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Central Asia- Caucasus Institute Silk Road Studies Program

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THE CENTRAL ASIA-CAUCASUS ANALYST

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

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

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

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

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Svante E. Cornell

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THE BATTLE OF FORUMS: TRANSFORMATION OF REGIONAL ORGANIZATIONS IN EURASIA Taleh Ziyadov

Over the years, the regional forums in Eurasia have witnessed dramatic changes and have been transformed into organizations with specific regional goals. Today, groups like GUAM, CSTO, and SCO have become a regular place for member states to forge military and political alliances, while for greater powers they remain an instrument for projecting and increasing geopolitical influence in the region. Recent developments indicate that these forums are likely to continue to evolve and could potentially become serious regional organizations with common political and security agendas.

BACKGROUND: On June 22-23, the Collective Security Treaty Organization (CSTO) held its summit in Minsk. Russia's President Vladimir Putin transferred the chairmanship of the Council to Alexander Lukashenka of Belarus. In addition, Uzbekistan officially re-joined the club that it had left in 1999, increasing the number of member states to seven. Other members include Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. The CSTO was founded on the basis of the Treaty on Collective Security (TCS) signed in Tashkent in May 1992. Under Russian leadership, the member states established the CSTO in September 2003. It was in part to address the eastward expansion of the North Atlantic Treaty Organization (NATO) and in part an attempt to counter increased American presence in Afghanistan and Central Asia. After September 11, 2001, Moscow felt the need for transforming the TCS into an organization that could provide collective defense capabilities and allow the creation and use of mainly Russian military bases and rapid deployment forces in anti-terrorist operations in Central Asia. Thus, the CSTO has many similarities, at least on paper, with NATO. For example, Article 4 of TCS reads, "In case an act of aggression is committed against any of the member-states, all other memberstates will render it necessary assistance, including military one, as well as provide support with the means at their disposal through an exercise of the right to collective defense in accordance with Article 51 of the UN Charter."

Another forum. the Shanghai Cooperation Organization (SCO) comprised of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan gathered in Shanghai on June 15. India, Iran, Pakistan, and Mongolia participated as observers, while Afghanistan was invited as a guest country. The "Shanghai Five," the original name of the organization, started as a platform for discussions and resolutions of border disputes among the five neighboring states -China, Russia, Kazakhstan, Tajikistan and Kyrgyzstan - in 1996. It then embraced Uzbekistan as a new member and expanded its agenda to areas of economic, political and military cooperation. The organization adopted

common policies on fighting ethnic separatism, religious extremism and even established an antiterrorism center in Bishkek in 1999. In August 2003, the five members – in Uzbekistan's absence – launched their first joint anti-terrorist exercise. Since the U.S. military operation in Afghanistan, the priorities of the SCO member states have shifted. Initially, the SCO was a perfect forum which China used for institutionalizing its relations with Russia and the Central Asian republics. Since then, however, the SCO has

shown signs of becoming a Sino-Russian military and political bloc through which both Beijing and Moscow hope to counter the increased U.S. presence in the region. The SCO could potentially expand and offer membership to observer states, including India, Pakistan and Iran. The third group of countries in the region consists of Georgia, Ukraine, Azerbaijan and Moldova, or the GUAM group, which also included in-and-out member Uzbekistan between 1999 and 2004. GUAM was established in 1996 "as a political, economic and strategic alliance designed to strengthen the independence and sovereignty of these former Soviet Union republics." Since the beginning GUAM was seen as an anti-Russian alliance that aimed to curb Russia's influence in the "near abroad." Yet, for a long time, the alliance remained idle. It was revived again in the the wake of two color revolutions that took place in Georgia and Ukraine. On May 23, 2006, the heads of GUAM states gathered in Kyiv to discuss the future of the organization. At the end of the summit, the alliance was transformed into a new forum, the Organization for Democracy and Economic Development - GUAM. Some of the priorities of the revised GUAM included building democratic societies with the rule of law and respect for human rights, combating international terrorism, separatism, and transnational organized crime, and deepening European integration processes.

IMPLICATIONS: The recent summits of GUAM, CSTO and SCO member states reveal new challenges that these organizations are facing today. The renaming of GUAM was an attempt to revive this organization, which is likely to focus on regional issues such as democratic reforms, the struggle against separatism and most importantly energy security. Thanks to oil and natural gas from Azerbaijan, the organization now promotes itself as a regional club that could play an important role in Europe's energy diversification strategy. GUAM also provides a stepping stone for Azerbaijan, Georgia and Ukraine, who hope to upgrade their affiliation with NATO by becoming members of NATO's Membership Action Plan. The accession of these states to NATO, however, is unlikely in the short term. Kyiv still struggles with internal political problems, while Baku and Tbilisi are yet to restore their territorial integrity and resolve the separatist conflicts in the South Caucasus.

As NATO slowly continues expanding eastward, the CSTO is likely to strengthen its collective defense capabilities. These initiatives are led by Moscow, which will remain the dominant player in the organization. While being anti-NATO, it will continue to offer alternative security and military guarantees to states that have had problems with the United States (i.e. Uzbekistan after the Andijan events). Further transformation of the CSTO will depend on NATO's enlargement strategy.

The organization with most promise presently seems to be the SCO. Sooner or later, the SCO will open its doors to other regional powers, though Russia and China will remain the leading players. Pakistan, India and Iran could become full-fledged members of the SCO. So long as, the interests of Moscow and Beijing do not diverge radically, the SCO will continue to counter the increased American presence in the region, while Moscow keeps the CSTO as a backup solely controlled by itself.

CONCLUSIONS: As a result of growing American and European interest in the Caspian energy resources, the GUAM member states, which are energy producing and transit countries, have found a new objective that could be facilitated by the United States and the European Union. These states will continue to cooperate among each other, but also with European states in various areas, including energy security. Moreover, GUAM stands out by being a free union of independent republics, not dominated by any one regional power.

While the military and security cooperation among the CSTO members will grow as NATO expands eastward, it will remain an organization controlled by Moscow. Russia will try to woo the CSTO member states in attempt to limit the rising influence of the United States in the Caucasus and Central Asia. Likewise, Moscow and Beijing will try to transform the SCO, by inviting new members, into a strong regional forum that could eventually assume the leadership in the economic, political and security affairs of the region. All regional forums in Eurasia will continue to be used as an instrument for balancing and counterbalancing geopolitical influences of great powers in the region.

AUTHOR'S BIO: Taleh Ziyadov is an independent analyst specializing in energy, security and geopolitical issues in Eurasia.

WITH SADULAEV AND BASAYEV KILLED, GENERATION CHANGE IN THE CHECHEN LEADERSHIP NEARS

Emil Souleimanov

On 17 June, Chechen leader Abdul-Khalim Sadulayev was killed in a skirmish with FSB troops, followed three weeks later by the killing of the notorious Shamil Basayev. Sadulaev, a former chairman of the Sharia Supreme Court, succeeded Aslan Maskhadov after the later's murder in March 2005. His leadership was marked by a resolute rejection of terrorism, and no terrorist attacks took place during Sadulaev's formal command, although Shamil Basayev and some other lesser separatist field commanders had not hesitated to resort to terror previously. Sadulayev's place has been taken by Doku Umarov, and after the killing of Basayev, uncertainty has taken hold regarding the direction of the separatist camp.

BACKGROUND: Doku Umarov was born in 1964 in the village of Kharsenoy of the mountainous South-Eastern Chechen Shatoy district. He comes from the Mulkkhoy *teyp* (clan) and is an adherent of Sufi Islam, the *Qadiriyya* brotherhood of sheik Kunta-Haji. A graduate of the Oil Institute in Grozny, he was involved in business in western Siberia until 1994. During the first Russo-Chechen War (1994-1996), Umarov took an active part in

resistance activities in Ruslan Gelayev's division. In 1998 he supported Aslan Maskhadov in armed clashes with jihadist units. He is generally known for his sceptical or even negative stance towards so-called global jihad. During the interwar period (1996-1999), rumours surfaced in Chechnya about Umarov's participation in kidnappings; according to other sources. he provided protection to some related kidnappers. For this, he was allegedly fired by Maskhadov from the post of Chief of the Security Council of the Chechen

Republic of Ichkeria before the 1999 Russian invasion. Umarov, who was seriously wounded in the face during the fighting retreat from Grozny in March 2000, took command of the south-western front in 2002. Many of his relatives, including his elderly father and his brothers, were kidnapped by pro-Moscow Chechen divisions, and nothing is known about their fate to this day.

