sourced energy. The logical solution is for Russia to encourage its companies to partner with companies from other countries to develop alternative routes. Instead, for example, of resisting gas pipeline routes to Europe that do not originate in Russia, Russia should encourage its companies to participate in and reap the benefits of new ventures and new routes. It is also critical that Russia respect the independence of the new states in the region, not use energy as a lever as it has with Georgia, and that Russia cooperate with the United States to resolve ethnic conflicts in the region, such as those in Georgia and Nagorno-Karabakh.

Fourth, Turkey should be encouraged to re-emerge as a major participant in the Caucasus and Central Asia. In the last few years Turkey's new leaders appear to have looked away from this region. Turkey, because of its historical roots, can and should play a productive role both economically and politically in helping these new countries move forward on the path towards market democracy. As part of this role, Turkey should strive to

reach accommodations with Armenia and play a positive role in trying to resolve the Nagorno-Karabakh conflict. In addition, as Turkey looks towards European integration, it can play an important role in partnering with Europe and the United States in developing the region. BTC is a first step. Turkey must also play a major role as a transit country for natural gas to Europe, which would reduce Europe's over-dependence on Russian gas. Turkey should step forward as a major player in the region and leverage that role into greater cooperation with Europe as Turkey undertakes accession negotiations with the European Union.

Finally, the U.S. should leverage the region's energy resources to promote regional economic cooperation and to resolve regional conflicts. How, for example, can there be real regional cooperation if Nagorno-Karabakh is not resolved and if Armenia cannot benefit from the development of the region? The U.S. should explore further what tangible benefits can accrue to both sides through resolution of the conflict, and through incentives should continue to work with willing partners to push the parties towards a fair and comprehensive settlement.

In summary, the successful completion of the Baku-Tbilisi-Ceyhan pipeline is an example of what can be accomplished when American policy is consistent and has sound objectives. The objectives which were the basis of American Caspian energy policy in the 1990s have proven to be correct and are as valid today as then. The Caspian Region continues to be vital to the interests of the United States, and the United States must continue to pursue these objectives.

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## IS THERE A BASIS FOR RE-ENGAGING UZBEKISTAN?

Stephen Blank

*U.S.-Uzbekistan relations have slumped to the freezing point since the May 2005 Andijan crackdown. Moscow and Beijing rapidly stepped in to embrace the Karimov regime, leading to Uzbekistan losing its freedom in foreign policy affairs. Meanwhile, the U.S. is left without a voice and without even a modest influence over either short or long term developments in Uzbekistan. This has led to a debate in the Bush administration over the virtue of seeking to re-engage Uzbekistan. In the final analysis and in spite of the both practical and moral dilemmas of this proposition, the initiative has few solid long-term alternatives.*

**BACKGROUND:** Since the Andijan crackdown of May 13, 2005 U.S. relations with Uzbekistan have declined to the point of frigidity. The Uzbek government forced the United States to leave its base at Karshi Khanabad, attacked Washington countless times for supporting or inciting the rebels at Andizhan, signed an alliance with Russia allowing it to use Karshi Khanabad if necessary, joined the Collective Security Treaty organization sponsored by Moscow, signed major gas deals with Gazprom, and joined Moscow's economic bloc, the Eurasian Economic Community. Washington, for its part, has reciprocated with Secretary of State Rice pointedly refusing to travel to Tashkent when she made her tour of Central Asia in October 2005. During that tour Rice unveiled a new U.S. strategy calling Kazakhstan the potential leader of a new Central Asia and endeavoring to find ways to enhance what diplomats now call a strategic partnership with Kazakhstan rather than Uzbekistan.

However, in April 2006, Washington and Moscow collaborated with the Uzbek government to remove spent bomb-grade nuclear waste back to Russia, showing that if the issue is serious enough that America can engage with Uzbekistan and even collaborate with Russia. Moreover, in May, 2006

the Financial Times reported that a debate had broken out within the Bush Administration over the idea of trying to reengage with Uzbekistan. Vice-President Richard Cheney, well known for his advocacy of a tough-minded defense of U.S. interests abroad, evidently is advocating such a reengagement on strategic grounds, i.e. to keep the country from falling completely under Russian and Chinese influence. Obviously such an effort will trigger a major debate within the Administration if it has not already done so over the desirability and utility of such a reengagement.

As the foregoing suggests, by early 2006 Uzbekistan was thoroughly estranged from America and "leaning to one side" in the current geopolitical rivalry among the great powers for support in Central Asia. Russo-Chinese support for repression, corruption, and misrule in Uzbekistan will, however, not offer Uzbekistan a way out of its dead end. The repeated incidence of episodes of civil violence dating back to 2004 and culminating in the Andijan violence and repression have, along with mounting corruption and falling living standards, contributed to a situation where Uzbekistan is widely regarded by many experts as a failing state. And should something happen to Karimov, it could become a failed state and be

thrown into an intense environment of civil violence. Most observers believe that Karimov's tactics of forcefully repressing all dissent have swelled the number of oppositionists and potential extremists opposed to the regime, either in Uzbekistan itself or in nearby areas. Those opponents of his policies, having been deprived of legitimate outlets either for their opposition or even for simple demonstrations of Muslim piety, have therefore had no choice but to become radicalized. Worse yet, it was clear by 2004 that Karimov's misrule was exporting potential terrorists and insurgents to neighboring states like Kyrgyzstan and Kazakhstan. Since Karimov's term expires in 2007 everything is already in place for a succession crisis that could easily become violent.

**IMPLICATIONS:** A violent outcome in Uzbekistan would have potentially catastrophic repercussions for the war in Afghanistan and the greater global war on terrorism. It would create another front for the terrorists and their allies and would inevitably draw in one or another great power who felt obliged to protect its investment. Since Uzbekistan is the largest, most centrally located country in Central Asia, civil strife there, whatever its outcome, has immediate and significant repercussions that could even transcend Central Asia.

Yet at present, for all intents and purposes Washington has nobody to speak to in governing circles and no way to make its support for reform pay off even to a modest degree. The Western punishment of Karimov for the Andizhan crackdown, which, however horrible, is not an open and shut case of a massacre of the innocents, has had predictable results. The Western indictment of Uzbekistan has led Karimov to take the country into the Russo-Chinese camp even at the expense of any hope for reform, progress, or for the full recovery of Uzbekistan's sovereignty and freedom of maneuver in world politics.

Under the circumstances, Uzbekistan's loss of external freedom mirrors its growing internal gloom. Certainly we cannot say that the punishment of Uzbekistan had advanced the cause

of democratic or even liberal reforms in that country. Neither is there any real chance for such reforms taking place as long as Moscow and Beijing support repression and encourage it even though the country may be slouching toward uncharted waters. Since there will eventually be a succession and new elite bargains among the rival factions and clans around Karimov, leaving the field to Moscow and Beijing means continuing to abandon the country to their tender mercies.

But since it is all too likely that the course of action that those great power patrons would prefer for Uzbekistan will almost certainly drive it into conflict, affecting vital American interests, but where America has no voice, it is not too difficult to conceive of a strategic justification for seeking re-engagement, even at a lower level and on an agenda that could yield mutual gains for both sides. Reengagement can only be achieved if it takes place in an atmosphere where mutual confidence among the interlocutors is steadily reinforced, even if only in small issues or urgent ones like nuclear waste removal. Otherwise, it seems all too clear that no matter how brutal a regime this is, American interests and values will be put further at risk if the most likely outcome of present trends is allowed to come about without any effort to reverse that tide of events.

