

Central Asia-Caucasus Analyst

BI-WEEKLY BRIEFING VOL. 12 NO. 4 3 March 2010

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*Central Asia- Caucasus Institute
Silk Road Studies Program*

Central Asia-Caucasus Analyst

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THE CENTRAL ASIA-CAUCASUS ANALYST

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Submission Guidelines:

Analytical Articles require a three to four sentence Key Issue introduction to the article based on a news hook. Rather than a general, overarching analysis, the article must offer considered and careful judgment supported with concrete examples. The ideal length of analytical articles is between 1,100 and 1,500 words. The articles are structured as follows:

KEY ISSUE: A short 75-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 focus on a particular news event and what local people think about the event. Field Reports address the implications the event or activity analyzed 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> and suggest some topics on which you would like to write.

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TURKEY AND AZERBAIJAN MOVE TOWARDS AGREEMENT ON SHAH DENIZ GAS

Robert M. Cutler

In recent days, energy diplomats on both the Azerbaijani and Turkish sides have revealed that an agreement in principle over the price that Turkey will pay for Shah Deniz gas from Azerbaijan has been reached. However, there are several ongoing sets of simultaneous negotiations over Shah Deniz, also taking place in the context of larger implicit bargaining games over other the Caspian Sea basin deposits of natural gas and indeed the geoeconomics of their supply to Europe over the next several decades. These subtleties must be unpacked in order to understand the wide-ranging significance of even seemingly small agreements.

BACKGROUND: The developers of Azerbaijan's offshore Shah Deniz deposit (a consortium led by BP holding 25.5 percent, and including Norway's StatOil holding another 25.5 percent; other members are SOCAR, Elf Petroleum, LukAgip, and TPAO) originally expected to find mostly oil there a dozen years ago. Instead they found natural gas, in such quantities that the South Caucasus Pipeline (Baku-Tbilisi-Erzurum) was built for it, and plans for a Trans-Caspian Gas Pipeline from Turkmenistan, which had been encountering obstacles, were shelved.

The Shah Deniz deposit began production in 2005, and gas from its Phase One began flowing for international sale in 2007. Azerbaijan produces between 8 and 9 billion cubic meters per year (bcm/y) from this source, of which 6.6 bcm/y is sold to Turkey. The price agreed at the time of signature of the original contract between the two parties was US\$ 120 per thousand cubic meters (tcm). In the meantime, the world price has reached well over double that figure. The contract between the two sides gives Azerbaijan the right to renegotiate the price but does not impose upon Turkey the obligation to renegotiate. After the original price agreement lapsed, Turkey still continued

to receive gas but would pay for it only retroactively, after agreement on the price was reached. These are the negotiations that have been at an impasse for months.

Technically there is also another, formally separate set of negotiations involved for increased quantities of Azerbaijani gas putatively destined for Turkey, also from Shah Deniz but from its Phase Two development. In mid-February, Turkish press reports suggested that Turkey had agreed to pay Azerbaijan between US\$ 260/tcm and US\$ 300/tcm (the price being made retroactive to April 2008) but that Azerbaijan hesitated to sign the deal until agreement was reached on the separate question of additional purchase of the expected first tranche of 4 bcm/y of gas from Shah Deniz Two, over which disagreement continued not only as to price but also as to transit fees. Turkey's total take from Shah Deniz One and Two together is projected to ramp up to 22 bcm/y over the next dozen years.

IMPLICATIONS: While waiting for a successful conclusion to the negotiations with Turkey, Azerbaijan has diversified its customer base. Russia, which gave Azerbaijan a standing offer last year to purchase all of the country's



(BP)

gas production at commercial prices (but which President Ilham Aliev declined, explicitly invoking geopolitical considerations), contracted to buy 500 million cubic meters (mcm) this year, a figure recently doubled, and to be doubled again to 2 bcm for 2011. Azerbaijan also agreed to sell 500 mcm this year to Iran, and perhaps more as the Baku-Astara pipeline is refurbished, but unlikely ever to approach the figure of 5 bcm/y that the Iranian ambassador mentioned last year in Baku. Azerbaijan also has agreed to sell 1 bcm/y to Bulgaria, the gas transiting the Black Sea from Georgia using the relatively new, and as yet untried over long maritime distances, compressed natural gas (CNG) technology.

Meanwhile Turkey remained patient, confident that Azerbaijan would be eventually constrained to recognize Ankara's relative monopsony, and unable to find enough other customers to take the planned increased

production from Shah Deniz. In this, Ankara appears to have been encouraged by Moscow at the highest levels of government. It was in mid-May last year, after Turkey's Prime Minister Recep Tayyip Erdogan had agreed with the EU in principle on terms of pricing and legal regulation for the Nabucco pipeline and the gas it would carry, that

he reversed course and re-raised the previously solved issues. This followed a meeting in Sochi with his Russian counterpart Vladimir Putin, to all appearances as quid pro quo for Russia's agreement to sponsor the construction of the Samsun-Ceyhan ("trans-Anatolian") oil pipeline and to consider two non-mutually exclusive variants for a "Blue Stream Two" gas pipeline extending the original Blue Stream to the south and/or west.

Thus Russia, besides implementing a "divide and conquer" strategy appealing to the national interests of selected EU members to the detriment of others, has countered Europe's emerging recognition of its situation by encouraging Turkey's relatively new ambitions to assert its status as a relatively autonomous regional power. In particular, this countermove has eventuated most recently in a diplomatic waltz where various figures on both sides

variously endorse the idea that the Nabucco and South Stream projects may co-exist and even prosper together. The subtext to this concerted initiative is to the detriment of White Stream and similar projects. It is a replay of the situation ten years ago, when Russia induced Turkey to build the Blue Stream pipeline between the two countries under the Black Sea, in order to block at that time the project for the Trans-Caspian Gas Pipeline from Turkmenistan to Azerbaijan: a project that evolving political and economic conditions have over the course of the last few years again made feasible in principle, and which may also now be associated with White Stream.

CONCLUSIONS: Never before in the three centuries since both Russia and Turkey became major European Powers has there been an international system characterized, as it is today, by, at least an entente between the two countries when one or both were strong rather than weak states (with the exception of the late 1930s, when they had a common enemy and when both were still relatively weak). Today, regardless of how one characterizes the status quo that emerged from the post-Cold War transition, both Russia (at least under Putin) and Turkey (at least under Erdogan) have become revisionist states seeking to alter that status quo.

It is possible that this bilateral entente in the sector of energy geo-economics is developing to the point of institutionalization. The present situation is approaching not a military but a geo-economic alliance focused on energy yet also extending to other spheres of economic

activity. That fact in turn reflects the nature of contemporary international affairs, where trade no longer follows the flag but rather the flag follows trade.

The novelty of this situation, and of a Russo-Turkish entente, may account for the failure of some major players in the European Union to seize more quickly the essence of the situation, yet it does not exclude the blindness of some of them, which has in some cases been willful. Those European countries historically most sympathetic to Great Power ententes are the ones that have done the most, until recently, to restrain concerted EU energy diplomacy in the region; yet this has been changing. Beyond the Azerbaijan-Turkey negotiations over gas from Shah Deniz One and Two for domestic Turkish consumption looms the Nabucco issue. In particular, the EU last year officially endorsed a so-called "Southern Corridor" strategy that includes not only the Nabucco project but also the White Stream pipeline project under the Black Sea from Georgia to EU member Romania. This is the only strategic option now open to Europe, if it wishes to avoid a dual chokehold by Russia and Turkey (who have shown they can cooperate on energy matters) on its own natural gas supply.

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SOUTH KOREA'S MOVE IN CENTRAL ASIA

Stephen Blank

The opening of the Turkmenistan-China gas pipeline in December 2009 has focused deserved attention on China's growing presence in Central Asia, particularly in the energy field. But the larger story transcends China and is really about the growing connections between Central Asia and East Asian countries in general, not just China. In this context, South Korea's reinvigorated moves to consummate energy and infrastructure contracts with Central Asian producers are particularly revealing. Following President Lee Myung-Bak's visit to Kazakhstan and Uzbekistan in 2009, there has been a series of acquisitions and search for assets by Korean companies.

