

Central Asia-Caucasus Analyst

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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 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.

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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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MISTRAL SALE THREATENS MORE THAN GEORGIA

Richard Weitz

The French government's decision to sell several Mistral-class amphibious warships to Russia has aroused concerns, especially in Georgia and the Baltic states, that the Russian Navy will use the vessels to intimidate or even invade its neighbors. Yet, the ship would add little to Russia's already substantial military advantage over these countries. The real problem with the sale is two-fold. First, it could help revitalize Russian military shipbuilding. Second, the transaction could divide NATO members, weakening their leverage with Moscow.

BACKGROUND: Weighing over 20,000 tons and extending approximately 200 meters in length, the Mistral is the second-largest warship in the French Navy. It can transport amphibious landing craft, 16 heavy-lift helicopters, dozens of tanks or armored vehicles, and hundreds of sailors and marines. In peacetime, the Mistral's large size would establish a highly visible Russian naval presence wherever it sailed. In wartime, the vessel can function as a command ship for combat operations.

During Russian President Dmitry Medvedev's March 1-3 visit to Paris, French President Nicolas Sarkozy confirmed the sale. Like other French government representatives, Sarkozy argued that the Cold War was over and, if the West expected Moscow's help regarding Iran's nuclear program or other 21st-century threats, it had to trust Russian officials sufficiently regarding arms sales and other issues.

In a letter to the French Ambassador to Washington, several U.S. Senators noted the irony of France's willingness to sell Russia a major warship that could be employed against Georgia even though Moscow has violated the cease-fire agreement Sarkozy negotiated with Medvedev. Obama administration officials are

uneasy about the deal, but, after French officials ignored the complaints of Robert Gates when the Secretary of Defense visited Paris in February, they have stopped trying to block it, at least in public. Although acknowledging the concerns of some European governments, NATO Secretary-General Anders Fogh Rasmussen has repeatedly declined even to object to the sale. Since he claimed to be shocked that Russia's recently released military doctrine considers NATO a threat, Rasmussen could hardly cite similar reasons to oppose the proposed transaction.

French commentators have stressed the domestic economic considerations behind the sale. Building the Mistral-class warships keeps over a thousand people employed at the STX shipyards in Saint-Nazaire. French Navy orders are about to end, so the shipbuilder, which is already laying off workers and selling shares to the French government in return for cash to stay afloat, desperately needs foreign clients. Aware of this vulnerability and seeking to make sure the French think that Moscow might turn elsewhere if thwarted in Paris, Russian government representatives have made indiscrete probes to shipbuilders in Spain, the Netherlands, and other countries about their possibly providing Mistral-like ships to Russia.

The Russian Navy sees buying the Mistral as helping to fill an important gap in Russia's defense assets. The Russian military lacks a large amphibious assault ship like the Mistral that can anchor in coastal waters and send troops ashore using helicopters and landing craft. The Mistral could also serve as an impressive command ship for naval task forces. Russian shipbuilders would find it difficult to construct such a complex vessel without foreign assistance. French officials have indicated they would not include any important weapons systems in the transfer, but the Russian military has recently begun to exploit French eagerness to complete the transaction by demanding the inclusion of additional military hardware and software in the sale. On March 25, Army-General Nikolai Makarov, the Chief of the General Staff, told the Russian government weekly *Rossiiskaya Gazeta* that "Russia's leadership and Defense Ministry have a clear position on the issue. Should a final decision be made on Mistral, we will purchase this ship only if it is fully equipped – with all control and navigation means and armaments. The only exception is the helicopters: these will be our own."

Russian shipbuilders have objected to the proposed purchase of the Mistral, arguing that the money would be better spent on buying Russian-made ships, which would generate jobs and revitalize domestic production. But it is unclear whether Russian naval designers and shipyards could soon construct such a large ship. If Russia purchases Mistral-class ships from France, they would cost at least 500 million Euros (US\$ 750 million) each and Russia would receive its first vessel in 2015. The Russian shipbuilding industry would probably take much longer to construct the ship, and the final costs could even exceed those of the

French option, given the lengthy delays and substantial cost overruns experienced with other Russian-made warships.

Opponents of the sale have frequently cited the unguarded remarks of Admiral Vladimir S. Vysotsky, the commander of the Russian Navy, to the effect that if a ship like the Mistral had been available during Russia's August 2008 war with Georgia, then the Russian Black Sea Fleet could have accomplished its amphibious operations in 40 minutes rather than the 26 hours they required. Yet, the direct combat contribution of a Mistral-class ship to another Russian attack would be marginal. Compared to the most advanced NATO warships, the Mistral's defenses are deficient in such areas as armoring, compartmentalization, fire-fighting, and systems redundancy. NATO militaries could easily sink a Mistral-like ship, though no NATO government seems prepared to defend Georgia with force. More importantly, the Russian Army demonstrated in 2008 that it can overwhelm Georgian defenses in a ground conflict. Since then, Moscow has enhanced its military potential against Georgia even further. Thanks to its new military bases Russia is acquiring in the breakaway regions of Abkhazia and South Ossetia, the Russian armed forces can now plausibly rapidly inflict damage on Georgia even without a navy.

IMPLICATIONS: The more disturbing effects of the Mistral sale are that it could help revitalize Russian military shipbuilding, which has never recovered from the breakup of the Soviet military-industrial complex. Russia's defense sector found it extraordinarily difficult to manage the transition from the integrated Soviet-wide command economy to a post-Soviet environment characterized by considerably reduced domestic demand and the widespread prevalence of free-market



conditions in which defense firms found themselves competing with other Russian companies for orders, supplies, and human resources.

For the past decade, Russia's shipbuilding industry, which depends heavily on military contracts, has been able to produce only a few small-sized warships each year. The recurring production delays and cost overruns associated with efforts to renovate the Admiral Gorshkov, sold to India in 2004, underscore the currently weak state of Russian shipbuilding. Similar weaknesses in Russia's aerospace sector have required the government to purchase unmanned aerial vehicles from Israel after the Georgian War highlighted Russia's inadequacies in this area.

Given these considerations, the Russian government has pressed France to allow Russia's shipyards to manufacture some Mistral-class warships under license. Russian negotiators have offered to buy the original Mistral outright, but want to produce additional Mistral-class vessels at home. The French government would like Russia to purchase at least two Mistral-class ships made in France. Under either arrangement, French engineers and other naval experts would modernize Russia's indigenous capabilities to produce Mistral-class ships. Russia could then use these modernized assets to construct other types of ships, for the Russian Navy or for export to China, Iran, Venezuela, or other Russian military allies. The Russian defense industry could receive an even greater boost if the

French consented to transfer additional military equipment with the ship. The Mistral's sale would also represent the largest defense transaction between Russia and a NATO country. Russian defense planners might hope it could establish a precedent allowing them to purchase additional NATO-made weapons, with further transfers of military technologies under license or through reverse engineering.

The Mistral transaction could also assist Russian efforts to strengthen its bilateral ties with major European governments. Russian diplomacy traditionally strives to negotiate with the large European countries separately rather than being confronted with a united front in NATO or the EU. Encouraged by Russian officials, Russian companies have been negotiating major commercial deals with France, Germany, and Italy to gain influence in these important states. Most recently, Russian diplomats have tried to secure support in these countries for a new European security treaty that Russian policymakers hope could weaken and constrain NATO's activities in Central Asia and the Caucasus.

CONCLUSIONS: The French government seems determined to complete the Mistral sale. Those concerned about the deal should direct their efforts at persuading French authorities to limit the number of ships included in the transaction and the amount of advanced technologies transferred to Russian shipbuilders constructing additional Mistral-class ships under license. The restrictions should apply to any post-sale supply and service contracts as well as the initial transaction. Ideally, NATO governments should prevent the issue from becoming a source of public intra-alliance divisions, but France's allies could justifiably protest should Paris unexpectedly reverse its stance about not selling Russia sophisticated electronics or weapons systems along with the ships.

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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.

KAZAKHSTAN AS A URANIUM POWER: FORTHCOMING SUCCESSES AND CHALLENGES

Marlène Laruelle

Throughout the 1990s, the uranium riches of Central Asia and the existence of nuclear weapons were mentioned only in the context of the denuclearization program that followed the disintegration of the Soviet Union. While international attention is focused mainly on oil and gas, the region is poised to rediscover its uranium resources and the potentially important role to be played by nuclear power in an area with a chronic deficit of energy. The exponential growth of nuclear power worldwide, and especially in Asia, draws attention to Kazakhstan, which seeks to exploit its potential.