**CONCLUSIONS:** Every Administration spokesman and many experts who testified before Congress before Andijan, and some who have written about Uzbekistan since, have argued on behalf of reengaging Tashkent. It is not difficult to make the case on both strategic and democratic grounds that it is against our interests and values to have no voice in what is happening there or to be utterly unable to influence the course of events. While it may be necessary to engage the country mainly if not solely in long-term projects to help alleviate immediate distress, a so called "lifeboat strategy"; doing so not only shows the American hand in Uzbekistan, it also helps to restore connections to key socio-economic and political actors with whom a continuing dialogue is essential. Such a

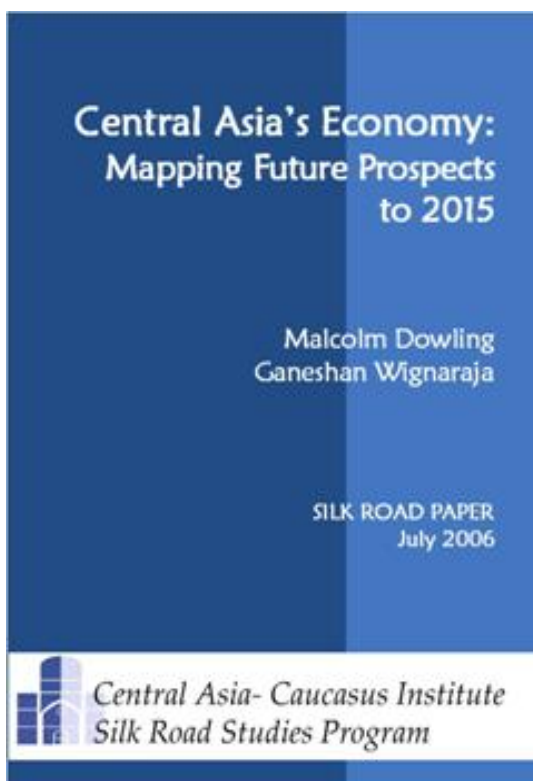
program of action also enables us to begin acting purposefully to avoid what would almost certainly otherwise be the descent of Uzbekistan into the maelstrom of civic violence should the regime falter or a succession crisis take place.

Inasmuch as observers believe either or both of these alternatives to be likely, a countervailing course of action commends itself or should commend itself to policymakers. There clearly is no gain, moral or otherwise, from leaving the field exclusively to Moscow and Beijing who have not the slightest interest in democratic reform or even in liberalization which in itself would be a major step forward.

Thus one can easily construct the kind of justification for reengaging Uzbekistan that may be making the rounds of those who support Vice

President Cheney's recent initiative. Undoubtedly there is a case to be made for the other side. But apart from the benefit of taking a stand on principle, even though we have hailed Kazakhstan, hardly a beacon of reform, as a leader in Central Asia, the tangible benefits of such a position have yet to make themselves visible.

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This is a comprehensive though concise analysis of the economic development scenarios of Central Asia and Azerbaijan. Written by two ADB experts, it provides guidance to understanding the evolution of Central Asian economies in coming years.

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# THE LONDON TERROR PLAN'S PAKISTANI-AFGHAN CONNECTION

Naveed Ahmad

*The real drama behind the recent London Terror Plot remains a mystery, and so are its lead characters. While legal proceedings against 24 arrested suspects are underway in Britain, Pakistani authorities remain silent about over two dozen suspects it netted since the first week of August. The predominant majority of suspects in both countries comprise youngsters of Pakistani descent. The otherwise outspoken Pakistani officialdom, including General Pervez Musharraf, has kept a secretive mum by holding back all details. The official press release linked the planning of terror plot with the Afghanistan-based Al-Qaeda. So far, none of the usually active militant outfits have taken responsibility for the plot.*

**BACKGROUND:** The alleged involvement of British youth of Pakistani origin echoes once again. It was only a year ago that British officials traced the alleged Pakistani connection in the July 7 bombing, claiming that at least one of the suspects was radicalized and trained in a local madrasa.

This time the connection seems deeper and far more elaborate. The anti-terror camp widely believes that Mati-ur-Rehman – the most wanted man in Pakistan with expertise in explosives – was the mentor of suspects including Pakistani-origin key British suspect, Rashid Rauf. The 29-year-old suspect, who was arrested from Bahawalpur, was a close associate and relative of Maulana Masood Azhar, leader of the banned radical outfit Jasih-e-Mohammed.

Rashid's younger brother Tayyab Rauf was picked up in Birmingham on the basis of information received from Rashid. The Raufs hail from a sleepy village in the Mirpur district of Pakistan-administered Kashmir. Of 745,000 people of Pakistani-origin Britons, a considerable number hails from this unique district of Kashmir.

The Kashmiri community in Britain has not fully assimilated with the local culture and rather became more tribal as well as more conservative than it would be in its ancestral home. The British

Kashmiris, in particular, import bridegrooms for their daughters from Mirpur or adjoining districts. British Airways even maintains an office in Mirpur to deal with this sizeable clientele as well as handle cargo containers.

With the demise of the Soviet Union, the Kashmiri people as well as the Pakistani establishment chose to opt for a militant path for resolving the lingering dispute. With Musharraf in the saddle, official support to militants has faded away. However, the deepened connection of the Kashmiri freedom fighters with Afghanistan-based groups is only getting stronger. The fruitless character of talks on Kashmir further fuel the anger of the Kashmiris youth.

Moreover, the mosques in Bradford, Manchester, Birmingham and London are led by semi-literate imams imported from Pakistan or other South Asian Muslim communities, who have little exposure to European societies and culture. Despite their British postal addresses, the imams' worldview remains as narrow as it was back home.

Another widely debated factor in Europe's Muslim community is their financial and social standing. In continental Britain, the Muslim communities normally live in huge clusters instead of moving to a cosmopolitan neighborhood. They fancy the

wealth of the Christian west but are taught to strictly follow Islam and adopt the culture of their Asian forefathers.

Youth brought up in self-imposed isolation coupled with economic backwardness and a growingly reactionary mindset is naturally more prone to be recruited by missionaries with a violent agenda. The 'baby terrorists' of Britain surf the Internet extensively and learn the tactics from Afghan jihad veterans such as Mati-ur-Rahman and Masood Azhar.

On the other hand, the scattered, well-educated and relatively affluent Muslim community in America and Canada is considered less prone to breed anger, radicalization and militarization. Unlike Europe, the U.S. as well as Canada offer better economic opportunities and greater religious freedom.

**IMPLICATIONS:** Analysts in Pakistan as well as in Britain see the London Terror Plot as the second episode of the July 7, 2005, bombings. The available details suffice to prove that the suspects have learnt a lot since those bombings. In the case of the London Terror Plot, the Afghanistan-based Al-Qaeda connection seems more elaborate and visible. Analysts believe the new recruits being probed in Britain as well as in Pakistan lack the confidence and skill of their 9/11 colleagues. Since the July 7 incidents, young enthusiasts have been learning how to use weapons, make bombs and remain upbeat about the mission regardless of the strength of the enemy. Those who tried to hit the London subways two weeks after the July 7 bombers last summer were unable to build bombs that detonated. The recent arrests were made possible due to the suspects' hasty moves to carry out a dry run of the plan in the run up to their eventual plan coinciding with the fifth anniversary of 9/11.

This time, the suspects were trying something different. Instead of live explosives, they chose to go for liquid bombs. The history of liquid bombs dates back to 1987, when two North Koreans successfully brought down a South Korean airliner near the Vietnam-Burma border. Again in 1994, Ramzi Yousef and Khalid Sheikh Mohammed drew up a

plan to bomb a dozen U.S.-bound planes over the Pacific during a 12-hour period in an operation codenamed Bojinka. The plan was thwarted before it could be executed. Evidence suggests that the London Terror Plan enthusiasts were allegedly moving ahead with Ramzi's sophistication and precision but were far from executing their plans.

None of the alleged terrorists had actually constructed a bomb. None had bought a plane ticket, and many did not even have passports. The British authorities have already let go one of the 24 suspects while the rest would stand before a jury. In the absence of any travel documents and tickets, the British government may not convince a jury beyond reasonable doubt with evidence more credible than Internet Explorer history files and tapes of vague telephone conversations.

Under the British legal system, the men can be held for questioning for up to a month before they must be charged. The legal battle may take its course and time-span but the anger of the disgruntled community is already on the rise. Processions in the streets of London have been repeating the same old message i.e. that British policies fuel radical thinking. At the same time, Pakistan is feeling good after applaud from the west. Dual passport holders, especially from Britain, are likely to be monitored more vigilantly in the days ahead.

As a direct implication of recent success, the Pakistani government is tightening the noose around the banned Islamist groups who have already gone underground, or their leaders are opting for political careers. The most dangerous consequence could be renewed planning for revengeful attacks but this time by young Muslims from a larger variety of immigrant nations along with Al-Qaeda backed outfits.