Umarov is regarded as a capable soldier who enjoys the recognition of his fellow combatants. Allegations of his participation in purely terrorist attacks (e.g. in Beslan) coming from Russian sources have not been confirmed independently.



has Umarov himself never involclaimed vement in terrorism; moreover, he openly condemned Basayev for organizing the Beslan attack.

Alongside with Shamil Basayev, he was considered the last of the Mohicans of the

"old guard" of Chechen "brigade generals". In recent years, he participated together with Basayev in the formation and implementation of the new Chechen policy of expanding armed resistance in the entire North Caucasus. The successful attack on the Ingush city of Nazran and several other towns in 2004 is likely to have been directed by Umarov.

The new Chechen president attempted to set forth his goals and priorities in his first public statement on 23 June 2006, published on the Chechenpress.org web portal. He placed great emphasis on maintaining continuity with Sadulayev's - and more broadly understood, with Maskhadov's balanced military and political strategy. Just like his young predecessor, Umarov is a proponent of the idea of Chechen national independence and speaks of the need for strengthening ties with "North Caucasian brothers" against the common enemy, Russia, which he calls "the only colonial empire on earth." "The vision for the end of the Russo-Chechen war", says the newly appointed president, is for "Russia to leave us alone, recognising our right to independence. I, just like my predecessors, do not think that Chechens are any less deserving than any other people of living in their own independent state."

Something new in Umarov's statements is the plan of "noticeably expanding the zone of armed activity that should include not only the Caucasus, but also many regions of Russia." In conclusion, however, Umarov notes that: "The goals of our blows and attacks will be exclusively military and police objectives. Regardless of the fact that the Russian occupiers have been engaged for many years in genocide against the civilian population in Chechnya and the entire territory of the northern Caucasus, I will vigorously oppose any attacks against civilian targets."

Another of Umarov's priorities is the fight against collaborators and traitors in his own ranks, that he refers to in the Soviet tradition as "police" (Polizei) – that is what local police officers were called who were recruited during World War II in Nazioccupied territory:

IMPLICATIONS: Of key importance for understanding the direction of further developments of the Chechen resistance is awareness of certain tendencies that are tied more to circumstances than to personalities. In this regard, significant changes have occurred in the strategic thinking of the separatists since the middle of 2004. Aslan Maskhadov, aware of the tragic consequences of the Dagestan invasion of 1999, had opposed any attempts to "export" the war beyond Chechen territory. Nonetheless, less than a year before his death, he was present at the first institutional attempts to achieve a regionalization of the war by the creation of "Caucasian sectors" in Ingushetia, Kabardino-Balkaria and Dagestan. In the Summer of 2005, Sadulayev issued a government decree announcing the creation of a United Caucasian Front subordinate to the Chechen supreme command. This was done with the support of the most field commanders –Umarov influential and Basayev, who had been intensely building resistance support for several years on their own initiative, with Umarov's attempts focused on Ingushetia and the areas of the northwest Caucasus, relying on local natives.

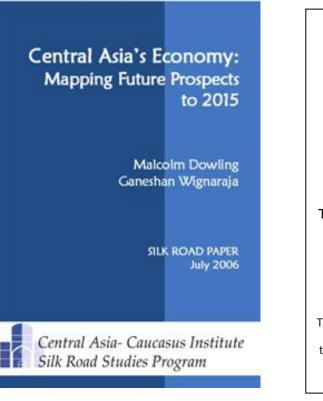
A clear rationale can be seen behind the separatists' recent efforts: if the Chechen resistance movement is too exhausted to be able in the foreseeable future to strike Moscow a meaningful military or political blow with its own forces, then there is no reason not to try to attain this goal by using potential hidden in neighbouring areas where dissatisfaction with Moscow and local regimes is growing ever stronger. Spreading the resistance onto the territory of neighbouring republics would also bring about an expansion of the geographical base that the Chechen resistance has the possibility of relying on. From an intermediate perspective, Chechen financial, human, and technical investments in the emerging resistance groups in neighbouring areas, and especially in the northwest Caucasus, could also bring economic, strategic and demographic advantages. The ultimate goal of the message was and still is - to "force the Kremlin into peace", that is, to create a situation that would force the Kremlin to negotiations.

It would seem that after the Beslan School Siege, Basayev himself came to realize that isolated terrorist acts in Russia's interior were counterproductive for the resistance, and that they strengthen the internal and external position of the Putin regime. The ruthless reaction of federal authorities who did not shrink from using deadly gas in the Moscow Dubrovka theatre, or rocket attacks against buildings with hundreds of their own citizens, as in Beslan, apparently forced Basayev to realise that trying to blackmail Putin by terrorist means was bound to fail. While the coordinated policies of Western countries since September 11th have led to a noticeable drop in financial support from various Salafi/Jihadist funds and foundations, the international reputation of the Chechen resistance has also been immensely harmed, not least of all because of the Islamist tinge of the attacks mainly against civilian targets in Russia. The days when the West was putting serious pressure on the Kremlin to resolve the conflict peacefully are over, and that is contrary to the long-term interests of the separatists.

CONCLUSIONS: If terrorist attacks in Russia have virtually come to a halt, this is better explained by a general consensus among the rebel leadership than by strict subordination in their ranks. The regionalization of the conflict has been made a priority. It is very unlikely that Doku Umarov, a mature person with an established worldview, will change his mind in the aftermath of the murder of Shamil Basayev, a colleague with whom relations have almost never been free from problems (in contrast to Sadulayev). Hence the key question is whether the new generation of Chechen fighters, which is bound to take leading position in the resistance soon, will share the relative pragmatism of most rebel leaders, or if their goals will be driven by the mere willingness to take revenge on a more or less abstractly defined enemy.

It is obvious that in spite of expectations, neither the deaths of secularist or traditionalist leaders such as Maskhadov or Sadulayev, nor the liquidation of important jihadists such as Khattab, Abu al-Walid, Abu al-Saif, etc. in recent years have led to the collapse of the armed resistance. This is a key argument suggesting that regardless of changes in command, the resistance is unlikely to falter.

AUTHOR'S BIO: Dr. Emil Souleimanov is senior lecturer at the Department of International Relations, Charles University in Prague, Czech Republic. He is author of "An Endless War: The Russian-Chechen Conflict in Perspective" (Peter Lang, autumn 2006)



New Silk Road Paper!

Central Asia's Economy: Mapping Future Prospects to 2015

by Malcolm Dowling and Ganeshan Wignaraja

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

This 105-page paper is available from the offices of the Joint Center cited on the inside cover of this issue, or freely downloadable in PDF format from either <u>www.cacianalyst.org</u> or <u>www.silkroadstudies.org</u>.

READING THE SHANGHAI SCO SUMMIT

Richard Weitz

The most important products of the recent SCO summit in Shanghai were several declarations revealing the group's concerns and agenda. While applauding the organization's achievements during the past five years, the leaders urged accelerated implementation of its multilateral economic programs and called for a new intra-SCO friendship treaty. Other statements objected to efforts to impose foreign economic and political values on SCO members and warned about the dangers of allowing unfettered use of the Internet.

BACKGROUND: On June 15, 2006, the Shanghai Cooperation Organization (SCO) held its fifth anniversary summit meeting in Shanghai. The heads of state of the six full members – China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan – adopted several joint statements, including an overarching declaration marking the SCO's fifth anniversary. Representatives from the four formal SCO observers – India, Iran, Mongolia, and Pakistan – also attended.

Before the summit, there was considerable media speculation that the SCO would expand its membership. The precise number of countries seeking to obtain full membership or observer status in the SCO remains unclear. Shortly before the Shanghai summit, Chinese Assistant Foreign Minister Li Hui claimed that many countries, including some outside of Asia, had applied to become SCO members or observers. At the conclave, however, the SCO declined to increase its membership roster. The SCO staff said that the organization had not yet finalized the legal basis for such expansion. Another factor that may have played a role were concerns that allowing Iran or Belarus to join would reinforce Western perceptions that the institution has become a dictators' club.

The fifth anniversary declaration and other summit statements reaffirm the SCO's longstanding opposition to the "three evils" of terrorism, separatism, and extremism. Shortly before the Shanghai summit, Russian Foreign Ministry spokesperson Mikhail Kamynin told ITAR-TASS that SCO members had already prevented hundreds of attempted terrorist acts thanks to the information exchanged through the SCO Regional Antiterrorism Structure (RATS) in Tashkent. The RATS, which officially began operations in June arranges studies of regional terrorist 2004, movements, exchanges information regarding terrorist threats, and advises members about counterterrorist policies. It also coordinates exercises among SCO security forces and organizes efforts aimed at disrupting terrorist financing. According to the Xinhua news agency, the director of the RATS executive committee, Vyacheslav Kasimov, stated that the structure also has adopted "early-warning unspecified and prevention measures" designed to preempt terrorist threats.