BACKGROUND: After Australia, Kazakhstan is ranked second in the world for uranium reserves, with between 16 and 19 percent of the known global supply (between one million and 1.5 million tons). In terms of extraction, it placed third behind Canada and Australia in 2008, and hopes to be the lead world producer in 2010 with about 15,000 tons produced, and a potential of 30,000 tons by 2020.

Kazakhstan is the only state in Central Asia to have set up an ambitious development program for its civil nuclear industry. By 2015, Astana expects to control 30 percent of the global market for uranium, but also 12 percent of the conversion market and 6 percent of enrichment. It also wants to export small and medium sized reactors (50 to 100 megawatts) to many countries that need nuclear power but do not want to invest in the entire production cycle. A new power plant is planned in Aktau, on the site of the former Soviet center, for 2017. With the exception of gasification and enrichment, the state-run company Kazatomprom controls the entire nuclear cycle and seeks to acquire new technologies with the help of foreign partners. Only the last phase of enrichment, which is extremely sensitive since it

theoretically allows for the military use of uranium, is done abroad and intended to stay there.

Russia occupies a special place in Central Asian uranium, for obvious historical reasons as the development of this sector took place during the Soviet period. In 2006, Moscow and Astana signed an intergovernmental program for cooperation in the civil nuclear sector, which includes several cooperative agreements totaling approximately 10 billion dollars: the joint venture *Atomnye Stantsii*, whose mission is to build the reactor in Aktau and develop the production and sale of small and medium size reactors, the VBER-300, to third countries; the operation of two sites in Kazakhstan (Zarechnoe and Budenovskoe); and the construction of an enrichment plant at the Angarsk facility. In 2013 this plant is expected to produce approximately 750 kilograms of low enriched uranium, which will be repatriated to Kazakhstan to fuel power plants. It will use “black box” technology for the Kazakh scientists, who will have no access to the methods of enrichment. Kazatomprom also came up with 10 percent of the investment capital for the International Uranium



(David Bily, AFP, Getty Images)

Enrichment Center (IUEC), adjacent to the Angarsk plant, which aims to become a fuel bank to internationalize the cycle of nuclear production and to ensure control of enrichment. Operational after 2011, it will enrich uranium for partner countries such as Ukraine, Armenia, Mongolia, and perhaps South Korea.

Since the disintegration of the Soviet Union, major Western companies have established themselves in the Kazakh market and have been well received by the authorities, eager for new collaborations. General Electric signed a memorandum of understanding with Kazatomprom, without yet creating any concrete partnerships. Since 2007, the alliance between Kazatomprom the U.S. firm Westinghouse is growing. The French have also gained a foothold on the market: after Niger and Canada, Kazakhstan is now the third largest French partner for the production of uranium. Through this partnership, Areva seeks Asian markets, with which Kazatomprom has established strong partnerships.

Largely dominated by Russia, Canada, and Australia in the 1990s, Asian powers are increasingly investing in the Central Asian uranium sector. Japan was the first to assess the importance of the Kazakh market, which will provide one quarter of Japanese uranium needs, a figure that could climb to 40 percent. China is even more active. Since 2006 and 2007, several cooperation agreements were signed between Kazatomprom and the Guangdong Nuclear Power Group (CGNPC). In 2008, a tripartite strategic partnership between the Kazakh national company and two Chinese state companies, CGNPC and the China National Nuclear Corp. (CNNC) made Kazakhstan the largest foreign supplier of uranium to China. Overall, Kazakhstan is expected to provide about 24,000 tons of uranium to China by 2020. In 2008, the Korea Electric Power Corp. (KEPCO) signed an agreement with Astana to import slightly over 3,000 tons of uranium between 2011 and 2017. The situation is different for India, which has long been marginalized in the uranium market by refusing to accede to the Non-Proliferation Treaty. However, nuclear power is now perceived as a major niche of Indian-Kazakh partnership and several areas of cooperation are planned, including uranium mining, staff training, and fuel for India's nuclear industry.

IMPLICATIONS: After hydrocarbons, uranium promises to be one of the major

elements positioning Central Asia on the global energy market. For Kazakhstan, the stakes are not only financial, but they also arise in terms of power. The establishment in a decade of a civil nuclear power program confirms the long-term ambitions of Astana on the international stage. Although the country still lacks the human resources and techniques to achieve its ambitions, it has managed to diversify its partnerships, which offer real prospects.

However, the concerns of the international community are still numerous. As a member of the Central Asian Nuclear Weapon Free Zone, Kazakhstan has pledged not to import radioactive waste and reduce that which is already within its territory. The Kazakh authorities are ill prepared for the consequences of increasing exploitation of uranium and do not have yet the technical and human capacity to cope with the waste or a nuclear accident. Across the region, the fate of uranium waste remains opaque. Inexperienced in this realm, the Kazakh authorities handle dangerous elements in a place where regional stability is not ensured. Central Asia could indeed become an area of trafficking of radioactive products, concerns to be taken seriously in light of the high degree of corruption of state apparatuses and the lack of stability in Kyrgyzstan and Tajikistan.

Then, the issue of long-term safety remains problematic. Although Kazakhstan is serious about the standards of the Non-Proliferation Treaty and is not suspected of seeking to have a military nuclear arsenal, the rise of a new nuclear power player, even a civilian one, in a particularly sensitive part of the world can only raise questions. None of the Central Asian states have signed partnership agreements with Tehran in the nuclear sector, but Kazakhstan has not hidden its interest, in theory, in helping

the Iranian nuclear power program through the sale of uranium fuel. In 2009, Astana even offered to host on its territory a fuel bank that Iran could use for civilian purposes. For Astana, Iran is a potentially important customer as a key regional power in the region, and the international tension surrounding its nuclear program has had a negative impact on the development of Kazakh civilian nuclear power.

In addition, Kazakhstan's main partners, such as Russia and China, have pursued more favorable policies for the reintegration of Iran into the international community, increasing concerns about the forced recruitment of Kazakhstan into a Russia-Chinese-Iranian nuclear triangle, which Western countries would consider dangerous.

CONCLUSIONS: The scandal that in 2009 involved the arrest of Kazatomprom director Mukhtar Dzhakishev, accused of having illegally sold almost 60 percent of the country's deposits to foreign buyers, reveals the power struggle surrounding the control over the fledgling management of the uranium sector. Moreover, Kazakhstan's legitimate nuclear energy ambitions must not fail to take into account the fact that the Central Asian states still have major energy deficits. While an essential component of economic growth, the region is currently hampered by its lack of electricity resources.

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KAZAKHSTAN CONTINUES RESOURCE NATIONALISM IN KARACHAGANAK

Robert M. Cutler

Kazakhstan looks set to continue the implementation of a strategy designed to reclaim its national influence in the decision-making over the scale and pace of industrial expansion in significant natural resource development projects. Having achieved such an outcome over several years as regards the restructuring of the consortium that develops the offshore Kashagan oil (and associated gas) deposit, Kazakh government officials last month initiated moves that could bring about a similar result as regards the Karachaganak natural gas deposit.

BACKGROUND: During a decade of relative weakness after independence in 1991, Kazakhstan negotiated a series of agreements with international energy consortia, in which world-class Western companies were the principal shareholders, which it has since sought to revise by various means, not without success. The new policy direction, designed to reclaim some national influence in this extremely important economic sector, had its origins nearly a decade ago as world prices for hydrocarbon energy resources began to recover from a low in the late 1990s. It has only accelerated and been made explicit in recent years.

In 2003, Kazakhstan invoked the need to implement international standards in its bookkeeping practices so as to assert that TengizChevrOil (TCO), the company developing the huge Tengiz oil deposit, should be subject to a greater tax burden, or at least should not avail itself of certain legal means to reduce that burden, and should not delay investment that it had begun to withhold as a protest against such pressure. At the same time, the forums for international arbitration were still unspecified under the 2003 law (while subsequent legislation in Kazakhstan has raised the possibility that domestic courts would have

the authority to review any judgments or awards decided elsewhere).

The national company KazMunaiGaz (KMG) also played a role in blocking TCO's plans. After the latter also came under juridical pressure for environmental violations, the original investment plan was agreed, and President Nursultan Nazarbayev signed a new foreign investment law that he said did not, nevertheless, affect existing investment projects (although the fine print in this law left that important aspect ambiguous).