**CONCLUSIONS:** The key challenge facing the Pakistani authorities has been a strict enforcement of the ban on activities of extremist organizations and taking their leadership to task. Such elements have been happily abandoning their banned outfit only to form a new one with a different name and a surrogate leadership, something Islamabad seeks to

address. Islamabad has yet to meet its own set target on reforming and modernizing the madrasas.

At the same time, the British authorities seem to lack a plan for mainstreaming its immigrant Muslim population by promptly addressing their complaints of racism and religious discrimination at workplaces as well as in the streets. Since the unveiling of the London Terror Plan, Muslim workers from Middle Eastern as well as South Asian descent have been complaining of reduced job opportunities and greater discrimination.

The lingering resolution of the Kashmir conflict between India and Pakistan, civil wars in Iraq and Afghanistan and the Israeli offensive against

Palestinians are meanwhile likely to continue to fuel anti-western sentiments amongst Muslims, moderates and radicals alike.

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# COUNTER-INSURGENCY AND COUNTER HOSTAGE-TAKING IN THE NORTH CAUCASUS

Cerwyn Moore

*Since 2003 a particular feature of violence in the North Caucasus' has become commonplace: 'counter hostage-taking'. This aspect of the pro-Russian counter-insurgency strategy has been designed to underscore the process of 'normalization'. In so doing, the arrest of relatives of Aslan Maskhadov, Abdul-Khalim Sadulayev and Dokku Umarov is not only indicative of a further stage of internecine violence, but also of Chechen-on-Chechen violence.*

**BACKGROUND:** News of the surrender of Imam Shamil, the Dagestani leader of Islamic resistance to Russian imperial policies in the North Caucasus, was greeted with celebrations across Russia. His capture, on August 25, 1859, was welcomed with firework displays in a number of provincial towns outside of Moscow and St. Petersburg. On a number of occasions prior to his surrender in 1859, Imam Shamil had been surrounded by Russian forces. In 1839 Shamil and his murids were encircled by Russian forces at the *aul* of Akhulgo in Dagestan. After fierce resistance, which led to the death of hundreds of Russian soldiers, the siege of the *aul* came to a stalemate. Shamil and his murids, along with dozens of families were trapped, starving as a result of the Russian siege. Russian forces sought a bargaining chip from Shamil, as a way to open further discussions about his surrender. Historians suggest that guarantees were brokered by both sides before Shamil agreed to hand over his son, Jamal al-Din. However, Russian forces reneged upon this agreement, sending Shamil's son to St Petersburg whilst simultaneously unleashing a barrage of artillery on the *aul*. The following evening Shamil and his followers slipped through the Russian lines using the cover of darkness.

Over ten years later in a bid to gain leverage with the Russian authorities, Shamil and a group of fighters descended on the house of Princess Anna in nearby Georgia. This type of raid, known as a *nabeg* in Chechnya, was commonplace in the North Caucasus. The primary role, however, was to gain leverage over other *auls*. In contrast, the raid on Princess Anna's estate was designed with a political motive in mind. Princess Anna was a former confidante of the Tsar's wife, and one of the largest landowners in Georgia, and Shamil sought to kidnap her as a way to bargain with the Russians for the release of his son. The kidnapping of the Princess also captured Russia's imagination, securing international renown for Imam Shamil, and indicating how such tactics could lead to international coverage.

Hostage-taking, then, has historical precedents when considering the North Caucasus today. But, this historical example is important precisely because it demonstrates how the culture of hostage-taking became politicised. Still further, this not only demonstrates how hostage-taking became politicised, but also how it became directed towards outsiders rather than *auls*. Added to this, of course, was the targeted nature of Shamil's 'counter hostage-taking'



which has, since 2003, become commonplace. But what are the implications of the more recent use of ‘counter-hostage-taking’, and does it signal a transformation in the resistance to Russian rule in the North Caucasus?

**IMPLICATIONS:** In a recently published obituary, it was pointed out that the wife and child of Abdul-Khalim Sadulayev had been kidnapped by pro-Kremlin Kadyrov groups. Over the last two years, similar reports have also emerged which highlight how this tactic has been adopted by pro-Kremlin Chechen groups. Although subsequently released, the relatives of the then Chechen leader Aslan Maskhadov were arrested, while relatives of Dokku Umarov and Shamil Basayev remain in custody. Over the last three years this tactic has gained pace. Although not a policy, one newspaper, published in 2005, noted that the “relatives of separatist commanders were being arrested en masse”. Amongst other implications, this tactic of ‘counter hostage-taking’ brings the continued violence in the region into focus.

First, this tactic results from the transfer of power from Russian authorities to pro-Kremlin Chechen groups. In 2003, the interim Chechen administration, under the stewardship Akhmad Kadyrov, sought to develop strategies to undermine the ongoing resistance. At the same time, as activists and reporters have noted, a significant number of amnestied fighters began to become incorporated into pro-Kremlin militias. These groups had intimate knowledge of family and clan connections and the whereabouts of relatives of separatist fighters. To this end, local knowledge was exploited by the pro-Kremlin Chechens as part of a broader Russian policy of ‘normalization’ in the republic. As some reports by the Russian human rights group Memorial indicate, *zachistka* or ‘cleansing’ operations coordinated by the *Kadyrovtsi* have targeted villages and particular regions. Since 2003 this has led to a divide in the normal bonds of Chechen society, as Chechen-on-Chechen violence increased.

Thus, targeted ‘counter hostage-taking’ provides an individualized corollary to this tactic, providing evidence of a further stage of internecine violence in Chechnya.

Second, ‘counter hostage-taking’ has also been discussed by speakers of the Russian *Duma*, as an appropriate policy to deal with the continued threat. One Chechen source noted that the tactic of ‘counter hostage-taking’ had been devised ‘in the hope of forcing them to give up their struggle’. Far from being condemned by politicians in the Kremlin, the policy has led to a public debate. Vladimir Ustinov sought legislative support for the policy of ‘counter hostage-taking’. When Ustinov addressed the Russian parliament on this issue, he said that “detaining a terrorist’s relatives during a terrorist attack would undoubtedly help us save lives”. The issue was, in part, raised as a reaction to the events in Beslan, with Ustinov placing the tactic in the same category as ‘pre-emptive policies’. In contrast, human rights groups such as Memorial and Human Rights Watch place the strategy as ‘part of a pattern of Kremlin-backed Chechen forces targeting the relatives of known separatists’. As statements by Chechen rebels indicate, this tactic may, then, have led to a further radicalization of elements in the Chechen separatist ranks, pushing the separatist movement further underground.

**CONCLUSIONS:** The issue of ‘counter hostage-taking’ has been largely ignored in the West. And this creates an environment in which the Chechen issue can be interwoven into the broader anti-terrorist policies related to the ‘war on terror’. Whether ‘counter hostage-taking’ is an explicitly designed policy or a more reactive tactic, resulting from events such as the Dubrovka hostage taking in Moscow or the Beslan tragedy, remains unclear. However, it does seem to reflect a broader tendency to use such tactics, including ‘extraordinary rendition’, by leading powers after 9/11.

As the case of Imam Shamil demonstrates, ‘counter hostage-taking’ has historical precedents. This tactic

has undoubtedly played a role in the radicalization of the Chechen resistance. These attempts to exert pressure on the Chechen rebels also serve to widen the divide between the pro-Kremlin Chechen groups and the myriad of associations and organizations now involved in resisting Russian forces. Much like the U.S.-led policy of 'extraordinary rendition', the facilitation of 'counter hostage-taking' by pro-Kremlin Chechens has been justified by the wider discourse of the 'war on terror'. Whereas the U.S.

policy reflects a global shift after 9/11, in the Chechen case the tactic of 'counter hostage-taking' is localized, simultaneously reflecting a long-standing conflict and a transformation in the nature of violence, marking a period of Chechen-on-Chechen violence, further radicalization, and a shift away from earlier examples of Russo-Chechen war.

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New issue of the

### *China and Eurasia Forum Quarterly*

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The issue contains articles by Michael Scheuer, Rensselaer Lee, Yitzhak Shichor, Stephen Blank, Michael Mihalka, and many others.

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## FIELD REPORTS

### KODORI GORGE OPERATION SHOWS GEORGIA'S GROWING STRENGTH

*Kakha Jibladze*

On July 22 the Georgian government began an anti-criminal operation in the upper Kodori Gorge against the Monadire militia. While the operation was controversial, the military victory was an important step in the government's strategy to reinstate control over the country's territory.