The SCO members also highlighted the need to make further progress in promoting mutual economic cooperation. For several years, they have been establishing institutions to foster greater economic ties: the SCO Development Fund, the Business Council, and the Inter-bank Association. organizations all aim to strengthen These collaboration among members' state enterprises, private businesses, and government officials foreign relations. responsible for economic Nevertheless, the fifth anniversary declaration reminds the SCO member states that they needed to make further progress in implementing the Program on Multilateral Economic and Trade Cooperation. Adopted in September 2003, the program includes a commitment to achieve the free movement of goods, services, capital, and technology by 2020.

At the summit, Russian President Vladimir Putin advocated the creation of an "energy club" among SCO members. Energy is likely to become an increasingly important area of interest for the member governments. The present lack of international energy institutions linking supplier and consumer countries provides an opportunity for the SCO to assume this role. Its roster of members and observers includes some of the world's largest oil and gas exporters (Iran, Kazakhstan, Russia, and Uzbekistan) and importers (China and India).

The summit documents express a broad consensus among members over core security goals. The signatories of the fifth anniversary declaration pledge not to join alliances or otherwise take actions that would "allow their territories to be used to undermine the sovereignty, security or territorial integrity of the other member states." The statement also affirms their readiness to hold immediate consultations during "emergencies that threaten regional peace, stability, and security." Lastly, the declaration states their interest in signing a SCO multilateral "treaty of goodneighborliness" and creating a regional conflict prevention mechanism.

In the political realm, the fifth anniversary declaraton affirms the need for greater democracy, but only in regard to countries' international relations. Thus, it defends the "right of all countries to safeguard national unity and their national interests, pursue particular models of development and formulate domestic and foreign policies independently and participate in international affairs on an equal basis." It also declares SCO leaders' support for the United Nations, including reform of the UN Security Council, and their belief that the next UN Secretary-General should come from Asia.

When it comes to the domestic affairs of their member states, however, the summit leaders objected to international efforts to promote political reform in the region: "Diversity of civilization and models of development must be respected and upheld. Models of social development should not be 'exported'."

IMPLICATIONS: Of the joint summit declarations, the most interesting (and disturbing) is the one on "International Information Security." In this statement, the SCO leaders express concern that modern information and communication technologies presented a danger "for the entire world tantamount to that from the use of weapons of mass destruction." Their declaration warns against attempts to use the new technologies to interfere "in the internal affairs of sovereign states" and "for criminal, terrorist, military and political purposes that run counter to the maintenance of international security, which will . . . trigger social instability in countries." The summit attendees called on the United Nations and other parties to take "collective action to eliminate these threats." They announced the formation of an expert group to develop a detailed action plan for managing this issue.

One of the reasons for the delays in realizing SCO economic goals such as the Program on Multilateral Economic and Trade Cooperation has been the need to reconcile conflicting national laws, regulations, and standards. The SCO member governments only began holding annual meetings of their legislative leaders in May in a belated effort to harmonize their national legislation. Thus far, they have declined to establish a permanent interparliamentary body like NATO's North Atlantic Assembly. The absence of a free trade zone, countries' excessive customs duties, and the limited financial resources SCO members have allocated to its various multilateral economic initiatives have further constrained intra-SCO commerce.

Another impediment to the SCO's development has been the serious rivalries and disputes among its member governments. Uzbekistan and Kazakhstan are perennial competitors for regional primacy. In addition, Russia has repeatedly opposed Chinese efforts to accelerate the creation of a SCO free-trade zone or to acquire control over Eurasian energy resources. Its members continue to disagree over many important questions, including the desirability of a Western military presence in Central Asia, the SCO's role in traditional defense matters, and whether member governments should collectively suppress domestic unrest.

The SCO's interest in strengthening censorship represents a logical extension of its recent efforts to counter internal political challenges to the member governments. The organization has long insisted on the principle of "non-interference" in countries' domestic affairs, regardless of their human rights policies. After perceived election improprieties served as the immediate trigger for the "colored" revolutions in Georgia and Ukraine, the SCO formed its own cadre of election observers. Since their debut in the February 2005 ballot in Kyrgyzstan, they have endorsed every election held in a member state, despite the comprehensive criticisms offered by foreign observers from the OSCE and other groups. The observers help bolster the legitimacy of SCO ballots by prominently certifying results that more independent organizations typically question.

The CONCLUSIONS: fifth anniversary declaration states that the SCO "welcomes participation by relevant partners in specific projects in priority areas like energy, transportation, information and communications and agriculture." It also says the SCO "will endeavor to actively participate in international campaigns against communicable diseases and contribute to environmental protection and rational use of natural resources." Western institutions like NATO and the EU should pursue this opportunity and propose initiatives for functional cooperation with the SCO to combat narcotics trafficking, regional terrorist movements, and potential biological threats such as avian influenza.

AUTHOR'S BIO: Dr. Richard Weitz is a Senior Fellow and Associate Director of the Center for Future Security Strategies at the Hudson Institute.

Islamic Radicalism in Central Asia and the Caucasus: Implications for the EU

> Zeyno Baran S. Frederick Starr Svante E. Cornell

SILK ROAD PAPER July 2006

Central Asia- Caucasus Institute Silk Road Studies Program New Silk Road Paper!

Islamic Radicalism in Central Asia and the Caucasus: Implications for the EU

by Zeyno Baran, S. Frederick Starr, and Svante E. Cornell

This 55-page report analyzes Islamic radical movements in Central Asia and the Caucasus, the reasons for radicalization, and implications for Western and European interests in the region covering Central Asian republics, the North and South Caucasus.

This 55-page paper is available from the offices of the Joint Center cited on the inside cover of this issue, or freely downloadable in PDF format from either <u>www.cacianalyst.org</u> or <u>www.silkroadstudies.org</u>. The arrest of four human rights activists in June demonstrated the Turkmen government's zero tolerance of any form of dissent, and revealed the prevailing concern among the central Asian elites about the repetition of colored revolutions along the line of Georgia and Ukraine. However, unlike other cases when the latter blamed the American government for masterminding such schemes, this time the Turkmen government hinted at European involvement in alleged subversive activities. Only days after President Saparmurad Niyazov's expressed dissatisfaction with the EU's jumping over his government regarding the proposed Turkmenistan-Pakistan/India gas pipeline, the accusation reflected a cooling phase in Turkmenistan-EU relations.

Turkmenistan has made a BACKGROUND: reputation for its intolerance of dissent in any form since its independence. Many political dissidents have been imprisoned for their opposition to President Niyazov's administration on charges such as "subversive activities" or "espionage", while many have left the country to escape persecution. Thanks to years of suppression, the elimination of any significant political dissent has turned the Turkmen authorities' attention to human rights activists and NGO workers, especially since Georgia's Rose Revolution followed by Ukraine's Orange Revolution and the March 2005 upheaval in Kyrgyzstan. The prevailing view among the Southern CIS countries assesses these colored revolutions as a well-orchestrated American plan to replace those countries' elites with pro-American ones, using American-backed NGOs and human rights groups. The Andijan incident of May 2005 in which such entities allegedly played a major role has especially increased the Central Asian elites' sensitivity about the latter.

Against this background, the Turkmen authorities' arrest between 16 and 18 June of four Turkmen human rights activists (Annakurban Amanklychev [Amanguilydjov], Elevan Ovezova, Ogulsapar Muradova and Sapardurdy Khajiev) did not surprise anyone. Reportedly, the arrestees were all associated with a human rights group based in Bulgaria, the Turkmenistan Helsinki Foundation for Human Rights. In line with previous cases, the Turkmen authorities accused them of plotting against the Turkmen government. Moreover, at least one of them (Amanklychev) has so far been accused of receiving "training in Ukraine in intelligence gathering and sabotage in Turkmenistan" and also in the methods used in Ukraine's "Orange Revolution".

IMPLICATIONS: What makes the recent arrests distinct from the previous ones is the Turkmen authorities hinting at a European role in the alleged plot against the Turkmen regime. Accordingly, they have accused Henri Tomassini (a cultural adviser to the French embassy acting also as the charge d'affaires at the French embassy) and Benjamin Moreau, a British citizen associated with the OSCE in Ashgabat, of engaging in "illegal activities" directed against Turkmenistan, including providing "espionage" equipment to some of the arrestees.