It was around this time that the fate of the Karachaganak natural gas deposit entered into play. Discovered in 1979 and with production beginning in 1984, it has always sent its outputs to the gas processing plant in Orenburg. Never an international political problem while the Soviet Union existed, this route now crosses the international boundary between the now-independent Republic of Kazakhstan and the Russian Federation.

IMPLICATIONS: Phase Two of the Karachaganak development began in 2000 and was successfully completed in 2004, but the further development of the deposit has stagnated since, at slightly over 7 billion cubic meters per year (bcm/y). The planned Phase



(ENI)

Three would more than double that, but it has been on hold because Russia has not upgraded and expanded the Orenburg plant, as it had agreed in principle with Kazakhstan to do even in 2005. Five years later, there is still no binding and official joint venture agreement between Gazprom and KMG.

During the last half of the decade, the idea has several times been weighed against running a pipeline westwards from Karachaganak rather than eastwards. However, each time this was broached, Russia would make motions towards concluding the aforesaid joint venture, and the

prospect of the gas going elsewhere than to Orenburg would evaporate.

In the context of a summit meeting between Presidents Nazarbayev of Kazakhstan and Dmitry Medvedev of Russia last September, Kazakhstan's minister of energy and natural resources Sauat Mynbaev appeared to blame the delay on decision-making procedures within the Karachaganak consortium itself. This was also Kazakhstan's earlier complaint about the Kashagan consortium, a concern that led to further revisions in the Kazakhstani legal regime governing the

development of hydrocarbon energy deposits in the participation of foreign entities in that development.

In November 2007, Nazarbayev approved amendments to the Kazakhstani law on such matters, allowing the government to alter or revoke contracts for natural resource development and use that it decided ran counter to the country's national security. The concerns about Kashagan were the same as those that earlier complicated the Tengiz development: delays in implementing production plants, increasing costs and disputes over how to cover

them, and also allegations of violations of environmental legislation.

In the event, the Kashagan exploration consortium restructured itself, giving KMG a plurality stake marginally larger than any of the other partners and providing for the entry into operation of a successor production consortium on such a basis. While KMG is not a joint operator of the project, it does provide the personnel for the permanent secretariat of the new consortium's executive, responsibility for which will rotate among its other corporate members.

The consortium at Karachaganak is already disgruntled over new taxes while KMG reportedly claims that postponement of investment has almost doubled the cost of Karachaganak Phase Three to US\$ 14.5 billion from the earlier estimate of US\$ 8 billion. Prosecutors in Kazakhstan have revealed that the Karachaganak consortium was fined US\$ 210 million for environmental violations from 2008. Tax claims amounting to US\$ 136 million (comprising back taxes, late payment penalties, and fines) are reportedly under preparation: and that for calendar year 2004 alone. Meanwhile, the consortium is negotiating with the government to sell it a 10 percent interest in the field in order to settle a dispute in which it is seeking to recover over US\$ 1 billion in export duties.

At the same time the government, following a directive from President Nursultan Nazarbayev, has begun to draft new rules for general application that would abolish tax exemptions granted in the 1990s to foreign companies involved in large hydrocarbon energy projects. Knowledgeable observers

suggest that they will enter into force within the next twelve months. One report mentions a mineral extraction tax of from 5 percent to 20 percent and an export rent tax of between 2 percent and 32 percent. These rules implement the strategic direction laid out by Prime Minister Karim Masimov two years ago in consequence of a public speech by Nazarbayev, seeking explicitly to "recover a balance of the country's interests" in "strategic objects." The government can now just cancel contracts if foreign partners fail to meet their obligations.

CONCLUSIONS: While it is difficult not to be sympathetic to Kazakhstan's wish to redress any position of relative weakness into which it may have been thrust by an unequal negotiating position in decades past, at the same time the unilateral revision of contracts or imposition of new duties that violate the so-called "stabilization clause" (called "sanctity of contracts" in short-hand) may not promote international investor confidence. Today, however, Kazakhstan is deepening its energy ties with China and may not feel so much dependent upon the industrialized West as it once did. The fact that international energy companies regularly fail to publish the terms of their contracts (regarding them as industrial secrets) makes it all the more difficult to judge who is at greater fault in the matter in the long term and what the new measures do or do not do, to establish greater equity between the parties.

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OPPOSING KURULTAIS HELD IN KYRGYZSTAN

Asel Murzakulova

On March 23-24, President Kurmanbek Bakiev initiated a national civil forum in Kyrgyzstan through the Kurultai of Consent, a traditional form of public gathering, which coincided with the fifth anniversary of the Tulip Revolution. On March 17, the opposition held an alternative Kurultai on the eighth anniversary of the “Aksy- events”, when six people were killed during antigovernment manifestations. The two events signify an emerging type of interaction between government and opposition and a struggle for improving their public legitimacy, a resource clearly lacking for both sides.

BACKGROUND: The issue of gaining social support is becoming acute especially for the supporters of the president, and calling a Kurultai in this context is a political maneuver in a deteriorating socio-economic situation. The wintertime energy deficit caused tripled tariffs during the last three months of 2009, while the income tax was raised to 20 percent in the beginning of 2010. These numbers might not seem that significant, but taking into account that the average income in Kyrgyzstan is US\$ 60 and the average pension rate is US\$ 30, it becomes clear that the potential for social unrest is increasing. The Bakiev administration has implemented privatizations of the energy sector, where the distribution company “North-electro” was according to some sources sold for US\$ 3 million, while independent estimates have assessed the company’s value to US\$ 154 million. The construction works of the hydro-electrical stations Kambar-Ata I and II are postponed indefinitely, also freezing the promised Russian investments of US\$ 2 billion for these projects.

In light of these events and with the help of the president’s majority in parliament, a constitutional reform was passed. Constitutional amendments initiated by the pro-presidential party “Ak Zhol” allowed the

establishment of a new institution – the State Conference – with the authority to appoint a person performing the president’s functions in case of the elected president’s disability or death.

On January 21, President Bakiev signed the Decree to call the Kurultai of Consent as an answer to the rise of social discontent. The official justification of the Kurultai was a “need to provide national dialogue for the formation of a new political nation”. According to Bakiev’s television appeal, the Kurultai should stimulate social mobilization. A total of 750 delegates participated, 150 of which were appointed by the president’s quota. Quotas were provided for religious minorities, with ten places for Muslim leaders, five for the Protestant Church, three for the Russian Orthodox Church, and one place each for Buddhist and Jewish leaders, according to Kanybek Osmonaliev, head of the state committee for religious issues. In addition, 35 Kyrgyz citizens working abroad as labor migrants were included. Other participants were chosen through open voting by local communities.

The Kurultai is not allowed to take decisions but as was mentioned by Sultan Jumagulov, one of the organizing leaders and head of the



(AFP)

expert-analytical service under the president, “discussions might serve as a base for further decisions of the president”.

The opposition refused to take part in the Kurultai. This decision was taken in a session of the United People’s Movement (UPM), uniting six leading opposition parties. The UPM’s members believed the Kurultai of Consent would turn into a “formal meeting” aiming to “justify the ruling elite’s activities, including the privatization of strategic sectors and constitutional reform”. The opposition instead decided to call a Kurultai of “Discontent” with the ruling elite’s policies on March 17, the anniversary of the Aksy events.

IMPLICATIONS: From the end of 2009 and beginning of 2010, the holding of Kurultais at different levels is becoming a regular feature of the political process in Kyrgyzstan, where

regional and tribal groups have held civil forums aimed at deciding questions of social representation. In this context, Bakiev asked the delegates of the Kurultai: “Can we preserve our family and kinship relationships and at the same time develop our statehood, based on equal rights for all?”. This question is also of interest to opposition leaders, considering the family rule of the president and the alleged planned succession to his son Maksim Bakiev. Despite the confrontational tone of some speakers at the Kurultai, including calls to reconsider the conviction of former Minister of Defense Ismail Isakov to eight years in prison and criticism of the one-sided mass media coverage and blocking of Internet resources, the Kurultai introduced a new institution to the already existing entities run and controlled by the authorities.

The opposition's Kurultai gathered between 1,500 and 3,000 people, according to different estimates. Four principal issues were discussed: the planned succession of Maksim Bakiev; the persecution of political views opposed to those of the government; the results of privatizations; and the implications of rising taxes. Debates on these issues were followed by thoughts and discussions about the results of the March revolution and the causes of current problems, which allegedly resemble those under former president Askar Akaev, when the opposition frequently held such forums. The opposition's Kurultai however failed to produce any wider resonance. The main outcome was the submission of a protest letter to the president, the delivery of which was followed by the imprisonment of 20 persons, however information about these events was blocked by local mass media.