With the decisive move that the operation constituted, President Mikheil Saakashvili proved that the country has severed ties with the Shevardnadze era. During the government of Former President Eduard Shevardnadze, the Georgian government had little to no control over its territories and little ambition to rein them in. Strong regional leaders like Emzari Kvitsiani ruled small fiefdoms with little interference from Tbilisi.

President Saakashvili and Defense Minister Irakli Okruashvili have proved over the course of the four day operation that the government is now fully committed to pulling wayward leaders back into Tbilisi's orbit.

The crisis broke in late July when former presidential representative to the region, Emzari Kvitsiani, threatened to use the illegal Monadire militia to assert his control over the region. According to him, Tbilisi had betrayed the ethnic Svan-populated region by withholding aid and not punishing the 'real' criminals behind the murder of ethnic Svan Sandro Girgvliani. The Georgian government, however, accused him of treason. According to the president's office, Kvitsiani was in contact with Russian KGB officers based in

Abkhazia and received military equipment and supplies from Moscow to add to the region's instability.

The Kodori Gorge is a strategically important region of Georgia. It is the only part of Abkhazia that is not under the control of the self-proclaimed secessionist authorities in Sukhumi.

Both the Abkhazian de facto leaders and the Russian government reacted strongly to Tbilisi's operation in the gorge. According to Russian Foreign Minister Sergei Lavrov, the operation was a direct violation of the Moscow ceasefire agreement, since Georgia brought troops into the Abkhazian conflict zone. However, the Georgian government maintained that the gorge was part of its territory and therefore it had the right and obligation to restore order there, and to protect the local population from a runaway warlord.

The operation was a swift and clear show of Georgia's newly obtained military prowess. Although it was officially a police operation with troops from the Interior Ministry, in fact the defense minister was present in the gorge throughout the operation and military troops were also involved, if in a supportive capacity. Official statistics place the number of casualties at one civilian death and several injured on both sides of the conflict. Kvitsiani was not captured, although both his sister and his nephew, who is rumored to be a mafia kingpin in the region, were arrested on charges of treason. In addition, a Georgian

opposition leader, Irakli Batiashvili, was also arrested for treason after allegedly providing Kvitsiani with information during the government's operation against him. However, Batiashvili has denied the charges and several other opposition groups have united in protest against the operation in the gorge.

The government was quick to denounce the opposition efforts as misguided, politically motivated and bordering on treason. High ranking officials within the government also raised the idea of passing a radical 'Georgian' version of the American Patriot Act in the wake of the arrests to give the government more power to control possibly 'threatening' protests and other meetings that could be considered dangerous for national security. However, no law has been presented to the

parliament, which is in recess, and the public outcry against the proposed measures has been strong.

The operation in the Kodori Gorge was an ideal platform for the Georgian government to showcase its commitment to reinstating the country's territorial integrity. The operation was controversial: many in Georgia feared it would lead to a renewed cycle of violence in the Abkhazian conflict zone, especially since the public was given little information about the government's activities during the operation itself. However, since the military element of the campaign was contained to the Kodori Gorge, the operation was successful and gave Saakashvili the perfect opportunity to both showcase the country's new military strength and his control over it.

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## CONSTRUCTION BOOMING IN DUSHANBE DESPITE BUSINESS TROUBLES

*Zoya Pylenko*

The 2001 military campaign against the Taliban in Afghanistan has stimulated construction in Dushanbe, the capital of neighbouring Tajikistan. But bribes, bureaucracy and the absence of private land ownership are hindering its further development.

In a way, Tajikistan has benefited from its location north of Afghanistan. With international attention to Afghanistan increasing after the fall of the Taliban in November 2001, Tajikistan also came into the spotlight. International organizations, NGOs, foreign embassies and some investors started flocking to Dushanbe. However, the city's development is not only due to this kind of attention. After the fall of the Taliban, opium poppy cultivation again began to boom in northern Afghanistan – and many of the drugs grown there

are being transited through Tajikistan. According to various estimates, 20-30 percent of Afghanistan's opium crop is smuggled through Central Asia, in particular Tajikistan that shares a 1,344 km-long border with Afghanistan. Narco-trafficking has increased the amount of illegal money in the country, much of which, experts allege, is being invested in construction.

New buildings are indeed popping up everywhere in Dushanbe. Among them is a new presidential residence – a big, white-columned building on a hill in the centre of town. Many conference buildings have also appeared in the last couple of years. One of them lies on another hill overlooking the centre and the nearby mountains; just beneath it, construction of an aqua park started several years ago but has now been abandoned because the

Turkish contractor allegedly ran off before finishing the project – after having received his money.

Locals are not always happy about the construction of such palaces and conference buildings, because they are of little use to them. Madina Turolieva, a salesperson at one of the city's markets, says she is extremely disappointed in the government because no public buildings have been constructed since the collapse of the Soviet Union. At a time when largely empty office buildings and new conference halls for very occasional conferences are being built, only a few cinemas and theatres are still active.

But the government seems to be interested in making the city look modern and prosperous. Therefore, it destroys old buildings and constructs fashionable dark-glassed high-storied ones instead. The few remaining Jews in Dushanbe for a long time feared their 100-year-old synagogue – the last remaining one in the country – would also be destroyed because of the new development plans. A park was to be built in the synagogue's place. After an international lobbying effort in support of the synagogue, however, earlier this year the building was finally allowed to remain.

Most of the city's young, meanwhile, welcome the transformation of old-fashioned Dushanbe into a modern-looking city. Because apart from big, prestigious new buildings, also cafés, restaurants, bars and other entertainment businesses, started by private entrepreneurs, are appearing in the city, which they are happy to see. Although the great majority of people cannot afford to visit such places,

many still think this is a positive sign, showing the country is beginning to prosper. But most elderly people don't approve the changes. School teacher Tatiana Kovalchuk says it is a pity to watch how the city's historical heritage is being destroyed.

The government wants to add to the luxury and modern image of the capital by constructing five-star hotels. One is nearly finished and Turkish companies are currently building two more. But according to the owner of a small Tajik construction firm, while building such huge luxury hotels, the city lacks cheap accommodation. The roads in Dushanbe also need much investment. Only the two main roads in the centre are in good shape.

Construction could probably develop faster if there were no obstacles to investors. Foreign and local businessmen are hindered from doing their job by long and opaque bureaucratic procedures and the necessity to pay bribes to hordes of officials. Rumor has it that mainly Turkish and Russian construction companies are active in Tajikistan because they are more willing to pay bribes when necessary than their European or American competitors.

Another important obstacle for investors is that the land in the city (as in the whole of the country) belongs to the state and can only be rented for private use and not bought. Even if someone has built and occupies a building, he can be forced out if the authorities want to use the territory for another purpose. This has happened in the past and remains one of the gravest potential dangers for investors in the country.

## LOCAL IMAM KILLED IN KYRGYZSTAN

*Nurshat Ababakirov*

On August 6, a Joint Kyrgyz-Uzbek intelligence operation took out members of the Islamic Movement of Uzbekistan (IMU), which attacked the Lyakkan border post in Tajikistan and the Akturpak custom post in Kyrgyzstan on May 12, 2006. A widely respected local imam,

Muhammadrafiq Kamalov, was killed in the operation.

According to the Kyrgyz National Security Service (NSS), that evening the intelligence forces attempted to pull out a terror group from a densely

populated district in Osh, the regional capital of southern Kyrgyzstan. The Islamist terror group tried to escape in a car, which belonged to Imam Kamalov. As reports suggest, the car ignored requests to pull over and responded with gunfire. On the outskirts of Osh, the intelligence forces had to stop the car by force.

Three men in the car were shot dead, including Kamalov, who was the driver. The NSS identified the other two, Ayubhodji Shahobiddinov and Fathullo Rahimov, citizens of Tajikistan, as members of the IMU. Maps marked with the words "jihad" on Uzbekistan's territory, false passports, books and storage devices propagating extreme version of Islam, and weapons such as grenades, an assault rifle, and knives were found in the car.

The killing by Kyrgyz special services of a popular imam in the Fergana valley in the course of the operation may signal the shift of Kyrgyzstan's policy in regard to religion. Some believe the death might bear unpredictable outcomes, given the popularity of Imam Kamalov among ordinary people in the Fergana valley, and the Kyrgyz Special Forces' conviction that he was involved with illegal extremist organizations.