BACKGROUND: South Korea's renewed quest for assets in Central Asia is not confined to energy assets. It clearly is searching for enhanced political influence. Thus South Korea conducts an annual forum with all the Foreign Ministers of Central Asian governments aimed at improving bilateral ties with each of them and collective multilateral ties over a wide field of endeavor stretching from the government, to the corporate sector, to education. These meetings and South Korea's visible interest in investing in Central Asia have also been encouraged by Central Asian states, because such activities facilitate their common drive to diversify the sources of foreign interest and investment in their countries. Just as the Turkmenistan-China pipeline weakens Russia's monopolistic hold on gas export, so too does the turn to Seoul (and Tokyo too for that matter) mitigate against any possibility of a Chinese or Russian dominance in key economic areas.

At the same time, these mutually reinforcing political and economic activities directly benefit South Korea, which must import virtually all of its energy from abroad. It has devised a new strategy to search for stable energy supplies. Since South Korea cannot compete with the big players who are importing enormous amounts of oil and gas by virtue of their overall

economic size and the size of their domestic demand, it must follow an alternative strategy. South Korea is moving to the purchase of mining areas that are known producers of natural resources rather than to the exploration of new areas that may promise a high return but are also high-risk investments. This low risk, low return strategy, if sufficiently diversified across a host of oil and gas fields, offers South Korea a better chance of stable, reliable supplies over time. At present 78 Korean agencies are working in resource-rich states from Cameroon and Congo to Kyrgyzstan. The Central Asian strategy is, in fact, part of a much broader, global strategy. Like China and Japan, South Korea is clearly seeking to move away from excessive reliance upon Middle Eastern sources given the high risk in that area. That strategy necessarily implies a renewed effort to diversify its assets in areas like Central Asia. Based on the estimated holdings of South Korea's supply of strategic minerals, considerably from 2002, this strategy appears to be working.

South Korea's strategy includes summits with heads of state, individualized approaches to states, enhanced collaboration with states through closer cooperation between interrelated businesses, and enhancement of industries with relative advantage, strengthening the legal and

systemic foundation for expanded cooperation on infrastructure, and sharing South Korean experiences with Central Asian states to establish strategic partnerships with them. This strategy dates back at least to 2004 if not earlier, but by today South Korea is able to pull off large deals, e.g. buying 2,600 tons of uranium from Uzbekistan for \$400 million between 2010 and 2016, while the Korea Gas Corporation (Kogas) has signed a contract with Uzbekistan for joint exploration of oil and gas fields there. It also has signed contracts for tungsten. South Korea has also sealed analogous contracts with Kazakhstan for long-term supply of uranium and joint development of minerals like molybdenum.

Seoul's strategy also encompasses broader political and strategic vistas. South Korea's government has expanded its New Asia initiative to include Central Asia which is an attempt to boost relations, economic cooperation, and establish the "Asian caucus" to meet outstanding contemporary challenges. By expanding this initiative to Central Asia, South Korea also pursues its overall expansion into Eurasia, particularly leading countries like Kazakhstan and Uzbekistan. It also provides support for Central Asia's ethnic Korean diaspora, which can only benefit from enhanced ties between their host governments and South Korea. Thus in sum these initiatives not only provide for bilateral gains on a win-win basis of



mutual benefit, they also greatly accelerate and deepen the processes by which Central and East Asia are being jointly integrated on the regional and global level as economic and political partners, and increasing thereby Asia's collective weight in world affairs.

IMPLICATIONS: Since South Korea's program of action is part of both a global South Korean endeavor, and a broader process of comprehensive East Asian interaction and integration with Central Asia, all these contacts and deals have significant strategic meaning for both parties. South Korea's economy and Asian role are strengthened while Central Asia's connection to investors beyond Russia and China also grow stronger. To be sure, not everyone is thrilled with these developments. Russia's press and government have hardly welcomed Turkmenistan's deals with China,

and Western firms and governments have started complaining to Turkmenistan's government about being shut out of the competition for major contracts in the Turkmen energy business. Such complaints are natural and essentially a cost of doing business, because for every winner of a major contract there are losers who failed to get that contract.

Even so, the broader strategic significance of these Asian and specifically South Korean contacts with Central Asian states is quite clear and it is a mutually beneficial one. Turkmenistan only began to get Russia to pay what its gas was worth once it signed the contract with China for the pipeline that just opened. Similarly, its investment connections and contracts with South Korea, Japan, and other states beyond

Russia and China help keep those two behemoths relatively honest in terms of the conditions attached to their dealings, contractual and otherwise with Turkmenistan. The same principle applies with equal force to all the other governments of Central Asia, a fact that no doubt helps explain their receptivity to Korean and Japanese quests for access to their mineral and energy wealth. Korean, Japanese, and Chinese investments are essential for their growth and full entry into the world economic order, these being ultimately prerequisites of their own stability and of the great powers' abiding interest in their future and success.

These states will hardly forego the benefits of connections to South Korea and Japan just because other investors are unhappy that they

failed to get those contracts. Likewise, as in the Chinese case, these contracts help bolster South Korea's and Japan's energy security while enhancing their claims to an expanded role in Asia's international agenda beyond their own current standing and distant geographical status vis-à-vis Central Asia.

CONCLUSIONS: The growing East Asian projects in and with Central Asia come at the expense of Russia, which has steadily sought to monopolize Central Asia's international relations and serve as an interlocutor between those governments and the world. These projects highlight both Central Asia's heightened ability to diversify its individual and collective foreign and foreign economic relations beyond Moscow and even Beijing. But beyond that fact, the increased interaction between Central Asia and East Asian regimes points to the fact that Russia has failed to develop the economic means of magnifying its power beyond energy to increase its economic capability to meet the actual needs of these states in infrastructure, energy development, etc. In the final analysis not only do these deals reflect the expanded ties between East Asia and Central Asia, they also suggest, even if only implicitly, that Russia is fast reaching, if it has not already reached, the limits of its capabilities to influence Central Asia, and what's more, that Central Asia knows it.

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UKRAINE AND AZERBAIJAN PROVIDE NEW MOMENTUM FOR THE OBPG PIPELINE

Tamerlan Vahabov

The January 14 meeting by east European leaders in Batumi, Georgia, marked an important step toward the realization of the southern energy corridor. Among them, Ukrainian and Azerbaijani participation is of utmost importance. Both countries demonstrate a certain degree of pragmatism in their relations with both Russia and the West, trying to reap the benefits of partnerships on both sides. Azerbaijan's duality is shown by its agreement to sell 1 bcm of gas to Russia while still supporting the southern corridor. During the 2010 Presidential elections in Ukraine, Viktor Yanukovich spoke of mending Ukraine's relations with Russia while simultaneously integrating with Europe.

BACKGROUND: Azerbaijan surprised the international community in the summer of 2009 by holding negotiations with Russian energy giant Gazprom on supplying 500 million cubic meters (mcm) of gas annually. Since this agreement did not include a cap on the amount of gas to be sold, Azerbaijani gas sales to Russia went up to 1 billion cubic meters (bcm) annually. At the same time, Azerbaijani representatives declared the readiness of Azerbaijan to supply crude oil through Georgia and then by ships to Ukraine for further use in the Odessa-Brody-Plotsk-Gdansk pipeline (OBPG). Moreover, President Aliyev made statements supporting the Nabucco gas pipeline as well as providing crude oil for the OBPG pipeline. Azerbaijan can use its Georgia-based oil terminal Kulevi, which can handle 10 million tons of crude oil annually (ca 73 million barrels) to ship oil to Odessa. Given Russia's key position in regional energy security, this was a good way for Azerbaijan to remind Europe that Azerbaijani oil and gas might be sold elsewhere.

Ukraine is also starting to apply a pragmatic approach to energy issues, and will most likely stick to it with Viktor Yanukovich as president. It is widely discussed whether Yanukovich's ascent to power will steer Ukraine away from

Europe, whereas Yuliya Timoshenko's victory would have brought Ukraine closer to the Euro-Atlantic community. Yanukovich's speeches during the 2010 Presidential campaign, however, implied that Ukraine would adopt a different strategy by looking for a niche role as a bridge between Russia and the EU, that Ukraine will be integrating with Europe and resume its partnership with Russia.