According to Turkmen National Security Minister Geldimuhammet Asyrmuhammedov, Mr. Tomassini sent "secret video cameras" to Annakourban Amanklychev to "allow him secretly to film a simulated gathering of discontented people, places of detention and buildings belonging to the army and to the security forces." The resulting video tape was allegedly intended for a Briton and a French due to visit Turkmenistan as tourists who had visited Ashgabat in March to allegedly give Amanklychev "lessons in how to use a special video camera hidden in glasses, in order to shoot pictures in secret". The Turkmen minister also accused Amanklychev of receiving training in the required skills in Ukraine and Poland before being "used by foreign special services". He also linked the arrestees to "exiled Turkmen opposition members" implicated in masterminding the attempted assassination of President Niyazov in 2002.

The mentioned arrests reflected Ashgabat's zero tolerance of dissent, but the incident and the accusations leveled against the EU nationals, including two working for European diplomatic entities, indicated more than a prevailing fear among the Turkmen elite about a foreignorchestrated colored revolution. Hence, what makes this case different from the manifestation of such fear elsewhere in the region is that the Europeans, and not the Americans, are now accused of masterminding plots against Turkmenistan. The fact that the accusations and the arrests were made a few days before an official visit to Turkmenistan by an EU parliamentary delegation to determine whether the EU should sign an interim trade agreement with Turkmenistan is unlikely to be just a coincidence. President Niyazov's statements during a meeting with Japanese business executives on June 16 support the latter.

Accordingly, he expressed discontent that the EU had not consulted his government about plans for building the proposed gas pipeline between Turkmenistan and Pakistan/India. His given examples to that effect included the EU's "setting up commissions and drawing up action plans", but "no one ever made an effort to discuss these things with [the Turkmen]". Stressing his country's intention to determine its own economic partners, he announced Turkmenistan's preference for Russia and China as partners in oil/gas projects. Being made notwithstanding of Ashgabat's current disputes with Russia over the pricing of Turkmen gas exported via the Russian pipelines, such statements clearly indicated the president's anger at the EU.

CONCLUSIONS: Turkmenistan has extended relations with the EU to balance its ties with other major powers, namely Russia and the United States. Ties with Russia have fluctuated mainly because of disagreements over pricing of Turkmen gas exports via Russia on which the Turkmen economy is largely based. Criticisms of human rights situation in Turkmenistan, though not translated into tangible punitive measures, have been a major source of tension in Turkmenistan's ties with the EU and the United States both with stakes in the Turkmen fossil energy industry. Nevertheless, fear of an American-inspired coloured revolution has been a major, if not the major, concern of the Turkmen authorities and thus a main factor damaging their relations with Washington, while a reason for expanding their relations with Moscow and Beijing.

Added to the activities of the mentioned Europeans in Ashgabat and Poland's hosting training sessions seen as subversive in Ashgabat, but legitimate in Brussels, the EU's ignoring the Turkmen government in pursuing a potential gas pipeline project seems to have damaged Ashgabat-Brussels relations. Although the continued armed conflict in Afghanistan through which the pipeline will have to pass makes the project mainly a pipe dream in the foreseeable future, the reported exclusion of the Turkmen government from the project-related activities could have been interpreted in Ashgabat as a sign of a potential EU-US design to stage a color revolution in Turkmenistan, hence justifying ignoring the President Niyazov administration's role in that project. In the absence of reports as to which of the mentioned issues played a key role in the apparent tension in EU-Turkmenistan relations, evidence suggests a cooling period in such relations in the foreseeable future.

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FIELD REPORTS

PRO-PRESIDENTIAL FORCES IN KAZAKHSTAN GAIN NEW POSITIONS Marat Yermukanov

The landmark merger of the Asar party, led by the elder daughter of President Nursultan Nazarbayev, Dariga Nazarbayeva, and the most influential propresidential Otan party, announced at the party congress of Otan on July 3 is regarded as a bad omen by democratic movements of Kazakhstan. At any rate, this move, apparently aimed at strengthening presidential power, could slow down the pace of political reforms in the country.

Addressing the delegates of his Otan party,

Nursultan President Nazarbayev welcomed the decision about the merger between Asar and Otan as an important step towards the "consolidation of society". On the surface it looks like a marriage of equals. Asar appeared on the political scene in the run-up to parliamentary election of 2004 and gained enormous popularity primarily due to the personal sway of the presidential daughter over regional governors, and administrative resources. As a member of parliament, Nazarbayeva Dariga



foreign companies to reduce the scale of corruption. All these carefully worded slogans struck the right cord with popular sentiments and gained new members for the Asar party. In one of her last popular gambits in parliament, Dariga Nazarbayeva sharply criticized government-initiated restrictive amendments to the media law which were ultimately adopted by parliament and endorsed by the president.

Nearly on all key issues of political development of society, Asar and Otan

adopted diametrically opposing stances. All the more surprising is the newly formed symbiosis between the two parties. It is clear, however, that the ruling Otan party will get a chance to monopolize political power strengthen presidential to governance. The merger with Asar wins 700,000 party members rallied under the banner of Otan, led by Nursultan Nazarbayev.

For Otan, the new alliance is an unquestionable advantage, while the political future of Asar, and that of Dariga

surprised many with her ardent zeal for democratic reforms. Asar demanded the establishment of public control over the activities of local akims (governors) and transparency of the deals concluded with

Nazarbayeva herself, remains in limbo. Some analysts suspect that the daughter of the president may be gradually ousted from political life by invisible string-pullers in the intense power struggle in the top echelons of the system. The clear signs of the cloud gathering over Dariga Nazarbayeva and her husband Rakhat Aliyev came after the unraveling of the killing of opposition leader Altynbek Sarsenbayev, when opponents insinuated that Aliyev had a hand in the killing. The newly appointed information minister, Yermukhambet Yertysbayev, tried to put under his control the Khabar television channel patronized by Dariga Nazarbayeva.

Political opponents of the ruling Otan party circulated persistent rumors about the planned dissolution of parliament by presidential decree this autumn and re-election of parliament members. However, it is unlikely that the president will dissolve the docile parliament in which progovernment parties enjoy an absolute majority. With the merger with Otan, Dariga Nazarbayeva may lose her seat in the majilis (lower house of parliament), which, however, will not harm the political influence of the pro-presidential majority in parliament. At the same time, some members of Asar may join the ranks of the Ak Zhol (Bright Path) party, their former opponents in the last parliamentary election. To some degree, that would strengthen the liberal-democratic movement which suffered a severe blow during the 2004 parliamentary election, but opposition to the presidential power will never be the same as it was before the election.

The public opinion survey conducted by the Center of Social Technologies prior to the merger of Otan and Asar shows that the presidential Otan party enjoys considerable public confidence and the support of 25.5 percent of the population, while Asar and the liberal-democratic Nagyz Ak Zhol (True Bright Path) are supported by 16.9 and 16.8 percent of the potential electorate, respectively. These statistics may vary from region to region, but it is undeniable that the massive propaganda campaign carried out since the election produced a positive effect and boosted public confidence in presidential power. Surveys show that 51.8 percent of the urban population supports the measures taken by Nazarbayev to stabilize the political and social situation in the country.

The merger of Asar and Otan comes at a time when opposition forces are irreparably weakened by internal strife and disarray. Otan effectively eliminated all its opponents in its strive for unrivalled dominance of the political scene. The last nail in the coffin of Asar was driven by its leader Dariga Nazarbaeva, who at the last conference of the party called all party members to support the merger with Otan. But the rising inflation rate, the lack of adequate housing for a large section of the low-income population, abuse of power and widespread corruption in government offices and other social ills demand something more than just the ideological support from a loyal party.

MUNICIPAL RE-ELECTION SHOWS WEAKENED POSITION OF PARTIES IN AZERBAIJAN Fariz Ismailzade

Several weeks ago, the Government of Azerbaijan announced its intention to finally hold municipal re-elections. More than 140 municipalities remain vacant since the last municipal elections in 2004 due to the election misconduct by the local election commissions and the subsequent decision by the Central Election Commission to cancel their results.

Attempts to hold re-elections ever since have been hindered by the important parliamentary elections in November 2005 followed by the parliamentary reelections in May 2006. Only now can the Central Election Commission finally devote its energy and time to the conduct of these long-overdue municipal re-elections. In fact, the holding of these elections are the latest requirements by the Council of Europe to the Azerbaijani government and its delay could have damaged bilateral relations.