Muhammadrafiq Kamalov, also widely known as Rafiq Qori Kamoliddin, was a cleric at the Al-Sarahsiy Mosque in Karasuu for over 20 years. It is one of the biggest mosques in the region, attended by up to 5,000 people during Friday prayers. The believers usually come both from nearby villages and from bordering Uzbekistan, from where up to 20 percent of attendees stem. He was also an author of many widely sold religious books. Along with his acknowledged expertise in religion, his rigorous criticism of both the Kyrgyz and Uzbek governments gave him popularity among disaffected people.

On August 11, the day of Friday prayers, the son of Muhammadrafiq Kamalov, Rashod Kamalov, and his relatives assembled a mass meeting, which anticipated about 10,000-20,000 people. However, only a thousand people turned up, because having

learned about the gathering, Uzbekistan's authorities impeded many people from crossing the border. Moreover, many people according to locals refused to pray with another preacher and did not want to encounter intelligence forces, the presence of which was obvious.

At the gathering, people demanded from the Mufti of Kyrgyzstan, Murataly Aji Jumanov, that Kamalov be considered a 'martyr', something that definitely contradicted the government's accusations. Murataly Aji complied with the crowd's demand, calling for tolerance and urging the people not to allow destabilization. The initial ground for the demand was laid on the funeral when the people, carrying their imam's body down the streets of Karasuu, roared "Allahu Akbar" for two hours. Despite the turnout of a thousand people, this occurrence was understood as breaching the traditions of Islam, thus reinforcing the suspicions of those who believe Kamalov belonged to a radical movement.

Before the mass meeting, perhaps taking into account the potential direness of the situation, the NSS released a statement saying there is a possibility that the imam was held as a hostage, thus leaving a room for investigation. On the same day after the gathering, about 400 people appointed Rashod Kamalov in the place of his father as imam of Al-Sarahsiy, with hardly any discussion.

On May 25, Muhammadrafiq Kamalov had been interrogated by the NSS. The imam denied all connections with the IMU or any other illegal organizations. He was released the same day, after the supporters of the imam said they would protest if he was not freed. However, currently the NSS reports that back then they found disks with illegal information and phone numbers of IMU members in his notebook.

Even though Kamalov denied connections with any radical movements, his mosque was open for everybody. He referred to members of Hizb-ut-Tahrir as the "distracted from the true path." This partially explains the popularity of Al-Sarahsiy.

Estimates suggest there are about 5,000 members of Hizb-ut-Tahrir in the south of Kyrgyzstan.

Imam Kamalov was a close relative of two influential religious workers, Muhammadi Qori who was repressed by Uzbek Authorities, and Abduvali Qori who disappeared in Tashkent

airport, where he was heading to an international Islam conference. Uzbek mass media has branded the latter as a spiritual leader of the Akramiya radical group, which fueled the Andijan events in May 2005.

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## RUSSIAN ROCKET CRASH SHATTERS KAZAKH SPACE PROJECTS

*Marat Yermukanov*

On the night of July 26 the Russian Dnepr carrier rocket launched from Baikonur Cosmodrome in Kyzylorda region crashed 74 seconds after the blast-off. Unsuccessful launches of Russian rockets from Kazakh soil are not new. But the last disaster seems to have a dramatic impact on the morale of space cooperation projects of Belarus and Kazakhstan with Russia.

The Dnepr booster rocket was meant to carry eighteen foreign satellites into space, the most important cargo aboard being the first Belarusian earth exploration satellite BelKA. Undoubtedly it was a disastrous blow on Minsk's ambitious satellite projects, as Minsk had everything ready to celebrate the success of BelKA in a grand way. Space centers in the Belarusian capital city were tuned to get the first satellite information. President Alexandr Lukashenka, who came to Baikonur only to witness, as it appeared, the loss of his country's multimillion dollar satellite, left the launching site in deep frustration without saying a word of comment to inquisitive journalists.

The search group dispatched to the crash site in the Karmakshy district of Kyzylorda region on the Kazakh-Uzbek border area found a 17 meters deep crater caused by disintegrated parts of the rocket, caused by the explosion. Some fragments of the Dnepr were located 190 kilometers away from the launch site. Kazakh authorities, above all, feared the contamination of the crash area by highly toxic heptyl used by Russian rockets as a propellant fuel.

The fuel tank of the Dnepr supposedly held 40 tons of the toxic fuel at the moment of the crash. Although environmental experts found no traces of fuel contamination in the area, residents of the Komekbay village complained they had strong headaches and felt nauseous. Experts from the Emergency Ministry of Kazakhstan estimated that several square kilometers of the area were contaminated by toxic fuel, but these allegations were refuted outright by the Russians, who agreed to set up a joint team of experts only on the fifth day after the disaster.

The behavior of the Russian Roskosmos space agency authorities clearly points to Moscow's attempt to make the environmental disaster and health hazards from the rocket crash seem insignificant. "It took two and a half hours for Russians to inform the Emergency Ministry of the crash. By that time we had already every details of the disaster" said the deputy emergency minister of Kazakhstan Bolatbek Kuandykov. Russians began the search for the debris of the rocket scattered across the Karmakshy district no sooner than the morning of the following day, while teams of experts from Kazakh Emergency Ministry were sent to the area within one and a half hour.

Whatever will be the result of the joint commission of experts from both sides, which holds its meetings behind closed doors barring journalists from any source of information, the crash of the Dnepr calls to question the benefits of Kazakhstan's space

cooperation with Russia and minimizes confidence in Russian space technology. A spokesman for Roskosmos, Igor Panarin, explained that the catastrophic failure of the Dnepr was triggered by the malfunctioning of the rocket engine. But it should be taken into account that the crash of the 250-ton Dnepr was not the first failure even of this year. In February, the launch of an Arab telecommunications satellite from Baikonur ended in a discouraging disaster. The blast-off of the Kompas-2 scientific satellite designed to forecast earthquakes and launched from a submarine of the Russian North Fleet was likewise an ill-fated adventure. In June, some solar panels of the Kosmos-2421 military satellite launched from Baikonur failed to unfold. With these grim records, Kazakhstan and Belarus have little reason to hope for long-term successful satellite launches using Russian booster rockets.

In 1999 Kazakhstan and Russia, after the repeated crash of Proton rockets on the territory of South Kazakhstan, signed an agreement designed to ensure safe launches and settle the question of compensations for environmental damages. But Roskosmos did not respect the Kazakh demand to

remove heptyl-propelled carrier rockets from future launches. In reality, the Kyzylorda region still remains a drop zone for harmful fragments of Russian rockets brought down by technical failures. The last disaster, as reported by the joint commission of experts, caused environmental damage to Kazakhstan estimated at 194 million tenge (\$1,500,000).

The Dnepr rocket was converted from the intercontinental ballistic missile RS-20, developed by the Soviet military in 1975 and known in the West as SS-18. The modified version of the rocket is in use as a space launcher in Baikonur since 2004. When Belarusian President Alexandr Lukashenka arrived in Baikonur he was fascinated by the “exceptionally high professional level” of space specialists at the cosmodrome. But the crash of the Dnepr raises strong doubts about the reliability of Russian boosters not only in Belarus, but also in Kazakhstan, where the government has always seen Russia as an unrivalled supplier of space technologies.