The EU and Russia are becoming increasingly interdependent economically. Therefore, for Ukraine to become more integrated with the EU, it needs to maintain stable and cooperative relations with Russia. This would bolster its image of a reliable energy and trading partner. In addition to playing the Russia-EU card, Ukraine is also taking independent steps towards energy supply diversification. The OBPG pipeline demonstrates Ukrainian support for the southern energy corridor and shows its aspirations to play the role of a key transit country. The importance of this move should not be overlooked: according to the U.S. Special Envoy for Eurasian Energy Richard Morningstar, stability in the region, cooperation among neighbors, and economic growth in Ukraine and the South Caucasus

represent significant interests on part of the U.S.

IMPLICATIONS: Russia's importance is very well understood in both Ukraine and Azerbaijan. Russia is a large trading partner and the biggest energy provider to the EU. Warmer relations between Russia on the one hand and Ukraine and Azerbaijan on the other would ease some tension in the region and bolster the sovereignty of Ukrainian and Azerbaijani foreign policy. It will give them an opportunity to benefit from trade with the largest player in the region, Russia, while pursuing independent energy projects aimed at providing energy security for the EU. Such stabilization would also create strong interdependency between Russia and the two countries, which would allow for increased maneuverability of all parties in the region. Energy policy and energy security is now an important issue for Ukraine.

Ukraine and Azerbaijan are important countries in Eurasia due to their strategic location and, in Azerbaijan's case, large energy resources. Their partnership with Russia will lessen the division within the EU over whom to support with respect to Russia or other energy transit states in the CIS. If both Ukraine and Azerbaijan continue to show pragmatism toward Russia as well as the West and also seek to maintain a role in diversifying the EU's energy security, the OBPG oil pipeline will have great chances for realization. So far, there have been five business plans for the OBPG pipeline initiated by Ukraine, Azerbaijan, Georgia, Lithuania and Poland. All five business plans concluded that the pipeline project is feasible both economically and technically. The pipeline's chances also became stronger with the presence of the representatives from Kazakhstan, which is another potential supplier of oil to the region, at the conference in Batumi.

Besides political benefits, supplies of Caspian oil across Georgia to the OBPG pipeline will provide an additional boost for the economies of Azerbaijan and Ukraine. Economic growth in important yet economically disadvantaged transit countries like Ukraine is necessary in order to mend its relations with international organizations such as the IMF and the World Bank. Currently Ukraine has a very high budget deficit, which is partially covered by the subsidies of the IMF. Ukraine's participation in new energy corridors and exploitation of its location between the EU and Russia, however, would help it achieve sustainable levels of economic development. Economic development, regional cooperation, and deeper regional interdependency will have a positive effect on political stability in both Azerbaijan and Ukraine. Domestic as well as regional stability will create a favorable investment climate in these countries. The inception of projects like the OBPG oil project will also set the pattern for further development of Ukraine's gas transit capabilities by helping it to attract cash inflows to revitalize its gas transportation system. One such opportunity is for processed Azerbaijani liquefied or compressed gas to be transported from Georgia to Ukraine. Georgia is already support the plans. According to Georgian Prime Minister Nika Gilauri, it intends to build an LNG plant with the capacity for processing 30 bcm of Azerbaijani gas annually.

The OBPG with Caspian oil can also become a compensation for the southern 'Druzhba' oil pipeline that crosses the territories of Ukraine, Belarus, Slovakia, and Poland. Russia's construction of the Baltic Transportation System - 2 will divert oil resources from the southern branch of 'Druzhba' to Primorsk to the Baltic Sea, which will have negative

economic consequences for Ukraine as a transit country.

Moreover, Ukraine has seen a gradual decline in the volumes of oil transported via pipelines crossing its territory. Therefore, in order to revitalize its oil transportation industry, the newly elected president of Ukraine will need decisive measures to find alternative oil supplies, which could be Azerbaijani and Kazakh oil.

CONCLUSIONS: Given the balanced approach to regional foreign policy demonstrated by Azerbaijan and Ukraine, the EU and the U.S. should not lose the

momentum to engage with the region. Ukraine's and Azerbaijan's pragmatism toward Russia facilitates their sovereign pursuit of alternative energy corridors such as the OBP oil pipeline. A new government in Ukraine could provide a fresh start for Eurasian energy projects, as well as a revision of relations with Russia. Azerbaijan has also repeatedly confirmed its support for the southern corridor. These initiatives should be noted and endorsed by both the EU and the United States.

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THE ROGUN CONTROVERSY: DECODING CENTRAL ASIA'S WATER PUZZLES

Roman Muzalevsky

The ongoing polemic between Uzbekistan and Tajikistan over the latter's decision to construct the Rogun hydropower station has intensified, threatening to escalate amidst regional environmental challenges, widespread poverty, border disputes, and lack of inter-state cooperation, especially on water management issues. This context creates a potentially explosive environment in Central Asia that has witnessed a number of ethnic and resource-related conflicts in the past, primarily in the Fergana Valley, requiring effective intra and extra-regional policy responses to avoid water wars that are to some extent already under way across the region.

BACKGROUND: The regional water (mis)management in Central Asia resembles a vicious circle. In summer, the upstream countries of Kyrgyzstan and Tajikistan release water for the downstream oil and gas-rich states of Uzbekistan, Kazakhstan, and Turkmenistan to meet the latter's agricultural and consumption needs. In winter, the downstream countries provide electricity and fossil fuels to the upstream neighbors. Frequently, Tajikistan and Kyrgyzstan cannot afford to pay what they claim are high electricity prices. This enhances the leverage of Uzbekistan and Kazakhstan, which can cut energy transfers and close borders for the upstream republics if necessary.

Tajikistan and Kyrgyzstan therefore produce their own electricity during winter to meet their energy needs, but not without damage to their neighbors. The release of water in the process floods lands downstream and leaves less water for the spring and summer seasons. Occasionally, the upstream states would retain water during summer as well, strengthening their leverage over neighbors. To put these dynamics into perspective, Kyrgyzstan and Tajikistan possess 90 percent of the region's water resources, while Uzbekistan alone uses about half of the water. Uzbekistan and

Kazakhstan can only meet 14 percent and 45 percent of their water needs through their own water resources, respectively.

It is in this context that the Rogun project, dating back to 1970s when the USSR undertook but failed to construct the dam, evokes both fears and cheers from different audiences. The dam, if completed, will be one of the largest in the world. Having an annual electricity production capacity of 3.6 billion kilowatt-hours, it might cope with energy deficits and promote economic development in Tajikistan that currently utilizes only 5 percent of its 527 billion kilowatt hydro-energy potential.

To explore this potential, Tajikistan entered an agreement with the Russian company Rusal to construct the station but then terminated the agreement in 2005 due to strategic considerations. As the Tajik president emphasized, "We will not allow the fate of such an important strategic entity for Tajikistan to lie in the hands of one private company". The government started a national fundraising campaign, having already collected US\$150 million through the sale of shares to the public. However, it currently needs US\$2 billion dollars, about half the country's GDP, to complete the construction.



Opposition from Uzbekistan also affects matters. In a letter to his Tajik counterpart on February 3, which appeared in the media before reaching the addressee, Uzbek Prime Minister Shavkat Mirziyoev called on Tajikistan to reconsider the construction of the project in order to prevent environmental dangers, maintain water balance, and provide continuing access to water for millions of people.

On February 6, Tajik Prime Minister Akil Akilov responded by emphasizing the country's sovereign right to build the dam to rectify energy deficits, which have plagued the country for years now but "have been impossible to cover by energy imports because of ongoing man-made obstacles." He also referred to the project's compliance with international law and the 2006 assessment by the German Lahmeyer corporation. The latter allegedly confirmed that the project takes ecological issues into consideration, something Uzbekistan seriously questions.

Yet, according to other assessments, the Rogun dam could lead to a decline in the water levels

and quality in downstream countries, despite the possibility of more water and cheaper electricity down the road. This is against the backdrop of expert opinions that global warming will cause most glaciers in Kyrgyzstan and Tajikistan to melt by 2020, causing significant water shortages.

Akilov, however, states that outdated irrigation technologies and large-scale use of new lands in the region, with Tajikistan

and Uzbekistan accounting for 720,000 and 4,2 million hectares respectively, are factors negatively affecting the regional water balance and the drying Aral Sea. The existence of about 100 reservoirs in Uzbekistan, which contain 1.5 times more water than the Sea's volume, also aggravate the problem, putting further strains on Uzbek-Tajik relations.