However, the political parties in the country showed mixed interest toward the upcoming elections. The major opposition Popular Front, Azerbaijan Democratic, Liberal and Citizenship and Development parties - all united in the Azadliq (Freedom) bloc - have decided to boycott the reelections. They justify this with the absence of real power decision-making in the hands of well municipalities, as as the unchanged composition of the election commissions. Azadliq members demand the formation of new election commissions where they would get equal representation with the ruling party. Not only did the Azadliq bloc decide to boycott the re-elections, they have threatened to expel all members who decide to run on an independent ballot.

The Musavat party, another major opposition party which has left the Azadliq bloc, has similarly decided not to compete in the race, yet gave decision-making freedom to its members, promising not to punish those who decide to do so. At the moment, Musavat is going through internal turmoil, with elections to the chairmanship of its Supreme Council last weekend producing two bitter rival groupings inside the party's leadership and resulting in mutual accusations and an atmosphere of a near split. Member of the Supreme Council Hikmet Hajizadeh stated this week that the actual struggle inside the party began long ago, after the failed hopes of Musavat to win the 2003 Presidential elections.

Experts, however, believe that the decision of the major opposition parties to boycott the municipal re-elections is motivated by their internal weaknesses and low chances to motivate public support behind their old-fashioned messages. Indeed, after their defeat in the Presidential elections of 2003 and the Parliamentary elections of 2005, the opposition parties are in a process of deep stagnation and internal conflict. This is noted not only by political experts but also by the party officials themselves. Many high ranking operatives of these parties have resigned, while the ordinary membership has lost considerable interest in the parties' messages.

The changing political and economic situation in the country requires new, modern political slogans and issue-based activities. Promoting the same old messages from the late 1980s, and demanding regime change, does not win these opposition parties new supporters any longer. At the same time, the general public is exhausted by elections and it is expected that encouraging people to participate in these re-elections will be extremely hard.

The ruling Yeni Azerbaijan Party (YAP), meanwhile, has started preparations to the reelections by stating that the list of common party candidates would be developed and a campaign plan would be designed. It is noteworthy that insiders in the party talk about the lack of interest in these reelections from the party leadership. The YAP leadership might fear a renewed internal rivalry over these vacant seats. Such rivalry has challenged the stability and sustainability of the party in the last several elections.

At the same time, holding these re-elections up to international standards will be another important test for the Azerbaijani Government. Albeit with less energy and attention, international organizations will be monitoring the conduct of these re-elections and the Azerbaijani Government will be pressured to improve its election record.

Central Election Commission officials have welcomed the desire of more than 1,200 persons to take signature sheets and register as candidates. Most of the registered so far are independent candidates. Small opposition parties such as Umid, Civil Solidarity, and the Party of Democratic Reforms, will also contest the re-elections and have already started to develop lists of candidates.

PAKISTAN-AFGHAN BORDER INCREASINGLY TURNING INTO CHESSBOARD FOR REGIONAL POWERS Muhammad Tahir

The crowded streets of downtown Mazar-i-Sharif reflect a change of command in this northern Afghan city of about 200,000 inhabitants. One year ago, huge portraits of ethnic Uzbek commander and failed presidential candidate Abdul Rashid Dostum hung on buildings. Today, most of these images have been replaced by portraits of Afghan President Hamid Karzai. For many, it is a reflection of a more substantial change in this part of the country – the expansion of the central Afghan government's authority to northern Afghanistan's largest city.

It's location as a major transit route to Central Asia has made Mazar-i-Sharif a focal point for interest by a number of different ethnic groups in Afghanistan. Shortly after coalition forces began bombarding Taliban targets in October 2001, the city was invaded by militias representing three major ethnic groups of the north: the Hazara, Tajiks, and Uzbeks. A power struggle followed that appears to have been tipped recently in favor of Tajik commander Mohammad Atta, who was appointed governor of Mazar-i-Sharif province by President Karzai.

Karzai's strategy of recruiting military commanders like Mohammad Atta has attracted criticism from detractors who argue that Kabul's policy threatens to undermine the country's efforts at reconciliation and disarmament.

But defenders counter by saying that despite Atta's background as a heavily armed ally of the Panjshir elite – an implicit reference to the powerful mujahedin forces of the United Front (aka Northern Alliance) – Karzai was wise to bring Atta into the civilian structure at this time. They say the move allowed Karzai's administration to avoid direct confrontation with heavily influential Tajik commanders. Some also note the apparent sidelining of longtime strongman Dostum, a powerful warlord who spent decades consolidating power in northern Afghanistan through kaleidoscopic alliances that changed depending on which way the political winds blew.

This decision followed by the re-appointment of dozens of high-level provisional officials last year including police chiefs for many provinces in northern Afghanistan was considered another clever tactic by Karzai to expand his authority in north. These steps seem already to work in his favor, since the recent parliamentary elections in September 2005 were marked by considerable success for Karzai's supporters in northern Afghanistan.

But looking to the predominantly Pashtun southern Afghanistan, the picture is less heartening for the central government. Terror or insurgency violence and joint efforts to combat those fighters regularly claims hundreds of lives per month. Lawlessness hampers reconstruction and threatens to disaffect a public that expected more rapid progress in rebuilding the country after the Taliban regime was ousted.

So have central government policies gone wrong in this part of the country – which hosts President Karzai's own hometown of Kandahar and the porous and disputed border with Pakistan?

For some, the answer to that question requires a hard look at neighboring Pakistan. Some local and central Afghan government officials have accused Pakistan of abetting Taliban fighters in their effort to destabilize the Afghan government. Both Karzai and his foreign minister, Rangin Dadfar Spanta, have repeatedly laid some responsibility for crossborder attacks at the feet of the Pakistani government or its agents. They accuse Islamabad of allowing insurgents to shelter, train, and rearm on Pakistani territory.

Pakistani officials have consistently rejected the accusations, but a war of words continues – despite bilateral meetings and the smiles accompanying the official handshakes.

A Kabul-based Afghan Turkmen journalist representing the Turkish Agency 'IHA', Nadir Turkmen, suggests that escalation might do more than just open historical conflicts. Tensions could be exploited by separatist groups in Pakistan, such as the Baluchis, who have long sought greater control over natural resources in southwestern Pakistan.

The relationship between Kabul and Baluchi separatists in the late 20th century has prompted some people to draw a link between the Baluchi insurgency and the Afghan government. Prof. Amanullah Jeddon of Pakistan's Punjab University suggests Afghanistan might have an interest in fanning the flames of Baluchi separatism to counter alleged interference in Afghanistan by Pakistan.

Mohammad Najibullah's administration (1986-92) and other Afghan governments are believed to have supported Baluchi demands, including calls for a greater share of the revenues from natural resources in gas-rich Baluchistan. Najibullah's government also provided shelter to Baluchi leader Nawab Khair Bux Marri when that prominent Baluchi leader's life was under threat from Pakistani security forces in the late 1980s.

Many Pakistani observers also indicate increasing Indian involvement, including the presence of a small number of Indian troops in the area close to the Pakistani border. These, according to Islamabad, may increase regional tension, given the bitter history of Indian-Pakistani relations.

So whereas President Karzai appears to have forcefully pursued a strategy of his own choosing in the north, the situation in the volatile south could depend more on regional strategies pursued by the respective governments. A prominent writer for the Pakistani daily The Nation, Dr. Haroon Hashemi, describes the area as a chessboard of international and other powerful influences, with each of those powers playing its own game.

The situation is compounded by security along the 1,700-kilometer border between Pakistan and Afghanistan. Unlike its border regimes with neighbors to the north, Afghanistan's border with Pakistan has historically been relatively open. Many locals travel across that international boundary without proper documentation, even at the many border checkpoints. Pakistani officials argue that it is not easy controlling a border that, in many cases, separates members of the same tribe or even the same family. Critics say such lax enforcement provides easy passage to insurgents or terrorists.

Ignoring the governments' roles, residents of Afghan towns and villages near the Pakistani border might have little hope of any 'new chapter' for their region. Civilian life is under assault in the current situation, literally and figuratively. The insurgency and lawlessness keep potential foreign investors at bay, and often keep even small-scale reconstruction work by the international community from going forward.