*Central Asia- Caucasus Institute*  
*Silk Road Studies Program*



## NEWS DIGEST

### **NO HEALTH DISORDERS REPORTED IN ROCKET CRASH SITE IN KAZAKHSTAN**

**1 August**

No health disorders have been uncovered in residents of Kazakhstan's Kyzylorda region in the wake of the crash of a Dnepr launch vehicle, said Kazakh Education and Science Deputy Minister Azamat Abdymomunov, who chairs a governmental commission set up to deal with the aftermath of the crash. "A medical examination of residents in the villages of Zhanakala and Kuandariya revealed no health disorders as of July 31, 2006. This information was provided by the Health Ministry in a fax message by 7 p.m. on Monday evening and was confirmed on Tuesday morning," Abdymomunov told a news conference in Astana on Tuesday. The rocket crashed into the second minute of the flight, 150 kilometers south of Baikonur in the Kyzylorda district. (Interfax)

### **RUSSIA TO COMPENSATE KAZAKHSTAN FOR ENVIRONMENTAL DAMAGE CAUSED BY ROCKET**

**1 August**

Russia will unconditionally honor its obligations and pay compensation to Kazakhstan for the environmental damage caused by the crashed Dnepr launch vehicle, Igor Panarin, spokesman for the Russian space agency Roscosmos, told Interfax-AVN on Tuesday. "I officially announce that Russia is prepared to make compensation payments for the environmental damage caused, as required by international agreements. We hope that this regrettable incident will not influence Russian-Kazakh cooperation in space exploration," Panarin said in remarks about the aftermath of the Dnepr rocket's crash 150 kilometers from the Baikonur launch pad seconds after launch on July 26. (Interfax-AVN)

### **TAJK COURT SENTENCES UZBEK TO 15 YEARS FOR ESPIONAGE**

**4 August**

A court in Tajikistan's northern Sughd province on August 4 sentenced Yori Yoqubov, a stateless individual and resident of Uzbekistan, to a 15-year prison term for espionage on behalf of Uzbekistan. A source in

Tajikistan's Security Ministry said that Yoqubov, an assistant epidemiologist in Uzbekistan's Sirdaryo province, was recruited by Uzbekistan's National Security Service to spy in Tajikistan's Sughd region, where his parents and relatives reside in the town of Istaravshon. Yoqubov was detained in Istaravshon in May after "he had obtained economic and political information constituting a state secret there and handed it over to officers of the Uzbek National Security Service," the source said. (Asia Plus-Blitz)

### **AZERBAIJANI ISLAMIC PARTY ACTIVISTS ARRESTED IN ANTI-ISRAELI DEMONSTRATION**

**7 August**

Several activists of the Islamic Democratic Party of Azerbaijan were arrested on August 7 by police during a demonstration held in front of the Israeli Embassy in Baku. Police detained Islamic Democratic Party leader Tahir Abbas and three party activists for staging an "unsanctioned public gathering." The demonstration is the latest in a series of rallies protesting Israeli actions in Lebanon and follows similar pickets in front of the UN office and the embassies of both Israel and the United States in Baku. The small Islamic Democratic Party has also been involved in protests over U.S. policy in Iraq. (Turan)

### **GEORGIA DISPLEASED WITH RUSSIAN PEACEKEEPERS' PERFORMANCE IN CONFLICT ZONE**

**8 August**

In the wake of Monday's incident in the Georgian-Ossetian conflict zone, when three Georgian policemen suffered after their vehicle came under fire, Georgia's Foreign Ministry blamed Russian peacekeepers for inactivity and reluctance to facilitate a peaceful settlement of the conflict "The incident points yet again to a recent series of open provocations in the Tskhinvali district, staged in an apparent attempt to provoke a response from the Georgian side," the Georgian Foreign Ministry said in a statement, circulated late on Monday. "All this has been unfolding against a backdrop of absolute inactivity on the part of the peacekeeping

force and its command, although the fight against this kind of crimes in the conflict zone is documented in the December 6 1994 resolution of the Mixed Control Commission as the peacekeepers' direct responsibility," the statement reads. The Georgian Foreign Ministry also said that the recent incident in the conflict zone, when a group of South Ossetian "militiamen" attempted to disrupt the work of Organization for Security and Cooperation in Europe observers, should be seen in the same context. The statement conveys Georgia's request to Russia, the OSCE and all the parties involved in the settlement of the conflict, to assess the incident involving an attack on Georgian policemen appropriately. (Interfax)

#### **EIGHTY-FOUR CHECHEN MILITANTS SURRENDER AFTER PATRUSHEV'S CALL – ALKHANOV**

**8 August**

More than 80 people have turned themselves in to police in Chechnya after Russian Anti-Terrorist Committee head Nikolai Patrushev called on members of armed groups to voluntarily surrender their weapons, Chechen President Alu Alkhanov told journalists in Grozny on Tuesday. According to reports released on "August 8, 84 people have voluntarily surrendered to police and other law enforcement agencies. These are good figures if we bear in mind what category of citizens we are speaking about and how difficult it is to establish contact even with one [such] person, to persuade him to break away from his usual criminal environment, receive legal documents and take up a job in peaceful life," he said. (Interfax)

#### **BAKU CONFERENCE TO DISCUSS PROBLEMS OF IRANI AZERIS**

**10 August**

An Azerbaijani opposition leader announced on Thursday an initiative to call an international conference in Baku on September 12 to discuss the problems faced by the large community of ethnic Iranians in Azerbaijan. "We plan to hold this event, which may take the form of a forum, with the participation of leaders of political parties and nongovernmental organizations. Representatives of Azeri communities abroad will also be invited," Etibar Mamedov, leader of the opposition National Independence Party, told a news conference in Baku. Mamedov said nongovernmental organizations defending the rights of Iranian Azeris had until now not been united and needed coordination. He described the mass protests by Iranian Azeris in May 2006 in

response to government persecutions of ethnic Azeris as a "national liberation movement." "The Iranian authorities have for the time being been able to prevent the emergence of an Azeri national liberation movement. But I believe that this movement, despite the persecution and insults that Azeris in Iran are experiencing, is impossible to suppress," he said. (Interfax)

#### **GEORGIAN PRESIDENT CALLS FOR CREATION OF 100,000-STRONG ARMY RESERVE**

**10 August**

In an address to army reservists, Georgian President Mikheil Saakashvili called on August 10 for the formation of a 100,000-strong reserve force. Saakashvili, who has been spending his vacation living and training with reservists since August 5 at a camp near the central Georgian village of Osiauri, proposed that "every Georgian citizen up to the age of 40 should feel obliged to spend even just two weeks training as a reservist for the defense of our country." He also vowed that "Georgia should be ready to use all means of defense and to mobilize at least 100,000 people within several months through its reserve troops system in case of need." (Civil Georgia)

#### **IRAN OIL MINISTER DUE TO VISIT TURKEY ON TUESDAY**

**13 August**

Iranian Oil Minister Kazem Vaziri-Hamaneh is scheduled to leave for Turkey on Tuesday, leading a top oil delegation. Expansion of bilateral relations between the two countries, export of Iran's natural gas to Turkey and the transfer of Iran's natural gas to Europe via Turkish territory are among the main topics expected to be discussed during the visit. Iran has earlier conducted preliminary negotiations with Turkey over its gas export to Austria through that country. However, the natural gas prices, the volume of the gas to be exported plus a host of other issues like the disruption in the flow of gas have always been the cause of disagreement between the two neighboring nations. Moreover, the building of the Nabucco natural gas pipeline is another bone of contention in the relations between the two nations. Turkey is against Iran's joining of the \$5.8b project. The pipeline, due to be built in 2008, is to run from central Asia to Austria. It will go through Turkey, Bulgaria, Romania, Hungary and Austria. (IranMania)

#### **IRAN VOWS NOT TO CUT TURKEY GAS SUPPLIES**

**15 August**

Iran's oil minister promised Tuesday not to reduce gas supplies to Turkey. Kazem Vaziri Hamaneh's pledge came after more than two hours of talks with Turkish Energy Minister Hilmi Guler. Last winter, Iran -- a major supplier of natural gas to Turkey along with Russia -- reduced the flow of natural gas during a cold snap. Iran has said the decrease was because of a technical malfunction related to the cold weather. "The Iranians have promised us that there won't be any cuts," Guler told reporters. Hamaneh told reporters he had made a promise to Guler, and that Iran would "fulfill its responsibilities," the Anatolia news agency said. The two ministers were expected later Tuesday to discuss an Iranian proposal to send Iranian natural gas to Europe. Anatolia quoted the Iranian minister as saying. "The Turkish delegation will give us a reply on our proposal" on Wednesday, Anatolia quoted the Iranian minister as saying. "God willing, we will reach an agreement." Reports said the ministers were also expected to discuss the price of the gas. Turkey insists the charges are too high and is seeking international arbitration over the issue. Turkey is working to carve a strategic niche for itself as a regional energy hub. It plans to export gas from Iran, Russia and Central Asia to Europe. A newly completed U.S.-backed oil pipeline from Baku, Azerbaijan, to Ceyhan, via the Georgian capital, Tbilisi, was inaugurated last month. (AP)