IMPLICATIONS: Tensions over water have long been evident in Central Asia. In the late 1990s, Tajikistan limited the release of water to Uzbekistan due to bilateral disagreements, which resulted in damages to 100,000 hectares of cotton. In 1997, tensions between Uzbekistan and Kyrgyzstan led to the former's military build-up across Kyrgyzstan's reservoir near the joint border and a resolution from Kyrgyzstan declaring water a commodity. Uzbekistan also held military exercises in 2000, purportedly basing the related scenarios on the seizure of Kyrgyzstan's Toktogul reservoir. And in 2008, some Tajik residents of Isfara attempted to demolish a dam in Kyrgyzstan that disconnected them from water flows.

In this context, the Rogun dispute between Uzbekistan and Tajikistan is but one such regional squabble that might result in a more open confrontation, especially given Uzbekistan's water needs this summer and Tajikistan's plans to import construction materials for its dam through Uzbek territory. Reportedly, Uzbekistan has already cut gas supplies to Tajikistan by half and has closed the railway connection to its areas in the Fergana Valley through Tajikistan. Earlier, it also interrupted electricity transmission to Tajikistan after withdrawing from the regional power grid.

Uzbekistan clearly seeks to maintain leverage over upstream countries by opposing Rogun and other similar projects. At the same time, it is not prepared to take measures against its excessive reliance on the cotton industry. Tajikistan's leadership, in turn, views Rogun as a factor of national independence that can bring energy independence, economic development, and legitimacy to the domestic regime in light of poor economic conditions, energy crises and the country's negative international image.

But the Central Asian countries' relations with great powers are also a factor affecting the water problems. Russia and the U.S., for instance, want regional countries to consider the interests of neighbors, in relation to both Rogun and other projects. Yet, when possible and convenient, the upstream republics seek Russia's support to disadvantage or deprive downstream countries of their leverage. The latter, in turn, views it as beneficial to more openly distance themselves from Russia on certain issues. This often spurs the downstream states, especially Uzbekistan, to call for intra-regional approaches to resolve water differences.

However, with the current regional policies in place, no effective solution is on the horizon, including on the Rogun project. Border problems, for example, continue to aggravate the situation. Uzbekistan, which is at the heart of Central Asia, has border disputes with most neighbors. Yet, while geography is not always incidental, it is also not forever determining: the nature of regional regimes, and particularly that of Uzbekistan, is a factor that substantially bears on regional security.

CONCLUSIONS: The involvement of extra-regional parties, as well as appropriate water and fossil fuel pricing and trading mechanisms could well ease water tensions in Central Asia, including over Rogun. However, without constructive intra-regional dialogue, no outside intervention alone is able to produce enduring cooperation to alleviate multi-dimensional challenges in the region. If materialized, the construction of Rogun in this context might either exacerbate security conditions or help break the vicious cycle of water disputes in the long run. In any case, a comprehensive and realistic water management system is needed to prevent hostilities given ongoing conflicts, poverty, and economic misbalances. Partner-like relations between the upstream and downstream countries is therefore a must, just as the need for diversification of regional economies, democratization, and realization that regional cooperation is a key rather than a barrier to national development.

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FIELD REPORTS

GEORGIAN OPPOSITION LEADER MAKES CONFUSING POLITICAL MOVES

Maka Gurgenidze

The upcoming mayoral elections are increasingly causing confusion among Georgian opposition leaders. The political maneuvers of the most popular opposition candidate, Irakli Alasania, between Western-oriented and pro-Russian parties last week have decreased the opposition's chances of winning the post of Tbilisi Mayor.

Independently from Alliance for Georgia (uniting Alasania's Our Georgia – Free Democrats with the New Rights and Republican parties), the reputed pro-Western opposition leader unexpectedly decided to start consultations with more Russia-oriented opposition groups headed by former Prime Minister Zurab Nogaideli, (now leading the Movement for Fair Georgia Party) on a single mayoral candidacy on February 22.

The decision came as a surprise to the alliance members since in late December the coalition released a joint statement positing that they were ready to launch consultations based on the formula of “all minus one” meaning the exclusion of Nogaideli from political cooperation over the candidate for mayoral race.

Alasania later made an appearance at Nogaideli's political party meeting, which united some opposition parties and prominent figures on February 24. Alasania's unexpected step surprised his partners and strengthened Nogaideli's position after most opposition parties had declared it unacceptable to cooperate with him.

Before Alasania, the Conservative and People's parties were the only opposition powers who had joined Nogaideli, but this had not triggered any

alarm among the Georgian opposition. However, if Alasania would decide to cooperate with the Russia-oriented camp, this would significantly shift the opposition's political profile.

This probability is underlined by the fact that Levan Gachechiladze, leader of the public movement Defend Georgia, also appeared at the meeting, presenting himself as an influential political leader capable of re-configuring opposition forces ahead of the local elections.

Under such inconvenient circumstances, the New Rights and Republicans refrained from criticizing Alasania, publicly assuring their supporters that the actions of the latter would not mean the collapse of the Alliance for Georgia. However, the other Alliance leaders stated that if Alasania decides to participate in the primary elections planned by Nogaideli's coalition, he would automatically be excluded from the Alliance for Georgia.

The idea of primary elections was initiated by the Conservative Party and later adopted by the Party of People and Nogaideli's Movement for Fair Georgia, implies designating a single opposition leader through internal elections. This is thought to ensure the broad unification of all opposition forces around one single candidate, which will supposedly increase the likelihood of defeating the ruling National Movement's candidate in the local elections. Nevertheless, the Alliance for Georgia denounced the idea of primary elections in cooperation with the Nogaideli-led groups for two reasons. According to Davit Gamkrelidze, leader of New Rights, it is “a trap set up by the authorities”

to detect the weakest opposition candidate through the preliminary results and then encourage its supporters to vote for him. Second, Nogaideli's recent approach to the Russian political establishment is unacceptable for the Alliance.

For these reasons, New Rights and the Republicans were likely astonished viewing Alasania alongside Nogaideli and Gachechiladze at the meeting on February 24.

But the surprises did not end here. Four days later, Alasania rejected the possibility of participating in the primary elections and denied any prospects for cooperation with Nogaideli's party. After receiving warning signals from political allies, Alasania likely came back to the Alliance to avoid losing his status as the only opposition candidate able to challenge the incumbent Tbilisi mayor, Gigi Ugulava.

His popularity to a large extent stems from his image of a calm and reassuring politician, in contrast with the impulsive and gregarious President Mikheil Saakashvili. Many hope Alasania's modesty, quietness and diplomatic experience could lead to the emergence of a new era in Georgian politics, including coming to terms with Russia on the one hand and a capacity to deal with adversary political factions within the country on the other hand. Alasania's qualities are even

more important considering his assumed pro-Western orientation and his commitment to liberal principles and norms. This is why many consider him a figure that could overcome the country's political standoff.

Despite these hopes, Alasania has not been able to produce elaborated visions on security or economic policy for the country and has failed to introduce himself as a strong leader with a clear political agenda since the Party Our Georgia-Free Democrats was formed on July 16, 2009. Though Alasania sought to explain his political maneuvering by a desire to achieve a broader consensus among the oppositional forces, his justifications did not have a persuasive effect.

Such ambiguity has invoked disappointment among Georgians looking for a measured figure which would be a credible alternative of president Saakashvili. However, it also showed that a considerable part of the Georgian electorate requests smooth diplomacy with a principled Western orientation, which can guide the country towards rule by institutions rather than individuals. Alasania's recent actions seem to suggest that this political niche is still vacant.

RICHARD HOLBROOKE VISITS CENTRAL ASIA

Erkin Akhmadov

On February 17-21, the U.S. Special Representative for Afghanistan and Pakistan, Richard Holbrooke, visited the Central Asian states. As part of the tour, he visited Uzbekistan on February 19 and met with President Islam Karimov in the Oqsaroy residence. Uzbekistan's President expressed his intention to further develop Uzbek-U.S. cooperation on the establishment of peace and stability in Afghanistan. In return, Holbrooke noted an interest on the U.S. administration's part in strengthening cooperation on regional security. In addition, Holbrooke

emphasized the special importance of Uzbekistan's position for the settlement of the conflict in Afghanistan.