Joint forces, combining international troops with soldiers from the nascent Afghan National Army, are working to combat security threats. Operation Mountain Thrust was launched in June, and marks the biggest offensive to have targeted Taliban elements since the U.S.-led invasion in 2001. The operation included 3,500 Afghan troops, along with 11,000 U.S. soldiers, 2,300 British troops and 2,200 Canadians. U.S. military spokesmen say the basic aim is to establish conditions that allow Afghan forces, government institutions, and humanitarian groups to move in and begin the real work. The operation promises to last well into the summer.

KYRGYZ BY-ELECTION FOR PARLIAMENT IN STALEMATE Nurshat Ababakirov

The June 25 by-election for the Kurshab seat #39 in the Kyrgyz parliament failed as clashes erupted between the supporters of two rivaling candidates, Sanjarbek Kadyraliev and Mamat Orozbaev. Lasting over a month, this controversy is still not resolved, as there is a lack of fully established legal grounds to resolve the matter. The tenacity of both candidates, stemming from the slight difference of votes between the two, and their willingness to involve their supporters in the struggle, exacerbated matters..

The first by-election was held on April 9, and was a result of the shift of Adahan Madumarov, current Secretary of State, from the parliament to the government. This opened up the seat for a byelection. Sanjar Kadyraliev and Mamat Orozbaev reached the second round held on April 23. After this, the Central Election Commission (CEC) issued three controversial decisions in one day: first, it acknowledged Orozbaev's victory. Then, it decided to conduct rerun elections in four subdistricts because of ballot frauds, and it ended up recognizing Kadyraliev the as winner. Nevertheless, it again changed its decision after a review handed Orozbaev the victory with his 49.5% of votes. Along with many controversial decisions, a problem was that the difference was about 150 votes, which fueled Kadyraliev's ambition to keep claiming his right to be a parliamentarian.

No sooner did Orozbaev take the oath and assume his position in parliament, than the court annulled the results in three sub-districts for fraudulent conduct of ballot casting, thus partially satisfying Kadyraliev's appeal. On June 14, the Supreme Court delivered another decision: to conduct a rerun in only one sub-district, "Tuzbel", the birth place of Orozbaev.

This took place on 25 June. According to lawenforcement agencies, the first skirmishes between the supporters of the two candidates occurred the day before the rerun election, when representatives of the candidates started their campaigns. In order to stop a further escalation of violence, the next day up to 200 policemen were brought in.

One of the first grounds for the violence was laid, the CEC commission on the spot said, when about 400 sportsmen-looking supporters of Kadyraliev started checking the passports of the electorate to let them vote or not. It also became known that old passports, which were registered in Jalpaktash village, the former name for Tuzbel, were torn into pieces. According to the CEC representatives, the ordinary people got outraged and some people on horsebacks appeared, but law enforcement managed to control the situation. "It was also Orozbaev's prudence that prevented things from getting worse, convincing the people to let the supporters of Kadyraliev, who had been encircled, to leave the place." Nevertheless, Kadyraliev, denying his initiation of these kinds of actions, instead accused his rival of bringing the young men there and causing a worsening of the situation. Dozens of people got wounded by gunshots, injured by sticks and metal bars, and several cars were damaged and burned. In general, the policemen had to separate the two groups over a dozen times by using tear gas and other means. Several policemen were injured as well.

About 200 people of Tuzbel village, which has about 800-900 eligible voters, managed to cast their votes by 12 o'clock, the time when it was no longer possible to control the election. It is thought that the dispute could have been managed in a way to resume the ballot, given the numbers of police officers present.

Orozbaev accuses higher forces in the bureaucracy for preventing him from taking the seat. "It is the second time I win the election as a candidate for the parliament, but somehow I am sidelined." Previously, in 2005, he stood as a candidate against current Secretary of State Madumarov, but lost. That time as well, loud scandals were abundant in the constituency.

Judicial confusion also appeared after the failed byelection, obscuring further steps to settle the issue and to identify a winner. According to election regulations, rerun elections should take place within two weeks after the decision. If it passes the deadline, it is not conducted. The question, says the head of the CEC, Tuygunaly Abdraimov, is what to do next if the re-election started on time but it failed to finish.

Being aware of some sort of a stalemate in the case, many people, including the rivaling opponents and some members of the CEC, want to address the issue to the president, Kurmanbek Bakiev. Nevertheless, the latter is more or less silent about it. This is understandable, given his comments on problems in the previous elections: "everything should be dealt with on a legal basis, I am not a tsar with unlimited power".

With this clash of supporters of rival opponents and uncertainty in legal terms, the failed re-run byelection came in handy to those who believed a parliamentary republic with a party list system is the best cure for troublesome clan and tribe-based elections.

A negative consequence of the case, as argued by Aziza Abdyrasulova, leader of Kylym Shamy human rights group, is that it reinforces a tendency toward the use of force as a means to solve problems. This tendency is more or less apparent since the March 2005 upheaval, where differing from the Georgian and Ukrainian elections, force was indeed used.

The Caucasus: A Challenge for Europe

Svante E. Cornell S. Frederick Starr

SILK ROAD PAPER June 2006

Central Asia- Caucasus Institute Silk Road Studies Program New Silk Road Paper!

The Caucasus: A Challenge for Europe

by Svante E. Cornell and S. Frederick Starr

As the EU moves in a southeastern direction, it moves closer to the Caucasus, North as well as South. This creates both opportunities and challenges. Increasing interest on the part of the EU in the South Caucasus has been noted. This paper discusses the challenges faced by Europe in the region and seeks to propose steps for the EU to take in the Caucasus.

This 85-page paper is available from the offices of the Joint Center cited on the inside cover of this issue, or freely downloadable in PDF format from either <u>www.cacianalyst.org</u> or <u>www.silkroadstudies.org</u>.

NEWS DIGEST

KYRGYZ OFFICIAL SAYS REMITTANCES AT \$750 MILLION IN 2005 30 June

Lyubov Ten, head of the macroeconomic policy department in Kyrgyzstan's Economy and Finance Ministry, said in an interview on June 29 that remittances from migrant workers totaled an estimated \$750 million in 2005. Ten said that the International Organization for Migration puts the number of Kyrgyz migrant workers in Russia at 300,000-500,000 and in Kazakhstan at 50,000. Ten noted that the Bishkek Consensus Institute for Economic Policy (IEP) estimates the total number of Kyrgyz migrant workers at 400,000, including 50,000 outside the CIS. The IEP put annual remittance averages of individual migrant workers from Kyrgyzstan in 2004-05 at \$1,165 (Russia), \$1,361 (Kazakhstan), and \$2,050 (other countries). (akipress.org)

GAZPROM TO BUY GAS PIPELINE **CONNECTING IRAN/ARMENIA** 3 July

Gazprom plans to buy a pipeline being built from Iran to Armenia and complete the link's construction. Gazprom would pay about \$30 million to Armenia to gain control of the project and spend about \$100 million to complete the link, deputy CEO Alexander Ryazanov said Friday. The pipeline would carry as much as 1.2 billion cubic meters a year of gas from Iran to Armenia, he said. (Bloomberg)

PUTIN ADVISER PREDICTS THAT 1 MILLION RUSSIANS WILL RETURN FROM ABROAD

3 July

Kremlin adviser Modest Kolerov told Interfax on July 1 that more than 1 million Russians, most of them "professionals" currently living in unspecified countries that are undergoing "a socioeconomic crisis," plan to take advantage of the repatriation program announced by President Putin on June 26.