#### **UZBEK AUTHORITIES REPORT PROGRESS IN COMBATING DRUGS AND 'EXTREMIST' RELIGIOUS PROPAGANDA**

**15 August**

The Uzbek Prosecutor-General's Office released a report on August 15 claiming the breaking up of over 1,000 drug groups in Uzbekistan since January 2005. The report stated that the "activities of 1,088 interregional criminal groups, which attempted to use the territory of Uzbekistan as a corridor for smuggling drugs to CIS and European countries, were stopped in the country from January 2005 to June 2006." Uzbek authorities added that the vast majority of the drugs seized were "of Afghan origin" and "smuggled via Uzbek districts bordering on Tajikistan." The report further revealed that Uzbek security forces also targeted the "delivery and distribution of religious and extremist literature," seizing some 52,800 copies of printed material and more than 10,200 audio and video products "propagating religious extremism and fundamentalism." (Interfax)

#### **EURASEC TO FOCUS ON ENERGY, CUSTOMS ON DAY 2 OF BLACK SEA SUMMIT**

**16 August**

Post-Soviet leaders will continue a two-day informal

summit in southern Russian Wednesday, focusing on a common energy market and customs union as part of the five-member Eurasian Economic Community (Eurasec). The presidents of Kazakhstan, Kyrgyzstan, Tajikistan and Belarus joined Russian leader Vladimir Putin in Russia's Black Sea resort of Sochi Tuesday, along with the prime minister of Armenia, which is an observer in the organization. "The agenda includes the formation of a customs union within the organization," a Kremlin source said earlier in the week. "Strategy and tactics for the community's progress will be discussed in this context." Ukraine's prime minister, Viktor Yanukovich, is also attending the summit as part of his first foreign trip in his new capacity, which he assumed on August 4. Putin and Yanukovich are expected to focus on controversial issues of bilateral relations, including supplies of Russian natural gas to Ukraine. The Kremlin official also said the leaders would discuss formation of the common energy market as part of a Russian initiative to set up international centers offering nuclear fuel services announced by President Vladimir Putin at the Eurasec summit in St. Petersburg in January. "We need to create a prototype of such global infrastructure that would enable all concerned parties to have equal access to nuclear energy. I would like to emphasize that non-proliferation requirements have to be reliably observed in the process," Putin said. The president said the UN's nuclear watchdog, the International Atomic Energy Agency, should oversee the centers. "A system of IAEA-controlled international centers offering nuclear fuel services, including enrichment, without discrimination, should become a key element of the suggested infrastructure," he said then. The Kremlin source said the leaders would also discuss the preparation of documents establishing the legal basis for Uzbekistan's accession to Eurasec. The five members of Eurasec, set up in 2000, agreed in January to admit Uzbekistan to the organization, which also includes Moldova, Armenia and Ukraine as observers. (RIA Novosti)

#### **KAZAKHSTAN TURNS OVER UZBEK REFUGEE TO UN**

**16 August**

Kazakh authorities turned over on August 15 an Uzbek refugee to representatives of the UN High Commissioner for Refugees (UNHCR), RFE/RL reported. The unnamed Uzbek national, who sought refuge in Kazakhstan after fleeing from his native Uzbekistan in 1999, was arrested by the Kazakh police in June after Uzbekistan presented an extradition request. UNHCR spokeswoman Jennifer Pagonis stated on August 15 that the man would be immediately resettled in an undisclosed third country, citing concerns

for his safety if he was returned to Uzbekistan. In a widely criticized move, officials in neighboring Kyrgyzstan earlier this month extradited to Uzbekistan four UN refugees and one asylum seeker. The extradited Uzbeks were sought for their alleged participation in protests in Andijon that reportedly sparked a military crackdown that killed hundreds of unarmed civilians last May. (RFE/RL)

### **NEW TAJIK ISLAMIC PARTY LEADER CHOSEN**

**16 August**

Muhiddin Kabiri was formally chosen on August 14 to lead Tajikistan's Islamic Renaissance Party (IRP) in the wake of longtime leader Said Abdullo Nuri's death. An official meeting of senior party officials in Dushanbe approved the nomination of Kabiri to replace Nuri, who died on August 9 after a lengthy battle with cancer. The 40-year-old Kabiri is a former deputy chairman of the party and the sole remaining IRP representative in the lower house of the Tajik parliament. (RFE/RL)

### **KYRGYZ OMBUDSMAN TO SKIP CONFERENCE OVER U.S. PRESIDENT'S COMMENT...**

**17 August**

Ombudsman Tursunbai Bakir-uulu told a news conference in Bishkek on August 16 that he will not attend an ombudsmen's conference in Iowa because of a recent comment by U.S. President George W. Bush. "George Bush insulted the believers by enriching his vocabulary with yet another blunder -- by coining the term 'Islamic fascism,'" Bakir-uulu said. "This insult does not allow me, as a representative of Kyrgyzstan, where various faiths including Islam peacefully coexist, to take part in the conference." (RFE/RL)

### **KAZAKH OIL FIRM RAISES 7-MONTH OIL OUTPUT**

**17 August**

Kazakhstan's state oil and gas company Kazmunaigas (KMG) said on Thursday its oil production in the first seven months of 2006 rose 106,400 tonnes to 5.5 million tonnes from the same period of last year. KMG plans to float up to 40 percent of upstream subsidiary Kazmunaigas EP on a foreign stock market, possibly in London, and raise \$2 billion through the offering later this year. It said in a statement that oil refining at its Atyrau oil refinery fell 2.6 percent to 2.1 million tonnes due to planned maintenance work. This year the refinery plans to process 3.4 million tonnes of oil. Oil shipments by Kazakh pipeline company Kaztransoil, also a KMG unit, rose 13.1 percent to 24.2 million tonnes in that period, the company said. (Reuters)

### **RUSSIA RE-DEPLOYS ITS MILITARY HARDWARE FROM GEORGIA TO ARMENIA**

**17 August**

A convoy of 13 tracked vehicles and trucks will leave the Russian military base in Akhalkalaki, Georgia, on Thursday and will head for a military base in Gyumri in Armenia. This is the 12th and the last shipment of Russian military hardware from Akhalkalaki base to be re-deployed in Armenia, the Akhalkalaki base headquarters told Itar-Tass. Most Russian military hardware and weapons from the Akhalkalaki base are being sent to Russia, the rest will be delivered by truck convoys to Gyumri. Russia plans to complete its withdrawal from Akhalkalaki before the end of 2007 and close the base a year later in 2008. (Itar-Tass)

### **PETROM CONSOLIDATES POSITION IN THE CASPIAN REGION**

**18 August**

Petrom, the largest crude oil and natural gas producer in south-east Europe, has achieved significant results in the exploitation of the Jusal block in Kazakhstan, the Romania-based company said in a statement on Thursday. It has revealed the possibility to raise the maximum daily output to 200,000 cubic meters in natural gas and 70 cubic meters in compressed gas, according to a statement of the company on Thursday. "Intensification of the exploitation and production activities in the Caspian Region is quite important for us, as we want to strengthen our position as a leader in South-East Europe," Werner Ladwein, member of the executive committee in charge of exploitation and production, was cited by the Romanian Rompres news agency as saying. "We intend to reach a daily output of 30,000 barrels per day (bpd), in the Caspian region by 2010," he said. In line with a strategy to extend the exploration and production activities in the Caspian Sea area, Petrom finished drilling the Sotuh Rovnaya well in the Jusal area, Kazakhstan, in December 2005. It was 2,000 meters in depth. Petrom carries out exploration and production activities in four areas in Kazakhstan. The agreement for the Jusal area was signed in March 1999, with a validity period of 25 years, five for exploration and 20 for production. In May 2005, the exploration stage was extended for two years, to September 2007. Investments in exploration and production are to stand at 300 million euros per year. The exploration activity alone will need 100 million euros, every year. Petrom reported in 2005, an output of 5.21 million tons in crude oil and gasoline and 6.19 billion cubic meters in natural gas. The crude oil output in Kazakhstan stood at 1.1 million bpd. (Xinhua)