While the holding of Kurultais hardly served to reduce existing tensions between the ruling elite and the opposition, or those between state and society, they did draw attention to the lack of representative institutions in the political system.

The absence of such institutions constitutes an important problem in Kyrgyz politics, as the parliament, the Jogorku Kenesh, is under constant pressure from the executive branch. A fear of what a strong parliament would imply for the possibilities of opposition parties to increase their power has led to the total control of the Jogorku Kenesh by the president and his party, which has the majority of seats and appoints government officials and judges at all levels.

The Kurultai is essentially duplicating the representative function of the parliament, and the parliament's weakness implies a need for other representative institutions. In

Kyrgyzstan, the main such institutions consist of the President's conference, the Social Chamber, and now the Kurultai of Consent. Although the goals of the Social Chamber and the Kurultai are overlapping, the weak support for the Social Chamber is one reason for the holding of Kurultai. The ruling elite need a new institution which is not formally dependent on the president, but will be able to propose initiatives especially during crises, when the ruling elite may decide to take unprecedented steps. Initiatives proposed in the Kurultai could serve to legitimize radical actions, after which the formal institutions, such as the parliament and the judiciary, would legitimize them as well.

CONCLUSIONS: The call for Kurultai is not a new phenomenon in Kyrgyzstan, president Akaev frequently called Kurultais during political and economic crises. The Kurultai is thus a rather functional instrument in Kyrgyzstan's politics, the main purpose of which is the forum itself, rather than the result. The call for a Kurultai demonstrates both the lack of legitimacy for the parliament as a representative body and the inefficiency of the proportional electoral system under which the current parliament was formed. Obviously, the lack of communication between parliamentarians and local communities also contribute to the lack of legitimacy for the parliament. Social support is becoming a critical political resource in Kyrgyz politics and the two March events signaled a new struggle for legitimacy between power and opposition in preparation for the 2010 parliamentary elections.

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FIELD REPORTS

NO BREAKTHROUGH IN KARABAKH TALKS

Haroutiun Khachatrian

The latest meeting between the Armenian and Azerbaijani presidents in Sochi on January 25 was marked by some progress in agreeing on the Basic principles for the settlement of the Nagorno-Karabakh conflict, giving rise to certain expectations of further rapprochement. In particular, it was reported that during the meeting in Sochi, which was organized by Russian President Dmitri Medvedev, presidents Ilham Aliyev and Serzh Sargsyan reached an agreement on the preamble of the Basic principles of a settlement on Nagorno-Karabakh. It was also reported that shortly before the Sochi meeting, an amended version of the Madrid principles of the Karabakh settlement were presented by the mediators (the three co-chairs of the OSCE Minsk group, the U.S., Russia and France) to the two presidents. If agreed upon, the Madrid principles were to serve as the basis for completing the Basic principles of the settlement. In turn, the Basic principles are expected to be the foundation of a future Peace agreement.

While Azerbaijan stated in early March that it finds the amended Madrid principles satisfactory for continuing negotiations, Armenia has reportedly presented some new proposals concerning these.

The Madrid principles, initially made public in late July by the co-chairs of the OSCE Minsk group at the G8 summit in L'Aquila, Italy, contained a great deal of uncertainty. In particular, they included provisions for the return of Azerbaijani refugees to Nagorno-Karabakh and the territories around it, and for holding a plebiscite for determining the future status of Nagorno-Karabakh. However, Armenia and Azerbaijan had opposite opinions about the priority of these events. Azerbaijan insisted that

refugees should return first, while the Armenian position is that refugees can return only after the final status of Nagorno-Karabakh is established. The contents of the "amended" version of the Madrid principles has not yet been disclosed, nor was the content of the agreed preamble of the Basic principles published. In early March, the foreign ministers of Azerbaijan and Armenia had intense contacts with high-ranking diplomats in Moscow and met with the Minsk group co-chairs in Paris on March 5 and March 16, respectively.

The presidents of France and Russia had stated at a summit in Paris on March 2 that the two countries were determined to work together on the Nagorno-Karabakh problem. On March 9, the President Sargsyan paid a three-day working visit to Paris and had a meeting with French President Nicolas Sarkozy. Thus, Russia and France seem to be the principal pair of mediators at this stage of the talks.

On March 20, Sargsyan made a suggestion to Azerbaijan to sign an agreement with Armenia on avoiding the use of force. In an interview with EuroNews, he claimed such an agreement would "instill trust in the Armenian people of Karabakh and Armenia", as trust is what the sides lack for reaching success in the settlement process. Azerbaijan responded that it would sign such an agreement only if Armenia concedes that Nagorno-Karabakh is part of Azerbaijan. This implied a *de facto* refusal of the Armenian proposal on Baku's part and a continued threat of the use of force as an option in the Karabakh issue.

Meanwhile, officials on both sides continue to make public statements in favor of their preferred versions of the settlement process, and nothing new

is said about progress in amending their positions. The positions continue to be mutually exclusive as Azerbaijan considers Nagorno-Karabakh to be Azerbaijani territory and Armenia refuses any reduction of the region's current status as *de facto* independent.

It appears that the recent intense contacts have not resulted in any acceleration of the settlement process. The three Minsk group co-chairs arrived in the region on March 29 for the next round of negotiations. The impression is that the Minsk group-led negotiations are as slow as before, and the high-level contacts between the conflicting parties and the mediators have failed to result in any breakthrough. In addition, the domestic political situations in Azerbaijan and Armenia are not favorable to any significant compromises.

The Azerbaijani authorities will find it difficult to implement the proposed solutions to the Nagorno-

Karabakh issue due to a prevailing mood in Azerbaijani society unfavorable to compromise, a mood which the authorities have encouraged rather than pacified. In Armenia, a wave of resistance is mounting against a possible withdrawal of Armenian forces from the territories around Nagorno-Karabakh, which is the formula of the compromise the authorities have long suggested (territories against recognition of independence of Nagorno-Karabakh from Azerbaijan). An increasing number of parties, including the ARF Dashnaktsutiun, a former member of the ruling coalition, term these territories "liberated" rather than "occupied," implying that they, like Nagorno-Karabakh proper, should be considered historical Armenian lands and that returning them to Azerbaijan would endanger the security of Nagorno-Karabakh and Armenia.

U.S. STATE DEPARTMENT CONCERNED OVER HUMAN RIGHTS IN GEORGIA

Maka Gurgenzidze

The U.S. State Department's 2009 Human Rights Report expresses concern over cases of human rights violations and the state of media freedom in Georgia, while it also notes positive steps taken by the government towards continued democratic development in the country.

The report was published on March 11 and is based on records provided by international organizations, local NGOs, the Public Defender's Office, and the U.S. embassy and consulate service in Georgia. The document highlights two main points of concern regarding the development of the human rights situation during 2009. First, a "limited accountability" of government officials is reflected in the excessive use of force by law enforcement officers, including kidnappings and assaults, suspicious imprisonment, dispersal of demonstrations, violations of property rights and

pressure on the judiciary bodies. The report terms such human rights abuses as "politically motivated", especially in light of the prolonged investigations of crimes committed against opposition leaders. Further, the report points to the practice of conducting search, undercover or monitoring operations without court approval, which is in violation of legal norms. According to the report, the existence of high-level corruption demonstrates the privileged position of officials before law. While low-level corruption has largely been eliminated through the implementation of effective provisions, high-level corruption has largely been counteracted through *ad hoc* approaches, and has resulted in "prosecution as opposed to prevention".

The report's second concern relates to a lower level of media freedom compared to the records of 2008. Not only government officials but also opposition

leaders exercised influence over particularly broadcast media last year. “The marked decline” of free media environment can be noted from June 2008, and was signified by a reduced number of analytical talk shows, the suspension of news programs at Mze (a pro-governmental national channel) and the replacement of Imedi’s director by former government spokesperson Giorgi Arveladze. In addition, the three most popular TV channels – Rustavi 2, Imedi and the Public Broadcaster, have sought to avoid “factual and informative debates between members of the administration, the ruling United National Movement party and opposition politicians” since that time. Though the pro-opposition TV channels Kavkasia and Maestro provided such programs during the period, they failed to produce objective editorial positions and were limited in their geographic coverage.

These two concerns are amplified in the conflict zones, which remain outside government control. “Deprivation of life, abduction, and arbitrary arrest and detention” is common practice by Abkhazian and South Ossetian authorities, as well as Russian military forces in these regions, especially against ethnic Georgians.