Holbrooke's program included visits to all five Central Asian states; however, the visit to Turkmenistan was cancelled in the last moment. The tour resulted in subtle promises of support for U.S. policies from the presidents of the Central Asian republics. Such vagueness about the purposes of the visit has caused many experts to consider the motivations for Holbrooke's tour to the region as

little more than diplomatic politeness. “We talked to all of the countries that have a concern in the situation in Afghanistan and Pakistan. That’s why we’re here today”, stated the Special Representative to journalists in Astana, Kazakhstan.

During his visit to Kazakhstan, Mr. Holbrooke told the Kazakh Minister of Foreign Affairs and State Secretary Kanat Saudabayev that Uzbekistan provides valuable assistance in transiting materials, but no base. It should be recalled that Uzbekistan closed the U.S. airbase in the city of Khanabad after following the controversy between Uzbekistan and the West that resulted from the crackdown on an uprising in Andijan in 2005. Nonetheless, it seems that lately the focus of U.S. cooperation has shifted from human rights issues into security challenges. Relations between the two countries have significantly improved and some diplomats have therefore assumed that Washington will seek to reopen its base on the territory of Uzbekistan.

In addition, Uzbekistan has renewed its role as a platform for the delivery of non-military goods to its southern neighbor. In fact, Uzbekistan currently provides practical assistance in supplying Afghanistan with energy and food; it assists in the establishment of transportation and communications, and takes part in the

addition, substantial volumes of humanitarian aid are delivered to Afghanistan through the territory of Uzbekistan.

Meanwhile, after his meeting with President Imomali Rakhmon of neighboring Tajikistan on February 20, Holbrooke stated that Washington is interested in establishing closer relations with Tajikistan since due to ethnic, geographic and strategic reasons, this country is utterly important for peaceful conflict resolution in Afghanistan. They also discussed aspects of security in Afghanistan along with energy and water issues. During his short public appearance in Dushanbe, Holbrooke also talked about terrorism, noting that the real threat for the Central Asian region comes less from the Taliban, than from Al-Qaida as the latter prepares international terrorists. Thus, it may well be that the U.S. will focus on cooperation with Tajikistan rather than Uzbekistan for further activities and moves in Afghanistan.

In fact, Kazakhstan is also eager to expand its cooperation with the U.S. As Mr. Saudabayev noted during his meeting with the Special Representative, “Kazakhstan has always been a reliable partner of the United States, starting from September, 11 2001”. Kazakhstan is the leading economy in the region with oil companies in which the U.S. may have significant investment interests. However, from a geopolitical point of view it is unlikely that Kazakhstan would have much to offer in resolving the situation in Afghanistan.

To sum up, there are some important points to be highlighted as a result of Holbrooke’s visit to Central Asia. First, there will be no American military base on the territory of Uzbekistan at least in the nearest future. Second, the U.S. may seriously consider increasing its involvement in and cooperation with certain other states in the region in order to resolve the situation in Afghanistan.



socioeconomic rebuilding of Afghanistan. In

ARMENIA TAKES FIRST STEP TOWARDS ENPOWERING LOCAL SELF GOVERNMENT

Haroutiun Khachatryan

On February 1, the Armenian government introduced a bill to the National Assembly which marks a new step in the development of its state structure, as it is intended to radically increase the role of local municipalities. The local self government bodies in Armenia have so far been very weak, with limited powers and influence. In particular, this is obvious in the weakness of their financial capacities. In 2010, the integrated budget of the local communities is set to 88.3 billion drams (US\$232 million), which is just 9.4 percent of the central government budget. The local municipalities are expected to collect only 25 billion drams through their own revenues, the remaining 63 billion being transferred from the central government. In addition, almost half of this transfer, 30 billion drams, will be allocated to the capital city of Yerevan, which harbors one third of the country's population. Not surprisingly, the local municipal governments are usually poorly organized, poorly paid and short of qualified specialists. Until recently, the central government was the only body eligible for collecting taxes, but has gradually passed the collection of land and property taxes to municipalities.

By presenting the local tax bill to the National Assembly, the government took a first real step towards providing a more active role for the local municipalities and to increase their role in the society. In its initial form, the bill suggested the introduction of a new category of local taxes, which the local communities would establish and collect themselves. Ten such taxes were proposed, including sales tax, tax for hotels, and taxes for misuse of agricultural lands. The government presented the bill as an initial move in its efforts to strengthen and reform local self-government, which is also supported by the program of cooperation between Armenia and the European Union.

The government had been cautious to introduce these changes, which constitute a novelty for Armenia. The bill (which in fact constitutes a package implying amendments to several laws) was first presented to the parliament in January 2009, and a second time in April. In both cases it was withdrawn for amendments after being discussed at the committee level only.

This time, the bill was discussed at the parliament plenary session and received mixed reactions. Opposition deputies expressed concerns that the new taxes might result in an unnecessary increase in the tax burden, and that it could even become a new tool for political or economic pressure. Such concerns were raised especially given the fact that the ruling Republican Party of Armenia dominates not only the central government and the National Assembly, but community councils as well. Moreover, the opposition expressed suspicion that the new taxes could be used by the community heads to initiate a new round of property redistribution in the country in favor of the current ruling elite. The opposition's concerns were shared by many representatives of the parties Bargvach Hayastan (Prosperous Armenia) and Orinats Yerkir (Country of Law), which are the junior members of the ruling coalition.

The government preferred to step back under the pressure of such criticism. In the final version of the bill introduced in the parliament two weeks later, only four types of local taxes were excluded from the original ten. On February 22, the parliament passed the bill allowing the introduction of local taxes in the first reading, with the list containing land tax and property tax as obligatory taxes, along with hotel tax and tax for parking, which are established by the decision of the local municipalities. The specific conditions and the rates of the later two taxes are still to be determined by special laws.

The fact that the government relaxed its initial proposals on the local self-government issue demonstrated that the ruling majority acted with caution and sought to avoid increasing tension, not only between the ruling coalition and the opposition, but also among the ruling coalition

parties. The adoption and implementation of local taxes in Armenia could become a major subject of dispute in the next parliamentary elections to be held in 2012. This is highly dependent on the political situation and future government measures on the issue.

INDEPENDENT NEWSPAPERS PROSECUTED IN TAJIKISTAN

Suhrob Majidov

On February 23, a preliminary hearing took place in a lawsuit against three independent weekly newspapers and a lawyer that were accused of libel for publishing the content of a press conference. Two judges of the Supreme Court of Tajikistan and one judge of the Municipal Court of Dushanbe sued three media outlets of Tajikistan, the “Asia Plus”, “Farazh” and “Ozodagon” newspapers. The judges demanded to defend their honor and dignity and to recoup moral damage at a total amount of 5,5 million somoni (approximately US\$1,2 million). Furthermore, the judges demanded that the newspapers’ activities should be stopped while the court’s decision is pending.

The case refers to the so-called “legal case of the Isfaranians”. In June 2009, the Supreme Court judge Nur Nurov sentenced 31 residents of Isfara, a town in the north of Tajikistan, to 11- 25 years of imprisonment. They were accused of banditry, illegal possession of firearms, money laundering, tax evasion, theft, etc, even though the public prosecutor had demanded milder sentences to the accused.

The trial caused public indignation. The accused, the lawyers, and even the public prosecutor considered the sentence to be unjust and too harsh. Furthermore, during the press conference, the attorney general of Tajikistan, Bobojon Bobojonov, claimed that the sentence passed by the Supreme Court was “illegal and unjust”. However, the judges who participated in the trial did not respond to the indignation.

During the appeal trial that was held in January 2010, the lawyer Solekhjon Juraev made a sensational statement by accusing the Supreme Court and the Anti-Corruption Agency of Tajikistan of having falsified evidence, acting outside the legal framework and of taking an arbitrary decision. After the trial, Juraev made an open statement to the President, Parliament, Ombudsman, international organizations and media. During the press conference, the lawyer presented his arguments to journalists and supported them with a CD containing a private conversation between Juraev and the Supreme Court judge Nurov, where the judge tells the lawyer the reasons for passing the ‘unjust’ sentence.