**EXPLOSION ROCKS GAS PIPELINE****19 August**

An explosion started a large fire in a pipeline that brings natural gas from Iran to Turkey, the Associated Press reported Saturday, quoting the Turkish Energy Ministry. Sabotage is suspected, private NTV television reported, according to the AP. Earlier, the fire was reported to be on a separate pipeline that brings crude oil from the Caspian Sea to the Mediterranean Sea. That pipeline was newly inaugurated. The explosion occurred in eastern Turkey near the town of Patnos in the province of Agri. Kurdish rebels are active in the area. A paramilitary police official in Patnos said the fire was visible from miles away, AP reported. (MarketWatch)

**GEORGIA REPORTS VIOLATION OF AIR SPACE BY RUSSIAN HELICOPTERS****20 August**

The Georgian Defence Ministry reported on Saturday that Russian military helicopters had violated its air space. A report by the ministry public relations department said "two Russian helicopters – a MI-8 helicopter with side number 69 and a combat helicopter MI-24 with side number 54 violated Georgian air space at 12:40 pm, Moscow time, on Saturday". "The helicopters flew over the settlements of Khurcha and Anakliya (the Zugdidi region controlled by the Georgian side) and then flew towards the settlement of Sida in the Gali region (controlled by Abkhazia)," the report said. "At 13:13 pm, Moscow time, Georgian air space was once again violated along the same route. Russian helicopters finished flights in the air space of Georgia at 13:40 pm, Moscow time," it added. (Itar-Tass)

**IRAN, AZERBAIJAN BEGIN MUTUAL TRANSFER OF ELECTRICITY****21 August**

Electricity from Iran started flowing to the Republic of Azerbaijan via the Astara border on Monday in accordance with an agreement entered into by the two countries, the director of public relations of the Gilan Regional Electricity Company said. Speaking to IRNA, Alireza Mozayyan, said a seven-kilometer, 230-kilowatt electricity line has been constructed between the two countries to transfer a maximum 50 megawatts of electricity from Iran to the Republic of Azerbaijan and vice-versa. "According to an agreement concluded between the two countries, Azerbaijan will provide the required electricity needs of Astara and Talesh (Iranian cities) in summer while Iran will supply electricity to Azerbaijani cities in winter," he said. The exchange deal between the two countries is believed to cut investment costs. Gilan province is capable of generating 1,800 megawatts of electricity. (IRNA)

**INTERIOR TROOPS BATTALION DEPUTY COMMANDER ATTACKED IN GROZNY****21 August**

Unidentified attackers fired a grenade with an RPG-7 grenade launcher at the door of an interior troops battalion deputy commander's apartment in Grozny. "The deputy commander of the "North" interior troops battalion was not in at that moment, but two of his acquaintances were wounded. They were hospitalized," sources in Chechen law enforcement services told Interfax-AVN by telephone on Monday. In other developments, an earlier detained suspected militant has confessed to police that he participated in an operation to blast an interior troops armored personnel carrier on April 15 2006, which left two interior troops dead and ten wounded, the source said. (Interfax-AVN)

**NURGALIYEV ORDERS PLAN FOR STAGE-BY-STAGE WITHDRAWAL OF TROOPS FROM CHECHNYA****21 August**

Russian Interior Minister Rashid Nurgaliyev has issued instructions to devise a plan envisioning the stage-by-stage withdrawal of troops deployed in the republic on a temporary basis. "The drafting of the plan is due to be completed by December 2006," the Interior Ministry said in a press release. "The head of the Interior Ministry has instructed the officials in charge of these issues to actively contribute to the drafting of a plan for the stage-by-stage withdrawal of military units and divisions of the Defense Ministry of Russia and the Interior Troops of the Interior Ministry of Russia deployed in Chechnya on a temporary basis," the release says. (Interfax)

**SEA OIL INDUSTRY WORKERS GET SEVEN WELLS****22 August**

Sea oil industry workers of 28 May oil and gas production department have got seven wells instead of three ones projected, according to the State Oil Company of Azerbaijan Republic. Of them four are oil wells and three are gas ones. The number of operational wells reached 238. Most of the wells operated through flowing and gaslift. Since the beginning of 2006, 1 836 448 tons of oil has been produced through flowing well operation and 1 409 370 tons through gaslift well operation. (AzerTag)

**BLASTS DAMAGE OIL PIPELINE IN INGUSHETIA****22 August**

Part of an oil pipeline in Russia's North Caucasus

republic of Ingushetia was damaged early Tuesday in a suspected terrorist attack. Two explosions went off simultaneously, causing an oil spill and fire, local police said. "[Suspected] criminals planted two powerful hollow-charge devices on the pipeline, and both detonated almost simultaneously," a police spokesman said, adding that it took firefighters three hours to extinguish a 20-meter-high pillar of fire near the village of Voznesenskaya. He said authorities have opened a criminal case in the matter, which investigators consider a terrorist attack. In late January, two blasts on pipelines running through southern Russia cut gas supplies to Georgia and Armenia, and an explosion hit a high-voltage electricity transmission tower near the city of Karachayevsk in Russia's North Caucasus, causing blackouts in much of Georgia. (RIA Novosti)

#### **RUSSIAN PEACEKEEPERS SHOULD LEAVE ABKHAZIA, SOUTH OSSETIA - U.S. SENATOR** **22 August**

The U.S. administration supports the Georgian government's insistence on the withdrawal of Russian peacekeepers from the conflict zones in Abkhazia and the Tskhinvali district, U.S. Senator Richard Lugar said at a joint briefing with Georgian Prime Minister Zurab Nougaideli on Tuesday. Lugar said he hoped that the Georgian authorities would find a peaceful solution to the conflicts in the breakaway provinces. The senator also backed Georgia's bid for accession to NATO and welcomed the recent reforms in the country. (Interfax)

#### **AFGHANISTAN FOR CLOSER TRADE TIES WITH UZBEKISTAN**

**23 August**

Chairman of the Afghanistan International Chamber of Commerce (AICC) Azarakhsh Hafizi has stressed the need for boosting trade ties between Afghanistan and Uzbekistan. He was addressing a meeting comprising representatives of private sectors of the two countries. The meeting was also attended by officials of the Uzbek embassy in Kabul. Hafizi said although trade and business between the two countries was limited, there was great scope for enhancing trade ties. In this regard, the AICC chief referred to the vast natural resources, advanced industry and quality production in Uzbekistan. He said trade between the two countries had decreased over the past one year but there were chances of boosting trade in view of the existence of closer transit routes and cultural and linguistic ties between the two countries. Hafizi said Uzbekistan was a developed country in term of industry and Afghanistan could use its experience in strengthening its own industrial sector.

Referring to the development of infrastructure in Afghanistan over the past four years, Hafizi promised his country would facilitate Uzbek businessmen to come and invest in various private sectors here. He hoped the Uzbek government would reciprocate in the same coin. Pointing out that Uzbek officials are not allowing lorries carrying goods to cross into Uzbekistan, Hafizi requested the government of that country to address the problem. The embassy officials, present in the meeting, assured they would extend all possible cooperation to solve the problems faced by Afghan businessmen. On this occasion, officials of the Uzbek embassy presented a report about achievements of their country in the business sector. Uzbekistan has a 137 kilometre border with Afghanistan. (Asia Pulse)

#### **UZBEKISTAN COURT SHUTS DOWN ANOTHER FOREIGN NGO**

**23 August**

An Uzbek court has ruled to shut down a U.S.-based non-governmental organization in the latest ban on foreign NGOs in recent months, a court source said Wednesday. Tashkent has accused a number of overseas-based NGOs of supporting opposition forces and attempting to discredit the country following bloody violence in the southeastern city of Andijan last May. The Tashkent court said the decision was based on a motion by the Ministry of Justice to ban Crosslink Development International because its activities were allegedly inconsistent with its charter and following numerous legal violations. "The organization did not report on programs it implemented, carried out unlicensed educational activities and granted loans in cash without the involvement of banking institutions," the source said. The court found that the NGO had offered financial assistance to a religious movement, the Full Gospel Christian Church, under the cover of grant projects in Uzbekistan, where Islam is the dominant faith. The NGO can appeal the judgment within 20 days until the decision comes into effect. In the past six months, Uzbekistan has expelled the Urban Institute, Winrock International, the Eurasia Foundation, Freedom House, the International Research and Exchanges Board, the American Bar Association, Counterpart International, Radio Free Europe/Radio Liberty, and the American Council for Collaboration in Education and Language Study (ACCELS), according to IRIN, an independent news service within the UN Office for the Coordination of Humanitarian Affairs. (RIA Novosti)