Despite the problems observed in the development of the human rights situation, the report finds the introduction of a new Criminal Procedure Code (CPC) and amendments to the Electoral Code (EC) as positive steps towards democratic development in the country. The new CPC, which will come into force in October 2010, is intended to improve the protection of legal rights for the arrested during pretrial detention and court proceedings by introducing provisions to speed up the trial process, as well as more progressive terms for bail and legal advice. It also establishes equal rights for the prosecution and defense in collecting and presenting evidence.

The report also notes that in response to the political protests in spring 2009, the government changed the composition of the Central Election Commission (CEC) by splitting seats equally between the opposition and the ruling party. In addition, the amended EC, passed in December 2009, establishes direct elections for Tbilisi mayor.

Nevertheless, the 2009 Georgia Human Rights report generally mirrors the fragility of the country’s external and internal policy. For example, the increased level of external threats likely catalyzes “politically motivated” human rights abuses. The fact that thousands of Russian troops are deployed 30 kilometers from Tbilisi naturally provokes feelings of insecurity, which compel the government to bolster a loyal group of politicians that will not easily be co-opted by external forces as long as high-level corruption is tolerated. Control of the broadcast media is potentially another tool for preventing unrest within the country that could erupt due to acute social problems (the minimum wage for public employees is US\$ 68 per month and for private sector workers around US\$ 12; salaries that do not guarantee the standard of living for workers, the report says). The state’s weak financial capacity also impedes the improvement of conditions in prisons and pretrial detention facilities, the protection of peoples with disabilities (the number of registered disabled is 139,354 in the country), as well as the broader inclusion of ethnic minorities’ in political life.

The combination of external pressure and a dire economic situation currently seems to imply the formation a type of “defensive policy”, prioritizing political stability. While this policy has its clear rationale, it currently tends to be conducted at the detriment of human rights.

FAKE WAR – REAL CONSEQUENCES?

Jenny Söderström

On March 13, the Georgian television audience was – unknowingly – subjected to what can be described as a large-scale socio-psychological experiment. In a special edition of its prime-time news bulletin, one of Georgia's bigger TV channels, Imedi, broadcasted a mock report of a Russian invasion of the country. An announcement before the show explained that a fictive 'special report' would follow, illustrating a worst-case scenario of how the situation in the country could develop, if Georgian society does not unite against Russia. However, no caption was displayed during the 30-minute program, entailing that viewers who missed the announcement saw what they believed was a report of real events.

According to the report, political turmoil after local elections and an attempt on the life of South Ossetian secessionist leader Eduard Kokoity had triggered a Russian military attack on Georgia. In addition, President Saakashvili was reported assassinated. With the Georgian-Russian war of 2008 in fresh memory, many Georgians panicked as they saw (archive) footage of Russian tanks and troops advancing. People started stocking up on food, petrol and cash and mobile networks went down as people tried to get in touch with relatives and friends. Another feature of the report was the portrayal of opposition leaders Nino Burjanadze and Zurab Nogaideli as instigators of the political instability and as siding with the Russians. Burjanadze and Nogaideli both recently visited Moscow to meet with Prime Minister Vladimir Putin, a move that was criticized by the Georgian government.

The report was condemned by the opposition and sparked protests against Imedi television as well as the government, which is accused of giving its consent to the show – and by some, even of having scripted it. The government's motive would allegedly have been to undermine and cause further splits in the already divided opposition ahead of the

local elections scheduled for May this year. Government officials strongly refute these allegations, and underline that Imedi is a privately-owned TV-station. However, the ownership relations of Imedi remain unknown and the head of the company is a former government member and a close ally of President Mikheil Saakashvili. Speculations about government involvement were intensified in the week following the show, as recorded phone conversations surfaced between Imedi staff on one hand and government officials on the other, seemingly confirming the rumors. The authenticity of these recordings is disputed, however, and they have been discarded by officials as a product of the Russian security services.

The President's response to the incident has also been taken as an indication that the 'special report' was produced with the government's knowledge. In a public meeting on the day after the incident, the President seemed to defend the program, saying that there should have been a caption announcing that the news bulletin was fictive, but that it nevertheless portrayed a very realistic scenario of what the enemy, i.e. Russia, is planning. This was sharply criticized in Georgia and the following day the President expressed a different view, underlining that the report was harmful to society and that the events depicted in the show were unrealistic. He also called upon the media to treat journalistic standards responsibly. Parliamentary speaker and Saakashvili ally, David Bakradze, however, clearly condemned the report from the beginning, stating that it was impermissible to produce programs that shock people and scare off investors.

Regardless of the government's possible role in the 'special report', and regardless of whether it will have any effects on the upcoming elections, Georgia will have to bear its broader consequences. The episode has played right in the hands of Russia and the breakaway regions, which could use it to their

advantage in the conflict resolution process or as a pretext for confrontational counter-measures. South Ossetian leader Kokoity has stated that the TV show is a provocation that should be addressed in the next round of peace talks in Geneva. Russian officials blame the incident directly on President Saakashvili and draw parallels to the developments leading up to the war in 2008. The Russian representative to NATO, Dmitry Rogozin, has taken the rhetoric further, stating that Georgia is preparing for war. The official Russian response to the incident, however, has been rather restrained and is more or less in line with the reactions of other key actors, such as the EU and the U.S., pointing out that the action is irresponsible and could lead to increased tensions in the region.

The incident has, moreover, tainted Georgia's image in the eyes of the EU, whose leaders have been emphasizing the significance of adhering to democratic principles before and during the

upcoming local elections, and the importance of a constructive conflict resolution process. Although José Manuel Barroso, President of the European Commission, in recent statements reiterated the EU's strong commitment to democracy in Georgia and its support for Georgia's territorial integrity and conflict resolution efforts, he also pointed to the discrepancy between goals and reality in the country.

The EU's Eastern Partnership, launched last year, offers Georgia an opportunity for closer ties with the Union and might in the long run also result in concrete support for its territorial integrity. Such a development, however, is dependent on Georgia's own performance and democratic progress. Considering that Georgia is currently trying to garner support and allocate funds for its recently adopted strategy for engaging with South Ossetia and Abkhazia, the timing is – mildly put – unfortunate.

U.S. AIRBASE LIKELY TO STAY IN KYRGYZSTAN

Joldosh Osmonov

As the one-year agreement on the U.S. airbase at Manas is at the point of renewal, recent visits of high-ranking U.S. officials to Kyrgyzstan are largely viewed as intended to ensure a prolongation of the deal. At the same time, the growing military cooperation between the U.S. and Kyrgyzstan may complicate Bishkek's relations with Moscow.

Two U.S. delegations, one headed by the U.S. Special Envoy for Afghanistan and Pakistan Richard Holbrooke, and a second by the Commander of the U.S. Central Command, General David Petraeus, have visited Kyrgyzstan within the last few weeks. Both U.S. officials have expressed their gratitude to the Kyrgyz authorities for their contributions to Operation "Enduring Freedom" in Afghanistan. "We have a very important transit center in Kyrgyzstan. Every month, up to 35,000 U.S. military servicemen transit

to and from Afghanistan through the center. We are very grateful to Kyrgyzstan for its support", stated Holbrooke at the end of his trip to the region.

In turn, Kyrgyz President Kurmanbek Bakiyev provided assurances that cooperation will continue during his meeting with General Petraeus. "The primary challenges and threats to the Central Asian region's security come from Afghanistan. From this point of view, Kyrgyzstan is interested in maintaining security and stability in Afghanistan and will continue efforts to rebuild the country along with the international community," the Kyrgyz leader said.

Most political experts agree that the primary objective of these high-level visits is to retain the U.S. Transit Center at the Manas airport near Bishkek. "As the current agreement is to expire soon, Americans want to make sure that the

prolongation of the agreement goes smoothly,” said local military expert Orozaly Moldaliev.

However, despite Kyrgyzstan’s “obvious willingness” to contribute to the rebuilding of war-torn Afghanistan and recent mass media publications on the ostensibly signed new deal on the prolongation of the rent for the transit center, no official agreement has yet been signed. As Kyrgyz Minister of Foreign Affairs Kadyrbek Sarbaev stated in an interview, “the one-year agreement on the U.S. Transit Center was signed on June 22, 2009; it is thus too early to talk about its extension”.