That program guarantees benefits and support for persons who agree to settle in border regions in the Far East. Returnees will also be permitted to settle in regions where the population is declining rapidly, or where major investment programs are under way. In Primorsky Krai, the authorities are already allocating land for repatriates to settle, while in Irkutsk, Governor Aleksandr Tishanin said on June 29 that the oblast is ready to house in 2007 up to 1.5 million ethnic Russians from former Soviet republics who wish to settle in the Russian Federation. (RFE/RL)

CHINESE FIRM, NDC TO CONDUCT JOINT DRILLING IN CASPIAN 4 July

North Drilling Company (NDC) and a Chinese contractor will jointly be running the drilling business in the Caspian Sea upon the delivery of Iran-Alborz Platform by SADRA Company, Esfandiar Jahangiri noted here Friday. "The Chinese are provided with an operation base in Neka, Mazandaran Province, which was given to us two years ago," NDC's engineering and operation manager stated, stipulating that everything is still pending upon the delivery of the platform, now facing a two-year delay. The Chinese firm, selected in a call for tender, is to assist the NDC with drilling operation in deep waters of the sea, he said in conclusion. (MNA)

KAZAKH PRO-PRESIDENTIAL PARTIES MERGE

4 July

The pro-presidential parties Otan and Asar joined forces on July 4 when participants in Otan's extraordinary ninth congress voted in favor of the merger. Darigha Nazarbaeva, head of the Asar Party and daughter of Kazakh President Nursultan Nazarbaeva, floated the idea on June 19 of a merger to unite all pro-presidential parties. Nazarbaev, who heads Otan but has delegated leadership of the party to Bakytzhan Zhumagulov for the duration of his

presidency, told Otan members at the congress that the new party must preserve discipline and avoid a division into "Otan members" and "Asar members." He stressed, "We, Otan members, are combining our efforts for the sake of our country and people." Nazarbaev said that the new party will have 700,000 members, according to the presidential website (http://www.akorda.kz). Even before the merger, Otan was the country's largest party, with a majority of the 77 seats in the Mazhilis. (Interfax-Kazakhstan)

KOREAN CONSORTIUM FINDS OIL IN CASPIAN SEA

6 July

The state-run Korea National Oil Corp. and LG International have found an oil field in Kazakhstan. The two found an oil field with estimated reserves of 20 million barrels in Aktobe in central Kazakhstan, KNOC said Thursday. It is located in an oil belt on the Caspian Sea. Korea and Kazakhstan each have a 50 percent stake in the field. The presumed deposits are worth about US\$1.3 billion based on last month's average price of benchmark Dubai oil of \$65 per barrel. KNOC said there are three more prospective oil fields near the newly found one, and combined reserves of the four oil fields could amount to 170 million barrels. KNOC expects the cost of developing the field to be low since the oil lies only 500 m below the surface and the quality of the crude oil is high, with almost no impurities and water content of less than 5 percent. KNOC plans to start drilling next year. (chosun.com)

KASHAGAN FIELD FULL-SCALE PRODUCTION DELAYS POSSIBLE 6 July

The Kashagan oil field in Kazakhstan might not start full-scale production until 2009 or 2010, Interfax said, citing Kazakh Energy Minister Baktykozha Izmukhambetov. Extra work may be needed to ensure the project operates safely, Izmukhambetov told Interfax in Astana, the Kazakh capital. Kashagan was initially scheduled to start work in 2008, the news agency said. Eni is leading a group of companies that are developing Kashagan, one of the world's five biggest oil fields. Rome-based Eni is in charge of developing the field with a 19 percent share. Its partners include ExxonMobil, Royal Dutch Shell, Total and the Kazakh government. (Bloomberg)

EUROPE LOOKS TO CASPIAN TO DIVERSIFY GAS SUPPLIES 7 July

A southern export route for Caspian gas to Europe was first mooted after the 1991 collapse of the Soviet Union and the emergence of three new energy-rich states - Azerbaijan, Kazakhstan and Turkmenistan. But the idea has been given new life by recent increases in energy prices, and European concerns about the security of Russian gas supplies. Jeffrey Waterous, chairman of Global Union Energy Ventures, an investment company, says: "Whether or not Gazprom will cut off supplies again is not the point. What's important is that the perception of risk that this might happen is high." But the European Commission and other supporters of the proposal face formidable political, financial and technical challenges. Significant amounts of Caspian gas are not expected to reach the EU before about 2015 - and then only if gas prices remain high. Preliminary estimates that the Caspian region holds about 9,000bn cubic metres of gas, are dwarfed by the figures for Russia and Iran, which together own about 68,000bn cubic metres, nearly half the global reserves. Oil companies argue such estimates are conservative and there could be enough to supply 40bn-80bn cubic metres annually, or 5-10 per cent of the EU's forecast gas demand in 2020. A European Commission paper puts the figure higher - at 10-15 per cent of demand. (www.ft.com)

MEDIATORS AGAIN URGE ARMENIAN, AZERBAIJANI PRESIDENTS TO REACH 'COMPROMISE' 7 July

In a statement posted on July 3 on the website of the U.S. Embassy in Yerevan, the French, Russian, and U.S. co-chairmen of the OSCE Minsk Group again called upon the presidents of Armenia and Azerbaijan to demonstrate the "political will" necessary to reach a formal solution of the Karabakh conflict, RFE/RL's Armenian Service reported on July 4. The statement said the co-chairs believe that the proposals developed during negotiations over the past two years "hold the best potential" for reaching such a settlement. On July 5, Armenian Foreign Minister Vartan Oskanian told journalists in Yerevan that the Armenian leadership considers the principles under discussion "acceptable" and is prepared to continue discussing them, according to "Azg," as reposted by Groong. But Azerbaijani Deputy Foreign Minister Araz Azimov denied on

July 3 either that any draft framework document exists, or that Azerbaijan has agreed that the future status of Nagorno-Karabakh should be decided by a referendum or vote among the disputed region's population. (RFE/RL)

TOP KAZAKH, U.S. DIPLOMATS DISCUSS NAZARBAYEV'S VISIT 7 July

Kazakh Foreign Minister Kasymzhomart Tokayev has met with U.S. Secretary of State Condoleezza Rice in Washington to discuss ways to further bolster the two countries' strategic partnership and preparations for Kazakh President Nursultan Nazarbayev's visit to the United States in autumn, the Kazakh embassy in the U.S. said in a press release. The U.S. administration is looking forward to the visit by the Kazakh head of state, the release quotes Rice as saying. Kazakhstan is a strong partner for the United States and plays a leading role in development processes in Central Asia, she said. Tokayev confirmed his country's commitment to more actively contributing to regional integration initiatives. He briefed Rice on the volume of Kazakhstan's investment in neighboring countries and efforts being made by the Kazakh government to help bring the situation in Afghanistan back to normal. Kazakhstan backed the U.S.-led antiterrorist coalition in Afghanistan and granted overflight rights to military and civilian airplanes of the United States and those of its allies, the Kazakh minister said. "Over the past few months, Kazakhstan has been quite broadly involved in international efforts to assist the authorities of Afghanistan in securing economic progress and ensuring stability in the country," Tokayev said. (Interfax-Kazakhstan)

KYRGYZ PRESIDENT VISITS KAZAKHSTAN 7 July

Kyrgyz President Kurmanbek Bakiev held talks with Kazakh President Nazarbaev in Astana on July 4. Their discussion reportedly focused on economic cooperation. Nazarbaev told a joint news conference after the meeting, "I am always directing Kazakh businesses toward investing money in your country," RFE/RL's Kazakh Service reported. Bakiev said: "I have to point out that Kazakh investments in Kyrgyzstan more than doubled during the last year, 2005 [compared with 2004]. There are five Kazakh banks that operate on Kyrgyz territory today." Khabar noted that Kazakhstan invested over \$160 million in the Kyrgyz economy in 2005. News agency 24.kg reported that Kazakhstan could invest up to \$2.5 billion in Kyrgyzstan's economy. The two presidents signed a declaration on deepening relations and a number of intergovernmental agreements, 24.kg reported. (RFE/RL)

FOUR CIVILIANS KILLED, TWO WOUNDED IN ATTACK ON CAR IN CHECHNYA 8 July

Four people were killed and two others seriously wounded in an attack on a privately-owned jeep in Chechnya, a local law enforcement source told Interfax Saturday. "Unidentified people fired small arms at an UAZ car on a dirt road between the villages of Dubovskaya and Kargalinovskaya in the Shelkovskaya district. Four people died of wounds and two others were taken to the hospital in serious condition," the source said. The people killed in the attack were civilians, Chechen Prosecutor Valery Kuznetsov told Interfax. "The vehicle that came under fire was khaki in color and had license plates of another Russian region. Therefore it has been assumed that the bandits took it for military vehicle and fired at it," Kuznetsov said. (Interfax)

BRITISH GOLD COMPANY REPRESENTATIVE SHOT IN KYRGYZSTAN 8 July

Sean Daley, a British citizen representing the interests of Britain's Oxus Gold in the latter's dispute with the Kyrgyz government, was hospitalized after suffering a gunshot wound in an attack in Bishkek on the night of July 6. Doctors in Bishkek told akipress.org on July 8 that Daley was in serious condition after surgery to remove a kidney. Daley is representing Oxus Gold in its attempt to recover its license to operate the Jerooy gold deposit. The attack on Daley took place one day after a Kyrgyz court upheld a ruling to keep the Kyrgyz government from executing a contract with Austria's Global Gold to work on the Jerooy mine. (akipress.org)