All media outlets that took part in the press conference published the story together with the opinion of public prosecutor Rustam Olimov, who also made a public announcement saying that the sentence “contradicts the principles of legality, equal treatment by the law, humanism, and social justice”. As a result, the three media outlets “Asia Plus”, “Farazh” and “Ozodagon” were sued by the judges for publishing articles that conveyed the content of the press conference. The judges brought a libel action against the newspapers, accusing them of “publishing libelous articles”.

The hearing was held in the Municipal Court of Dushanbe and attracted the attention of civil society, media and international community. Some experts and international organizations claim that

this case is nothing short of an attack on the freedom of speech in Tajikistan.

Several international organizations made statements where they raised their concerns about the case. The U.S. Committee to Protect Journalists made a statement calling the judges to withdraw the libel action against the popular independent newspapers in Tajikistan. According to the Committee, such an action could result in the bankruptcy of independent media outlets. Local journalists also expressed their concerns. Thus, the Journalist Union of Tajikistan claims that “the punitive measures against the freedom of expression contradict democratic principles and negatively affect the image of Tajikistan, particularly in light of the upcoming Parliamentary Elections”.

Finally, the U.S. Embassy in Tajikistan made a public statement also expressing its concerns over legal actions against independent newspapers. According to the embassy, this legal action may

force the newspapers to cease their publications, which will be “a serious strike at media freedom in Tajikistan”. The Embassy requested the government of Tajikistan “to guarantee that the judicial system will not be used as a tool to persecute independent media outlets in Tajikistan”.

In sum, the independent media outlets are blamed for fulfilling their mission – providing information to the public. Some media experts have already termed the case political, incited by the authorities in order to frighten independent media before the Parliamentary elections in Tajikistan. However, representatives of the three prosecuted newspapers believe that this is not a political case and that the Government of Tajikistan has nothing to do with it. The journalists believe that the case is just a banal attempt by the judges to save face and to hide serious problems in Tajikistan’s judicial system from the public.



New Book:

The Guns of August 2008

Edited By Svante E. Cornell and S. Frederick Starr

M.E. Sharpe, New York, June 2009,
290pp

This book is designed to present the facts about the events of August 2008 along with comprehensive coverage of the background to those events. It brings together a wealth of expertise on the South Caucasus and Russian foreign policy, with contributions by Russian, Georgian, European, and American experts on the region.

NEWS DIGEST

KAZAKH OIL TRANSIT MORE ECONOMICAL VIA POLAND THAN UKRAINE - COMPANY CHIEF

18 March

Diverting Kazakh oil supplies towards Poland turned out to be more cost-effective, head of national gas company KazMunayGas Kairgeldy Kabyldin told a press conference in Astana on Thursday. "We asked for help from our Russian colleagues, who suggested sending supplies towards [Poland], which turned out to be economically more effective than towards Odesa," he said, adding that 3.5 million tonnes of Kazakh oil had been diverted towards Gdansk. In late 2009, Ukrainian monopolist Ukrtransnafta notified KazTransOil in writing about the unilateral termination of the contract on Kazakh oil transit via Ukraine as of January 26, 2010. At the same time, the Kazakh-Ukrainian intergovernmental cooperation agreement on the supply and transit of Kazakh oil to and via Ukraine, signed on June 1, 2004, remains valid. The February supplies of Kazakh oil will be shipped towards Poland (Gdansk). Ukrtransnafta will be seeking to increase the oil transit fee for Kazakhstan, said Yuriy Prodan, Ukraine's Fuel and Energy Minister. "Commercial talks are under way about the price of transportation. If the parties are satisfied with the price and quantities, a relevant agreement will be signed," he said. (Interfax)

RUSSIA CATEGORICALLY AGAINST 'PARALYZING SANCTIONS' AGAINST IRAN - DEPUTY FOREIGN MINISTER

18 March

Russia is categorically against so-called paralyzing sanctions against Iran and believes that sanctions, if imposed on that country, should be aimed exclusively at strengthening the nuclear non-proliferation regime, Russian Deputy Foreign Minister Sergei Ryabkov said. "Certainly, we absolutely dismiss the term 'paralyzing sanctions'. Sanctions should be aimed at strengthening the nuclear non-proliferation regime," Ryabkov told

Interfax on Friday. "We certainly cannot talk about sanctions that could be interpreted as punishment of the whole country and its people for some actions or inaction," Ryabkov said. "We will not look at these issues from this viewpoint," he said. In commenting on Israel's position that exports of Iranian oil should be restricted as part of possible sanctions, Ryabkov said, "Only sanctions having to do with the strengthening of the nuclear non-proliferation regime can be viewed in terms of Russia's position." Asked which of the other five world powers negotiating with Iran to alleviate international concerns about its nuclear program, i.e. China, France, Germany, the United Kingdom and the U.S., have positions closer to Russia's regarding possible sanctions against Iran, Ryabkov said, "Let our partners in this sextet themselves judge whose position is closer to Russia's." "There is nothing more consistent than our position on Iran," Ryabkov said. "We have always favored the resolution of the problems arising in connection with the Iranian nuclear program through dialogue and, if possible, interaction with Iran," Ryabkov said. "Tactics could be different at different stages of this work," Ryabkov said. "At one point we could emphasize initiatives not directly related to the six powers' activities, and at another, make the sanctions issue more relevant," he said. However, "regardless of these tactical maneuvers, a focus on negotiations, on a diplomatic way of looking for solutions, and on Iran's involvement in this joint work has always been the core of Russia's position," he said. Ryabkov refrained from answering when the UN Security Council could discuss a resolution on imposing sanctions on Iran. "The UN Security Council discusses issues related to the Iranian nuclear program on a permanent basis, and there is nothing sensational or unusual in this. Let's wait and see what is going to be next," he said. (Interfax)

IRAN SHOULD NOT BE ISOLATED ON INTL ARENA – LAVROV

19 February

Iran should not be isolated on the international arena, because it has quite a strong influence on many processes in the Middle East, said Russian Foreign Minister Sergei Lavrov. "Wherever you look, be it Afghanistan, Iraq, Palestine, Lebanon, Syria, or probably even a broader territory - Iran has its leverage of influence. The goal is to make this influence part of the common efforts in looking for constructive peaceful solutions to the crisis situation, in which this very explosive region has found itself," Lavrov said on Echo Moskvyy radio on Friday. "The attempts to isolate those who can make their contribution on whatever pretext might be justified by an opportunistic desire not to waive some principles, but they are obviously not farsighted," he said.

When the George W. Bush administration attacked Iraq and the coalition invaded the country, the Baath party, which had been the foundation of Saddam Hussein's regime and which included mainly Sunnis, was disbanded, Lavrov said. "The Sunnis were simply stripped of all rights. They were banished from the army, from the security services, and from all government institutions, and the Americans staked on the Shiites," Lavrov said. "This alone immediately provided Iran, where the Shiite opposition was always supported during Saddam Hussein's rule, with another important lever of influence in the region," he said. After Hamas won elections in Palestine in 2006, this group was isolated in Gaza, which increased "Iran's influence on this situation as well," he said. "There are also well-known facts like Iran's support of Hezbollah in Lebanon and Iran's cooperation with Syria, which someone tried to isolate as well. Therefore, wherever you look at in the Middle East, Iran's positions have always been quite substantial there," he said. (Interfax)

KAZAKH JOURNALISTS URGE END TO NEWSPAPER'S HARASSMENT

20 February

Dozens of Kazakh journalists and human rights activists have urged senior government officials to allow unimpeded publication of the opposition weekly "Respublika," RFE/RL's Kazakh Service reports. In an open letter to Prime Minister Karim Masimov, Foreign Minister Kanat Saudabaev, and Prosecutor-General Kayrat Mami, the journalists requested an official government statement that

publishing houses in Kazakhstan may print "Respublika." Among those signing the letter were Seitqazy Mataev, chairman of the Journalists Union; Tamara Kaleeva, president of the media-monitoring NGO Adil Soz (Just Word); and Adil Dzhalilov, chairman of the Almaty-based NGO Media Alliance of Kazakhstan. In recent months, the weekly's editors have been constrained to print issues of the newspaper in their offices under modified titles such as "Golos respubliki" (Voice of the Republic) and "Moya respublika" (My Republic), because no publishing house in Kazakhstan would print the weekly. The editors of "Respublika" believe printing houses have been ordered not to publish the paper. Kazakhstan is currently the chair of the Organization for Security and Cooperation in Europe, a 56-member regional security organization that works to promote a range of issues, from democratization to free media, fair elections to minority rights. (RFE/RL)