It should be noted that the current agreement foresees an automatic prolongation of the rent for next year unless one of the sides terminates it 180 days in advance. In addition, U.S. authorities have allocated US\$ 5.5 million for constructing an anti-terrorist training center in the most fragile and remote region in the south of the country. According to the spokesperson of the U.S. Embassy in Bishkek, “the center in Batken oblast will belong to the Kyrgyz government and will be used to train Kyrgyz military and security forces. Construction of the center will start next year”.

Last summer, the Russian and Kyrgyz Presidents signed a memorandum on military cooperation that foresaw the deployment of Russian troops and the creation of a joint anti-terrorist training center in the south of the country under the auspices of the Collective Security Treaty Organization (CSTO). Kyrgyz authorities have offered the Batken region also for this purpose. Russia was hoping for it to be located near Osh city, Kyrgyzstan’s second largest city. According to previous arrangements, the final agreement was supposed to be signed before

November 1, 2009, but remains inconclusive due to unknown reasons.

Local political experts claim that the construction of the training center will affect relations between Moscow and Bishkek negatively. “Such a demonstrative initiative of the Kyrgyz authorities challenges Russia. From a military standpoint, any American military base or training center in Kyrgyzstan cannot threaten Russian interests since Moscow dominates the region in any case. However, it is a serious political challenge to Moscow”, Bishkek-based political expert Alexander Knyazev stated.

The training center is part of the military and humanitarian assistance pledged by the United States to Kyrgyzstan. According to the agreement on the Transit Center, in addition to the US\$ 60 million rental fee, the American government assented to contributing an additional US\$ 110 million on military and humanitarian projects during the year. Other U.S.-sponsored projects that were already implemented include the construction of a military hospital near Bishkek and a training compound for “Scorpion” Kyrgyz Special Forces in Tokmok city, in the north of the country. Along with military and security assistance, the U.S. government has supported several humanitarian projects, such as building a Center for Support of Women in Shopokov and reconstructing one of the rural high school buildings near Bishkek.

Considering that the U.S. is meeting its obligations and providing substantial military and humanitarian assistance to Kyrgyzstan, it is most likely that the agreement on the Transit Center will be prolonged.

NEWS DIGEST

KAZAKH OIL COMPANY LEADERS MEET WITH STRIKING WORKERS

17 March

Regional government officials and KazMunaiGaz oil and gas company managers are holding talks today with striking oil workers in the southwestern town of Zhanaozen, RFE/RL's Kazakh Service reports. KazMunaiGaz President Qayirgeldy Qabyldin visited the town on March 16 and held talks with the strikers. The two sides agreed to set up a conciliation commission to discuss the strikers' demands. Union leader and striker Tabyrgenov told RFE/RL that the strikers elected 12 delegates to take part in the conciliation commission, which has begun its work. Several thousand workers at OzenMunaiGaz, a KazMunaiGaz affiliate, have been on strike since March 4. They are demanding the replacement of the official trade union leader; the annulling of the decision to change the workers wage scale, which they say reduced their wages; cuts in their annual work output; and the resignation of OzenMunaiGaz's director. The last demand was met on March 16 when OzenMunaiGaz head Baqytqali Biseken was fired. Union leader Ergenov says the strike will continue during the talks within the framework of the conciliation commission. (RFE/RL)

TAJIK, TURKMEN PRESIDENTS DISCUSS AFGHANISTAN, WATER RESOURCES

18 March

Tajik President Emomali Rahmon has held talks in Dushanbe with visiting Turkmen counterpart Gurbanguly Berdimukhammedov, RFE/RL's Tajik Service reports. Rahmon told a joint press conference that the talks focused on the use of water resources, including for hydroelectric power. He stressed that the international community knows that Tajikistan suffers from a deficit of electricity during winter. "Tajikistan's firm position in the area [of energy] is not only to meet the legitimate and logical need to use its natural resources, including water, to provide the country's economy and

population with vital energy, but also to take into account our common regional interests," Rahmon said. Rahmon said that the positions of his country and Turkmenistan on Afghanistan, as well as on the fight against terrorism and drug-trafficking, coincide. He added that two countries have invited Afghanistan to cooperate in projects involving communications, roads, and gas pipelines and power lines linking Tajikistan and Turkmenistan via Afghanistan. Six bilateral economic and cultural agreements were signed. According to Rahmon, they cover cooperation in transport, air communications between the two countries, hydropower, natural gas, labor, and migration. Berdimukhammedov also indirectly rejected criticism from other countries in the region of the construction under way of a massive reservoir in the Karakum Desert in Turkmenistan. Tajik Foreign Ministry spokesman Davlat Nazriev told RFE/RL that Berdimukhammedov will travel tomorrow to Rahmon's native town of Danghara in southern Tajikistan to celebrate the Norouz spring holiday there. (RFE/RL)

NABUCCO SET FOR 2011, SPOKESMAN SAYS

18 March

Shareholders in the Nabucco natural gas pipeline for Europe are determined to launch construction on the project in 2011, a spokesman said in Azerbaijan. European lawmakers this month allocated \$270 million for the Nabucco gas pipeline. The 2,000-mile pipeline is meant to break Russia's grip on the regional energy sector by moving 1.1 trillion cubic feet of Middle Eastern and Central Asian gas to Europe each year. Christian Dolezal, the spokesman for the Nabucco gas pipeline consortium, told the Azeri news agency News.Az that Nabucco partners were optimistic about construction objectives. "Nabucco construction will start at the end of 2011," he said. "Shareholders and the Nabucco company are determined to achieve this target." The project struggles to secure firm commitments from potential suppliers in the Middle East and Central

Asia, however. Dolezal said a 2009 agreement between transit nations gives Nabucco an edge over the South Stream gas pipeline, a Russian rival. Italian energy giant ENI suggested its South Stream could link to Nabucco though Dolezal dismissed the suggestion. "The Nabucco project is highly competitive -- commercially and technically," he said. "We are fully focusing on the successful realization of the project according to the feasibility study and there is no need to change the concept." (UPI)

KAZAKH OIL WORKERS END STRIKE

19 March

Oil workers in the southwestern Kazakh town of Zhanaozen have ended a strike they began two weeks ago, RFE/RL's Kazakh Service reports. Several thousand employees of the OzenMunaiGaz Company had been on strike since March 4. They had demanded the annulling of a change in the workers' pay scale, which they say reduced their wages; cuts in the annual production target; and the resignation of OzenMunaiGaz's director. That last demand was met on March 16, when OzenMunaiGaz head Baqytqali Biseken was fired. Kazakhstan's KazMunaiGaz energy giant, of which OzenMunaiGaz is a subsidiary, announced today that the conciliation commission that was set up earlier this week has reached an agreement acceptable to all parties. On March 18, one of the strikers died of high blood pressure and a second was hospitalized. (RFE/RL)

THOUSANDS ARE EVACUATED IN FLOODED EASTERN KAZAKHSTAN

22 March

Kazakh officials continue to evacuate towns and villages in eastern Kazakhstan due to flooding caused by a massive thaw after a blizzard, RFE/RL's Kazakh Service reports. Officials reported four bridges were washed away and a total of more than 160 homes, 200 nonresidential buildings, and nine livestock farms have been completely destroyed by floods in the past week in East Kazakhstan Oblast. Another 1,600 structures and 20 other livestock farms were damaged and an estimated 30,000 sheep, 4,000 cows, and more than 1,500 horses were reportedly killed by the flood waters. Local authorities started evacuating the population in the Tarbaghatai and Ulan districts of East Kazakhstan Oblast last week. More than 7,000 local citizens have been evacuated so far. The East Kazakhstan Oblast's Emergency Situations Ministry reported no

casualties from the recent floods. On March 13, at least 41 people died when flood waters burst two dams in southeastern Kazakhstan. (RFE/RL)

IRAN, IRAQ NEEDED FOR NABUCCO, BAKU SAYS

22 March

Natural gas from Iraq and Iran is needed for the Nabucco natural gas pipeline to Europe if the project is to get off the ground, officials in Azerbaijan said. Europe is pushing for the Nabucco gas pipeline to break the Russian grip on the regional energy sector. The European government recently allocated millions of dollars in funding for the project, though supplier nations are slow to commit formally. Resource-rich Azerbaijan is seen as a likely supplier to the 2,000-mile pipeline. Azeri Energy Minister Natiq Aliyev, however, said Iran and Iraq could emerge as possible suppliers for Nabucco in the coming years, London's Independent newspaper reports from Baku. "In a few years, when the Iran and Iraq situation is more stable politically, we will be able to implement the Nabucco project speedily," he said. Natural gas from the Kurdish north of Iraq is mentioned as a possible source for Nabucco given the close proximity to the planned route through Turkey. Iran sits on some of the largest natural gas deposits in the world, though Western officials have rejected any possibility for an Iranian role in Nabucco. Austrian energy giant OMV, a partner in the Nabucco consortium, said the project might not see the light of day without adequate supplies. Christian Dolezal, the spokesman for the Nabucco gas pipeline consortium, told the Azeri news agency News.Az last week, however, that Nabucco "construction will start at the end of 2011." (UPI)