AT LEAST SEVEN DEAD IN AFGHANISTAN'S HELMAND BLAST

23 March

A remote-controlled bomb has killed at least seven Afghan civilians and wounded 14 in front of a government building in southern Afghanistan, a government official said. The blast was in Lashkar Gah, capital of Helmand, Afghanistan's most violent province. NATO-led troops are in the 10th day of an operation to flush the Taliban out of nearby Marjah district, where the militants had set up their last big stronghold in Helmand. "The blast was caused by explosives attached to a bicycle and was controlled remotely," said Dawud Ahmadi, spokesman for Helmand's provincial government. He said later all the casualties were civilians. "The latest information we have says that seven people have been killed and 14 wounded," Ahmadi said. He said he did not know who the target of the blast was. Violence across Afghanistan last year hit its highest levels since the Taliban were ousted by U.S.-backed Afghan forces in late 2001. The Islamist militants have made a comeback and are resisting efforts by President Hamid Karzai's U.S.-backed government to impose control. In Zabul Province, also in the south, a roadside bomb hit a convoy of Romanian soldiers serving with the NATO-led International Security Assistance Force (ISAF) today, said Mohammad Jan Rasoulyar, a spokesman for the provincial governor. Five casualties were evacuated from the site, Rasoulyar said, but it was not clear if anyone had been killed. (Reuters)

KAZAKHS ALLOW TRUCKS INTO KYRGYZSTAN AFTER WEEKS OF DELAY

23 February

Kazakh officials have allowed a group of trucks to enter Kyrgyzstan after holding many of them at the border for weeks, RFE/RL's Kyrgyz Service reports. Kyrgyz businessmen had been complaining that dozens of trucks bound for Kyrgyzstan were stopped without explanation by Kazakh customs officials at the Konusbaev checkpoint on the Kazakh-Kyrgyz border and at the Hargos checkpoint on the Kazakh-Chinese border. Most of the trucks were coming from China, Turkey, and Iran. Many had been kept at the border since February 1. Some businessmen were told that the delay was connected to Kazakhstan's membership in the customs union with Russia and Belarus, which came into force on January 1 and created changes in customs procedures. (RFE/RL)

KYRGYZ PROTEST ELECTRICITY PRICE HIKE

25 February

Some 600 people in the central Kyrgyz city of Naryn have protested against a price increase for electricity, RFE/RL's Kyrgyz Service reports. The demonstration was held on February 24 in Naryn's central park. Participants held placards with such slogans as "We can't pay the new prices for electricity" and "Government, listen to us!" The demonstrators adopted an appeal to the government and the parliament demanding a lower price for electricity in this mountainous region. They gave the Kyrgyz authorities 10 days to meet their demand. Naryn Mayor Almaz Kulmatov left his office to meet with the protesters. He promised to convey their demands to officials in Bishkek. Police surrounded the protesters but did not intervene. The government announced late last year that utility prices would be increased in stages beginning in January. (RFE/RL)

ARMENIAN, GEORGIAN PRESIDENTS PLEDGE CLOSER COOPERATION

1 March

Georgian President Mikheil Saakashvili and his Armenian counterpart Serzh Sarkisian pledged closer cooperation between their respective countries, RFE/RL's Armenian Service reports. Sarkisian arrived in Batumi on Georgia's Black Sea coast on February 27 on a private visit. The two men spent that day and the next talking and taking

walks around the city, which has become a popular destination for Armenian vacationers in recent years. "We agreed that the integration of our countries' economies should further intensify," Saakashvili told journalists on February 28. "We need more communication and more work to bring our peoples together, though they already are close to each other. Such meetings will take place much more frequently and this will benefit everyone." He described relations between the two countries as "cloudless." He also said he is sure 2010 will prove to be "a turning point in our relations, even if those relations have always been very good and are very good now, too." The two men also discussed the Upper Lars border crossing between Russia and Georgia, which reopened today. Its closure in 2006 hurt Armenian exports to Russia of agricultural produce and other goods. The Georgian and Russian governments announced in late December that they would allow renewed commercial and passenger traffic through the mountain pass as of today. The agreement was reportedly reached under Swiss and Armenian mediation. (RFE/RL)

GAS PRICE SPLIT FROM NABUCCO, ENVOY SAYS

1 March

Ankara backs the Nabucco gas pipeline for Europe, though the government hasn't connected that project to gas talks with Baku, officials said. Europe aims to diversify its energy sector through the Nabucco gas pipeline. The project would transport non-Russian gas along a route through Turkey and southern Europe. European energy security was upended in 2009 when Russian energy giant Gazprom cut gas supplies to Ukraine because of a dispute over debts and contracts. That row left Europe in the cold for weeks as 80 percent of its Russian gas passes through Soviet-era pipelines in Ukraine. Nabucco enjoys widespread political support, though supplier nations are slow to make firm commitments to the project. Developers eye gas from Azerbaijan, though Turkish ties with Baku overshadow some of the optimism. Hulusi Kilic, the Turkish envoy to Baku, said in an interview with the Azeri Press Agency that it was important not to "confuse commercial issues with the political issues." Both sides have shifted on their energy relationship tied to pricing agreements for gas from the giant offshore Shah Deniz project. Kilic noted there was no agreement on the price for gas from Shah Deniz but stressed there were no links between those talks and Nabucco. "Turkey supports

Nabucco," he said. "But there is no official connection between Turkey-Azerbaijan natural gas discussions and Nabucco, the sides are not discussing the issues related to Nabucco project." (UPI)

SON OF LATE GEORGIAN LEADER ENDS HUNGER STRIKE

1 March

A son of former Georgian President Zviad Gamsakhurdia has ended his hunger strike at the request of the patriarch of the Georgian Orthodox Church, RFE/RL's Echo of the Caucasus reports. Tsotne Gamsakhurdia's lawyer, Ketik Bekauri, said her client has been on a hunger strike since November, drinking only fluids during this time. Bekauri said he had been hospitalized during this time because of bad health. His lawyer added that her client decided to end the strike today only after being asked to do so by Patriarch Ilia II. Tsotne Gamsakhurdia was arrested on October 27 and accused of shooting and wounding his neighbor, David Bazhelidze. He was also charged in late January with cooperating with Russia secret services. Meanwhile, the Tbilisi city court today resumed hearings in Tsotne Gamsakhurdia's case. He and his supporters say the charges against him are politically motivated. Zviad Gamsakhurdia was the first democratically elected president of Georgia in 1991. He died in mysterious circumstances on December 31, 1993, at the age of 54. Tsotne Gamsakhurdia is the half-brother of Tavisupleba (Liberty) party leader Konstantine Gamsakhurdia. (RFE/RL)

AFGHANISTAN MAY EASE BAN ON NEWS COVERAGE OF ATTACKS

2 March

Afghanistan today said it would clarify newly announced restrictions on media coverage of insurgent attacks. The Afghan National Directorate of Security intelligence agency on March 1 summoned journalists to its headquarters and threatened to arrest anyone filming while attacks are under way.