U.S. PLAYS DOWN HOPES FOR AFGHAN RECONCILIATION

24 March

U.S. Defense Secretary Robert Gates said today the timing was still not right for reconciliation with senior Afghan Taliban leaders, acknowledging military pressure had yet to weaken the group enough. "The shift of momentum is not yet strong enough to convince the Taliban leaders that they are in fact going to lose," Gates told lawmakers during a congressional hearing. "And it's when they begin to have doubts whether they can be successful that they may be willing to make a deal. I don't think we're there yet," he added. Gates's comments,

upholding Washington's long-standing concerns, came the same day a negotiator for one of Afghanistan's main insurgent groups, Hezb-e Islami, and act as a "bridge" to the Taliban, if Washington fulfills plans to start pulling out troops next year. Hezb-e Islami negotiator Mohammad Daoud Abedi told Reuters the decision to present a peace plan was taken as a direct response to a speech by U.S. President Barack Obama in December. Obama announced plans to deploy an extra 30,000 U.S. soldiers but set a mid-2011 target to begin a withdrawal. "There is a formula: 'No enemy is an enemy forever, no friend is a friend forever,'" Abedi said. "If that's what the international community with the leadership of the United States of America is planning -- to leave -- we better make the situation honorable enough for them to leave with honor." U.S. officials have repeatedly said a U.S. withdrawal will be gradual, at a speed that will depend on conditions on the ground and depend on Afghanistan's ability to provide for its own security. Admiral Mike Mullen, who as chairman of the Joint Chiefs of Staff is the top U.S. military officer, cautioned against over-optimism created by reconciliation talk in congressional testimony today. He said the U.S. war effort was not "going to end rapidly." "I worry about the sort of hope that gets created immediately when you see a little light here that this is going to end rapidly," Mullen told lawmakers. "I just don't see that. This is a tough, very tough part of the process." (Reuters)

BAKU, ANKARA CLOSE TO GAS DEAL

24 March

Turkey and Azerbaijan are expected to reach a settlement on gas prices in the near future, the Turkish energy minister said in Ankara. Baku charges Ankara considerably less for natural gas than it charges other customers. Baku wants to raise the price for Turkey, though both sides have bickered over the terms. Taner Yildiz, the Turkish energy and natural resources minister, said it has been more than one month since both sides have sat down at the negotiating table, Turkey's English-language daily newspaper Today's Zaman reports. He said this was normal, however, as both sides were preoccupied with their diplomatic affairs. Despite the delays, he said, Ankara was upbeat on the possibility of reaching a new pricing deal that was dictated by market conditions. "I believe we will reach an agreement with our neighbors soon," he said. Turkey and Azerbaijan are positioning

themselves as major players in the regional energy sector. Azerbaijan sits on some of the largest natural gas deposits in the world, with roughly 30 trillion cubic feet of reserves on hand. Turkey, meanwhile, is set to host Russia's South Stream gas pipeline and Europe's Nabucco pipeline, which could rely on Azeri gas. (UPI)

KYRGYZ POLITICIAN "ATTACKS NEWSPAPER OFFICE, DESTROYS COMPUTERS"

25 March

An independent Kyrgyz newspaper today said the leader of a progovernment party came to its offices and damaged some equipment, RFE/RL's Kyrgyz Service reports. Aslanbek Sartbaev, the chief editor of the newspaper "Uchur," told RFE/RL that Nurlan Motuev -- the controversial leader of the Joomart (Generous) movement -- forced his way into the newspaper's offices in Bishkek and smashed four computers. Motuev confirmed to RFE/RL that he was in the newspaper's offices, but claimed he destroyed only two computers. He said he destroyed the computers because the newspaper has been insulting and libeling him for a long time. "I do not believe in the local courts, they never make a right and fair decision, and so I decided to stop the lies about me in this way," Motuev said. He added that one newspaper libeled him in the past but the court needlessly prolonged the hearings and ultimately dropped the case. Bishkek police have launched an investigation into the incident. (RFE/RL)

US NATIONAL SECURITY ADVISOR HAS NO OBJECTION TO MISTRAL SALE

26 March

In an Interview with French newspaper *Le Figaro*, US National Security Advisor General James Jones stated that the U.S. had "noted" the negotiations between France and Russia over the sale of Mistral-class amphibious warship to Russia. However, he added, "these negotiations are not the subject of any discord between the U.S. and France -- we are ourselves engaged in an active warming of our relations with Russia. Therefore, I do not think this deal is an issue of particular concern to us. I have never raised the issue with my French counterpart and to my knowledge, neither has the President." (Le Figaro)

TURKMENISTAN HOLDS CONFERENCE ON CREATING DESERT LAKE

26 March

A two-day international conference on the creation of a lake in Turkmenistan's Karakum Desert was held in the western port city of Turkmenbashi, RFE/RL's Turkmen Service reports. Participating scientists and specialists at the conference assessed the anticipated impact of the lake on the region's ecosystem. Kyrgyz water resources expert Kayrat Moldashev told RFE/RL's Turkmen Service that he welcomes the Turkmen government's initiative in solving its water problems. At the same time, Moldashev warned of the possible negative impact on the entire region of collecting water in a natural basin. "It is necessary to make ecological testing of the impact of the lake with the participation of international experts," Moldashev said. The project to create the 2,000-square-kilometer Altyn Asyr Lake was first announced in 2000 by then-Turkmen President Saparmurat Niyazov. Niyazov died in December 2006. Turkmenistan believes the multibillion project will facilitate irrigation and ensure the effective management of water resources, thus contributing to the development of the country's agricultural output. The Karakum Desert makes up some 70 percent of the area of Turkmenistan. (RFE/RL)

RUSSIA WILL ONLY SUPPORT "CLEVER SANCTIONS" AGAINST IRAN - LAVROV

27 March

So far Russia is not satisfied with any of the sanctions currently drafted by the West against Iran, with Moscow ruling out its support for a military strike against Iran, said Russian Foreign Minister Sergei Lavrov. "Today the scenario whereby Russia would support a military strike against Iran is ruled out," Lavrov said in an interview with the Postscriptum program on the TV-Center television channel on Saturday. "Moreover, now when our Western partners are saying that it is time to start discussing sanctions, we are saying that we do not rule out that this time will come, although efforts to go back to negotiations still continue and the chances of them bringing some result remain. But if this issue has to be addressed again in the Security Council, we will only be ready to discuss "clever sanctions," as our president put it," the minister added. Such sanctions will mean those "aimed at encouraging cooperation between Iranian agencies in charge of the nuclear program and not detrimental to the country's

population," he said. "So far what we are hearing does not indicate 'clever sanctions' at all," Lavrov said. (Interfax)

TAJIKISTAN CONSIDERS RAILROAD LINK TO BYPASS UZBEKISTAN

29 March

The Tajik government has suggested building a railroad link through Afghanistan to avoid the delays in rail cargo bound for Tajikistan via Uzbekistan, RFE/RL's Tajik Service reports. Tajik Transportation Minister Olim Boboev told RFE/RL that Tajikistan could build a 250-kilometer rail link connecting Tajikistan with Turkmenistan via northern Afghanistan, a route that would avoid Uzbekistan. Tajikistan accused Uzbekistan last week of deliberately delaying the passage of more than 1,000 railroad cars laden with fuel, construction materials, and other goods bound for Tajikistan and Afghanistan. Uzbek Ambassador to Tajikistan Shoqosim Shoislamov rejected that accusation, saying the delays are "technical." Over the past several days, some 150 freight cars were allowed across the border from Uzbekistan into Tajikistan. But Tajik officials say that some 984 other wagons with materiel are still being held up in Uzbekistan. Shodi Shabdolov, the head of Tajikistan's Communist Party and a member of the lower house of parliament, said a railroad linking Tajikistan and Turkmenistan via Afghanistan is feasible and could be completed within a few months. But Tajik economist Hojimuhammad Umarov said that freight transit via Uzbekistan will remain crucial even if alternative links via Afghanistan or China are built. He pointed out that Tajikistan cannot afford to build such a railroad in the next five or six years. Umarov says Tajikistan should seek a compromise with Uzbekistan. Relations between Dushanbe and Tashkent deteriorated after Tajikistan decided to raise funds within the country to complete the construction of a hydroelectric power plant in the town of Roghun. Uzbekistan objects to that project, claiming that the planned 335-meter high dam will exacerbate the existing water shortages in the region in general, and for its own country in particular. (RFE/RL)

TERRORISM CANNOT BE ERADICATED WITH PERSUASION, CRIMINALS MUST BE KILLED - KADYROV

29 March

The masterminds and perpetrators of the terror attacks in the Moscow metro were aimed at causing

chaos and throwing Russia into the abyss of fear, distrust and jeopardizing its economy, said Chechen President Ramzan Kadyrov. "This evil does not choose its victims based on ethnicity, religion or race. What matters to terrorists is blood shed, to keep people under pressure, to paralyze the state machine," the Chechen president said in a statement. "On this hard day for Russia we state under total responsibility that we will be fighting against terrorists until they are totally destroyed. Evil cannot be eradicated with persuasion. This is why for the sake of saving civilian lives, terrorists must be isolated from society and, should they disobey, callously destroyed," Kadyrov said. (Interfax)

TURKEY MAKES CASE AGAINST SANCTIONS ON IRAN

29 March

Turkish Prime Minister Tayyip Erdogan has said he doesn't favor imposing economic sanctions to pressure Iran. Erdogan said the sanctions are "not a healthy path and...the best route is diplomacy." The Turkish prime minister discussed the problem with visiting German Chancellor Angela Merkel, whose country has worked closely with the veto-wielding permanent members of the UN Security Council in efforts to encourage greater nuclear cooperation from Tehran. Merkel urged Turkey to be ready to support the imposition of sanctions through the United Nations unless Iran shows transparency to assure the international community that it has no ambitions for nuclear weapons. Turkey is a nonpermanent member of the UN Security Council and Erdogan said it had not yet reached a firm decision on how it would vote on a U.S.-backed sanctions resolution. (Reuters)

TOP U.S. MILITARY OFFICER HEARS AFGHANS' REQUESTS

30 March

The top U.S. military commander, Admiral Mike Mullen, today visited Marjah, the focus of a massive U.S.-led military operation in southern Afghanistan. During his visit, Mullen attended a "shura," or tribal meeting where elders made requests such as paved roads, schools, and a hospital. Mullen came to Marjah to see for himself what the Pentagon cautiously views as the first successful test of President Barack Obama's strategy for reversing Taliban momentum after more than eight years of war. Forty days after U.S. Marines moved in to oust the Taliban from Marjah, U.S. and

Afghan commanders told Mullen they controlled the area and were making progress standing up a functioning Afghan local government and providing basic services. But as the shura showed, while security may have improved, expectations in the town are high, and it is unclear how long residents will be willing to wait for the Americans and their Afghan allies to improve their living conditions. Though the insurgents took heavy casualties, U.S. and Afghan officials acknowledge the Taliban still have a presence, mainly at night, and reporters were asked not to identify Afghan villagers at the shura with Mullen because of concern they could be targeted later. Mullen said he was encouraged by what he heard, despite what officials described as serious problems training a local police force. Locals don't trust them, Mullen was told. "Please cooperate with us," an Afghan man told Mullen. "The budget that we need, please provide that. We're looking forward to seeing the results." In addition to paved roads, schools, a hospital and cold-storage facilities to preserve local tomatoes, some villagers complained about Afghan plans to halt the cultivation of opium poppies. They said they feared losing income. "I don't have other means," one tribal elder said. "People here are poor," another added. "Next year nobody should cultivate poppy. If anybody tries to plant and cultivate poppy, that means he is a criminal and he will face judgment and he will go to jail," Helmand Province governor Gulab Mangal told the gathering. Mangal said eliminating poppies would open the door to development in the impoverished province. (Reuters)

DIRECT INVESTMENTS IN AZERBAIJAN'S ECONOMY FELL BY OVER \$1BN IN 2009 TO \$2.899BN

31 March

The fall came in the oil and gas sector, where direct investments last year were \$2.146bn, 35.7% down on 2008. They accounted for 38.1% of all direct investments. Most funds were spent by BP Exploration (Shah Deniz) and the Azerbaijan International Operating Company. The picture was brighter in the non-oil sector where direct investments grew 17.1% to \$752.8 million in 2009. Investment in the non-oil sector accounted for 13.4% of all direct investments last year. Direct investments in Azerbaijan were \$3.982bn in 2008, of which \$3.339bn was invested in the oil and gas sector. (news.az)

RUSSIA SHOULD HELP WESTERN FORCES IN AFGHANISTAN IN EXCHANGE FOR ANTI-DRUGS FIGHT

31 March

Russia should assist the Western contingent deployed in Afghanistan in exchange for its readiness to combat heroin production in the country, Russia's envoy to NATO Dmitry Rogozin said. "This should become a deal: a favor in exchange for a favor," Rogozin told Russian News Service radio on Wednesday. "Russia needs to provide assistance for NATO's forces in Afghanistan depending on the scope of their measures intended to prevent the 'heroin aggression' against Russia," he said. "If they do nothing to counter [the flow of] Afghan heroin to Russia, we, for our part, should treat their new requests regarding Afghanistan more reservedly," he added. Russia is interested in the Western coalition's presence in the territory of Afghanistan, he said. "If they [Western forces] leave, all these guys - bombers and terrorists - will go you know where - closer to our territory. Let them continue fighting there. But the problem is that NATO troops refuse to perform an additional duty to destroy poppy fields and opiates," the Russian official said. Explanations that if peasants lose opium poppy fields they will join the Taliban are inappropriate, he said. "Americans have been destroying coca fields in Colombia without seeking anyone's consent, including that of the Colombian authorities," Rogozin said. Drugs entering Russia from Afghanistan via Central Asia has become a growing problem for the Russian authorities, who have said NATO forces are not doing enough to counter the spread of Afghan drugs. (Interfax)

RUSSIAN NSC SECRETARY SPECULATES ON GEORGIAN LINK IN MOSCOW BLASTS

31 March

Nikolai Patrushev, secretary of Russia's National Security Council, said investigators into Moscow metro bombings were working on all the possible versions, including on possible Georgia's involvement. In an interview with the Russian news agency Interfax, Patrushev was asked by the journalist: "There is an opinion that terrorist acts in Moscow could have been organized from abroad. Do you believe that?" "All the versions need to be checked," Patrushev responded. "For example, there

is Georgia and its leader Saakashvili, whose actions are unpredictable." "Unfortunately, number of countries provide him assistance, including military one. We state that it is unacceptable. He has once already waged the war. It is not ruled out that he will do that again." "We had information that individual agents of Georgian special services were keeping contacts with terrorist organizations in the Russian North Caucasus. We need to check this version too in respect of the Moscow terrorist acts," Patrushev added.

TWIN BOMBINGS KILL 12 IN DAGESTAN AS MOSCOW MOURNS BLAST VICTIMS

31 March

At least 12 people have been killed by twin bombs in Russia's North Caucasus republic of Dagestan, including a top police official. Nine police officers, including a local police chief, are among the dead in the blasts that rocked the town of Kizlyar early today, just two days after suicide bombings on the Moscow metro killed 39 people. Russian Interior Minister Rashid Nurgaliyev said the first attacker detonated a car bomb early today in Kizlyar after being pulled over by traffic police near the city's Interior Ministry building. "The driver violated the rules and, without stopping, began heading toward the city center," Nurgaliyev said. "Traffic police officers chased the car and had almost caught up with it when the explosion went off. Where was this fatal load headed? There is a school nearby; the city's Interior Ministry and Federal Security Service are also located there." The blast killed two police officers. Nurgaliyev said the second blast took place shortly afterwards at the same site, when a suicide bomber dressed in a police uniform blew himself up as investigators and onlookers gathered at the scene. The city's police chief was killed in the blast, among others. "The terrorists' goal is to destabilize the situation in the country, destroy civil society, sow fear and panic among the population," said Russian President Dmitry Medvedev. "We will not allow that." Rebel attacks in recent years have been largely limited to the North Caucasus region, including the republic of Dagestan, which neighbors war-battered Chechnya. The March 29 bombings in Moscow have highlighted the Kremlin's failure to quell rebel activity in the restive region and fueled fears of a broader campaign of attacks. (RFE/RL)