A spokesman for President Hamid Karzai, Wahid Omar, then said today that the new guidelines had not yet been drawn up, and promised they would not amount to "censorship." Omar said the goal would be to prevent insurgents from using live media reports to get tactical information, and to keep journalists themselves out of danger at the scene of violence. Taliban fighters have recently

staged several major attacks, including one on February 26 in which suicide bombers struck hotels and battled police in downtown Kabul. Sixteen people were killed. Afghan Journalists Association director Rahimullha Samandar, told RFE/RL's Radio Free Afghanistan in Kabul today that Afghan journalists oppose the new measure. "Our reaction to this [decision] is that according to Afghan laws, the government can never directly censor news coverage," Samandar said. "All of us are against this direct censorship by the government. This decision shows nothing but the inability of the government." U.S. Embassy spokeswoman Caitlin Hayden said Washington was monitoring the issue and would raise it with Kabul. "The United States supports freedom of the press and we will discuss this issue with the government of Afghanistan," Hayden said. (RFE/RL)

MULLAHS HELP PROMOTE BIRTH CONTROL IN AFGHANISTAN

2 March

Some mullahs in Afghanistan are distributing condoms. Others are quoting the Quran to encourage longer breaks between births. Health experts say contraception is starting to catch on in a country where one in eight women dies during pregnancy. Afghanistan has one of the world's highest fertility rates, averaging more than six babies per woman despite years of war and a severe lack of medical care. Awareness of, and access to, contraceptives remains low among many couples, with UNICEF estimating 10 percent of women using some form of birth control. But use of the pill, condoms and injected forms of birth control rose to 27 percent over eight months in three rural areas -- up to half the women in one area -- once the benefits were explained one-on-one by health workers, according to the report published Monday in Bulletin, the World Health Organization's journal. Afghanistan's maternal death rate of 1,800 per 100,000 live births is topped only by Sierra Leone worldwide, according to UNICEF. The U.S. rate is 11 per 100,000 births. Quotes were used from the Quran to promote breast-feeding for two years, while local religious leaders, or mullahs, joined community and health leaders to explain the importance of spacing out births to give moms and babies the best chance at good health. In total, 37 mullahs endorsed using contraceptives as a way to increase the time between births, some delivering the message during Friday prayers. The mullahs' major concerns centered on safety and infertility,

the report said. Islam, unlike Catholicism, does not fundamentally oppose birth control. Everything from vasectomies to abortions are supported in various parts of the Muslim world. Many Afghan mullahs are very open about promoting family planning, said Farhad Javid, program director of Marie Stopes International, a British-based family planning organization in Kabul. He was not involved in the study, but said his organization has trained 3,500 religious leaders nationwide on the issue since 2003. It distributed more than 2 million condoms last year. "In a couple of districts, mullahs were taking our condom stocks and selling them during (night) prayers because the clinics were not open after 4 o'clock," Javid said. During the study from 2005-2006 -- which involved 3,700 families in three rural areas with different ethnic groups, including both Sunni and Shia Muslims -- the Health Ministry collaborated with nonprofit organizations to spread the word that using birth control was 300 times safer than giving birth in Afghanistan. They also involved husbands in the project and sought to dispel beliefs that contraceptives have negative side effects, such as infertility. (AP)

U.S. WARSHIP CONDUCTS JOINT TRAINING WITH GEORGIA

2 March

U.S. naval forces started exercises with Georgia's coast guard today along the Black Sea coast, in a sign of Washington's support for the government of President Mikheil Saakashvili. The start of the two-day exercises came as Russia's Federal Security Service (FSB) said it had finished setting up a coast guard division in the breakaway region of Abkhazia. Black Sea tensions have eased since a row last year over the seizure by the Georgian coastguard of ships trying to trade with Abkhazia, recognized by Russia as an independent state after a brief war with Georgia in 2008. Moscow's military crushed an assault by Georgia's U.S.-trained military on the breakaway pro-Russian territory of South Ossetia in a five-day war in August 2008. In the weeks after the 2008 war, several U.S. navy ships, including the guided-missile destroyer "McFaul," docked off Georgia's Black Sea coast, angering Moscow which accused Washington of sending weapons. "We'll be doing damage control training today...fighting a fire on board a ship, a hazard materials spill," Commander Derek Lavan told Reuters on board the guided-missile frigate "USS John L. Hall." "We'll show the Georgian team how the warship is made

and what kind of equipment we use," he said, as a group of Georgian coast guards sprinted around the deck wearing gas masks. The training will include law enforcement and ship-boarding drills. (Reuters)

TAJIK ELECTION WINNER THREATENED WITH POLYGAMY CHARGES

3 March

The winner of a local election in southern Tajikistan is being told to renounce his victory or face polygamy charges, RFE/RL's Tajik Service reports. Usmon Majidov, the head of the Islamic Renaissance Party (IRP) branch in the Vakhsh district of Khatlon Province, told RFE/RL that IRP candidate Qimatulloh Murodov -- who was elected to a town council on February 28 -- was summoned to the local prosecutor's office on March 2. Qalandar Sadridinzodal, the IRP's leader in Khatlon Province, told RFE/RL that local prosecutors promised not to file polygamy charges against Murodov if he agrees to renounce his election to the council. Varqa Zainiddinov, the regional prosecutor's office spokesman, said that since polygamy is illegal anyone with more than one wife "should and would be brought to trial." The IRP officially won 7.7 percent of the vote in the parliamentary elections and received two seats in the parliament's lower chamber. It finished a distant second to the ruling People's Democratic Party. IRP leader Muhiddin Kabiri called the elections "repressive." International election-monitoring organizations said the vote was neither fair nor free and did not meet international standards. (RFE/RL)

ASTANA SEEKS OIL TRANSIT OPTIONS

3 March

Kazakhstan needs new oil transit routes to handle the expected increase in production from the giant offshore Kashagan field, the Kazakh president said. Kazakh President Nursultan Nazarbayev said during talks with his Romanian counterpart, Traian Basescu, that Kazakh oil could move through a new pipeline through Azerbaijan and Georgia. Romania could then carry the oil by tankers across the Black Sea. Astana needs additional transit options to handle increased oil production from the Kashagan field in the Caspian Sea, which starts up in 2012, the Financial Times reports. Kazakh oil stopped moving through Georgian terminals on the Black Sea during the August 2008 conflict between Tbilisi and Moscow. In February, meanwhile, executives at Tengizshevroil, the Chevron division in Kazakhstan, said an increase in oil tariffs by Baku

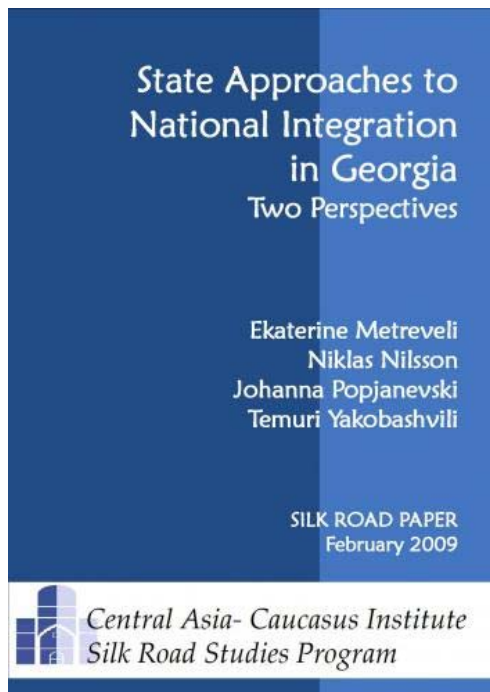
was a reason to halt exports through a key oil pipeline. The new route would give Astana the opportunity to expand its transit options beyond Russian pipelines. Kazakhstan in 2009 produced 1.5 million barrels of day. That should double when the Kashagan field enters production. (RFE/RL)

ANKARA WATCHING OVER U.S. MEASURE ON ARMENIA

3 March

Turkish leaders said they hope U.S. lawmakers will use common sense when considering a resolution on atrocities committed against Armenians. U.S. Rep. Howard Berman, D-Calif., is backing a resolution on its way to the U.S. House of Representatives Committee on Foreign Affairs that would classify atrocities committed against the Armenia population under Ottoman rule in 1915 as genocide. Turkish Prime Minister Recep Tayyip Erdogan said

he hoped Washington wouldn't undermine regional relations and pass the measure, Turkey's English-language daily newspaper Hurriyet reports. "I trust the leadership and common sense of (U.S. President Barack) Obama, who is closely following the ongoing normalization efforts with Armenia," he said. Ankara says Armenia is illegally occupying the disputed territory of Nagorno-Karabakh, which is also claimed by Azerbaijan. Turkey closed its border to Armenia because of a 1993 invasion of the territory. Ankara expressed hope the U.S. congressional resolution wouldn't pass, fearing pressure over normalization protocols with Yerevan under consideration in the Turkish Parliament, Hurriyet added. Erdogan said, "I'd like to say it would be more accurate to research genocide claims not at the House of Representatives but at universities and archives," he said. (UPI)



New Silk Road Paper:

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By Ekaterine Metreveli, Niklas Nilsson, Johanna Popjanevski, and Temuri Yakobashvili

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