NEARLY 200 COFFINS SENT TO TAJIKISTAN FROM RUSSIA IN FIRST HALF 2006

8 July

The bodies of 190 Tajik citizens were sent from Russia in the first six months of 2006, according to Interior Ministry data. The cause of death varied, with 69 killed in accidents, an equal number dying from disease, four committed suicide, and eight were killed in traffic accidents. The northern province of Sughd received the largest number of dead at 85. Khatlon Province, in the south of the country, received 47. In the first half of 2005, 151 Tajiks died in Russia. (Asia Plus-Blitz)

CHECHEN PRIME MINISTER CLAIMS RESISTANCE RANKS DWINDLE 10 July

Ramzan Kadyrov told journalists in Gudermes on July 8 that Chechen resistance leaders Doku Umarov and Shamil Basayev have only a few dozen Chechen fighters under their command, together with some 60-70 foreign mercenaries, Russian media reported. Kadyrov contrasted that allegedly limited force with that of the 17,000 police under his own command, whom he characterized as "excellently trained and experienced in combat action." He added that 30 resistance fighters surrendered earlier that day and a further 50 are "preparing" to do likewise. Meanwhile, Umarov told the Turkish daily "Vakit" in an interview reposted on July 10 on the website chechenpress.org that "thousands of young men in the Caucasus want to join our ranks to wage jihad against the Russian aggressors.... Believe me, if we had enough money and weapons, we could create a huge army in the Caucasus in the space of one week." (RFE/RL)

SOUTH OSSETIAN OFFICIAL KILLED BY BOMB

10 July

Oleg Alborov, secretary of the National Security Council of the unrecognized Republic of South Ossetia, was killed early on July 9 by a bomb that exploded as he opened the doors of his garage. South Ossetian Deputy Prime Minister Boris Chochiev blamed the killing on Georgia, suggesting that it is part of an attempt to destabilize the situation in South Ossetia in the run-up to the G8 summit in St. Petersburg. Georgian Minister for Conflict Resolution Giorgi Khaindrava denied any Georgian involvement in Alborov's death, hinting instead that Alborov may have been killed because he was more sympathetic to Georgia than many other members of the South Ossetian leadership. (Caucasus Press)

BASAYEV'S DEATH WILL NOT DRASTICALLY ALTER SITUATION IN CHECHNYA - RIGHTS ACTIVIST 11 July

The killing of Chechen warlord Shamil Basayev

will not trigger any dramatic changes in Chechnya, Memorial human rights center head Oleg Orlov told Interfax on Tuesday. "The situation will not change drastically. But, given [Basayev's] role as a major organizer of the terrorist network, his elimination will create difficulties for those who have resisted federal forces with weapons in their hands," he said. "Another horrible terrorist, another person responsible for savage crimes has been eliminated," he said. Basayev should have been captured and brought to trial, he said. "It would be better for our country and the worldwide antiterrorist operation in general if such a major terrorist had gone on trial. Very interesting details might have been revealed," Orlov said. (Interfax)

SAAKASHVILI HAPPY U.S. DEFENDS GEORGIA'S INTEGRITY

11 July

Georgian President Mikheil Saakashvili said the main result of his recent U.S. visit was the unambiguous support for Georgia's territorial integrity voiced by U.S. leaders during his meetings. "These statements were made against the backdrop of talk on dismembering Georgia's territory in Russia, but the position of the U.S. president carries more weight," Saakashvili said at a news briefing on Tuesday. The U.S. leaders made these statements "for Georgia's neighbors to hear them," he said. The Georgian leadership invited Russia to have a meeting following the G8 summit "to decide once and for all the settlement of the conflicts in Abkhazia and South Ossetia," he said. "We will not allow the annexation of our territories, and the Georgian parliament will make a decision on a peacekeeping operation in Abkhazia. We will resolve the conflicts, we hope, together with Russia or without it," Saakashvili said. Georgia wants to resolve these conflicts peacefully, but "this process cannot continue endlessly," he said. (Interfax)

RUSSIA WILL NOT DRAMATIZE CLOSURE OF GEORGIAN BORDER CROSSING -POPOV

11 July

The Russian authorities have no intention of overly dramatizing Georgia's decision to close down a checkpoint in the village of Ergneti, the Russian Foreign Ministry's Ambassador at Large Yury Popov told Interfax on Tuesday. "We hope that all problems will be sorted out as part of dialogue. We see no grounds to overly dramatize the situation," he said. "We are keeping a close eye on the situation and maintaining dialogue with Georgia. But I would not like to jump to any conclusions," the diplomat said. Several dozen Russian and Armenian citizens were unable to cross into Georgia via the breakaway province of South Ossetia after Georgian police shut the Ergneti checkpoint. Law enforcement agencies will not allow the Transcaucasian highway, which crosses South Ossetia, to be used for communications with Russia instead of the closed Georgian Military Road, a Georgian Interior Ministry source told Interfax. Only people who have Georgian transit visas will be allowed to cross the border via the Ergneti checkpoint as an exception, Gela Zoziashvili, the Georgian president's deputy envoy to the Shida Kartli region, said. "The road from Russia to Georgia via the Roki tunnel is illegal because this section of the border has no official Georgian checkpoints. For this reason, citizens of other countries cannot cross into Georgia via South Ossetia," he said. Everybody wishing to visit Georgia can obtain a Georgian entry-visa at the airport upon arrival, he said. (Interfax-AVN)

NO NEW MEETING PLANNED BETWEEN ARMENIAN, AZERBAIJANI PRESIDENTS 11 July

Azerbaijani President Ilham Aliyev told the Turkish daily "Cumhuriyet" in an interview published on July 10 that he has no plans to meet with his Armenian counterpart Robert Kocharian on the sidelines of the G8 summit in St. Petersburg on July 15-17, RFE/RL's Armenian Service reported. Aliyev noted that he and Kocharian have met twice in recent months (in February on the outskirts of Paris and in June in Bucharest) but, due to what he termed the "unconstructive position" adopted by Armenia, those meetings "did not yield any results" in terms of further progress towards resolving the Karabakh conflict. He added that a resumption of hostilities "cannot be excluded" in light of the "very fragile" cease-fire and the absence of a peacekeeping force to separate the warring sides. Kocharian's spokesman Viktor Soghomonian similarly told RFE/RL that the president's July 17 agenda does not include a meeting with Aliyev. (RFE/RL)

AZERBAIJAN HEAD TO ATTEND BTC UNVEILING

11 July

Azerbaijan's president is expected to attend the

unveiling of a new pipeline linking the Caspian Sea to Turkish ports for oil transport. Azeri President Ilham Aliyev will head to Istanbul this week to join a delegation from Azerbaijan as well as Georgia and Turkey, including their presidents, Turan News Agency reported. All will attend a ceremony July 12 marking the opening of the Baku-Tbilisi-Ceyhan, or BTC, oil pipeline. The BTC will take Caspian Sea oil and funnel it through Azerbaijan and Georgia into Ceyhan, Turkey. (UPI)

NEW OIL, GAS PLANT LAUNCHED IN KAZAKHSTAN 11 July

A new gas condensate and oil products processing plant has been launched in south Kazakhistan. The mini-plant at the Amangeldy gas processing plant, in the Zhambyl Region, has started to produce petrol, diesel fuel and black oil. The total cost of the project is around \$2 million, Kazinform reported on Monday. The plant began processing about 200 tons of gas condensate and 160 tons of petrol, 10 tons of diesel fuel and one ton of black oil daily. The waste ratio for processing raw materials is about four percent. It is already the second plant in the Zhambyl Region processing gas condensate. (UPI)

NO PLANS TO INCREASE U.S. MILITARY CONTINGENT IN AFGHANISTAN – RUMSFELD

11 July

U.S. Secretary of Defense Donald Rumsfeld has denied the existence of plans to enlarge the U.S. military contingent currently deployed in Afghanistan and Central Asia. Speaking at a Monday news conference during a stop-over in Dushanbe on his way to Afghanistan, Rumsfeld said that the U.S. has no plans to increase its military presence in any region of the world. The U.S., which has a military base in neighboring Kyrgyzstan, had to shut down its base in Uzbekistan following the Uzbek authorities' reaction to U.S. officials' statements criticizing what they described as the violent suppression of protests in the town of Andizhan. It is vital to restore security in Afghanistan, and the United States needs other countries' support in these efforts, the U.S. official said. "Destructive forces seeking to restore the former regime in Afghanistan" have stepped up their activities, Tajik Foreign Minister Talbak Nazarov told the same news conference. "The situation in Afghanistan has become more complicated of late. Destructive forces in the country's southern regions have intensified their operations. The latest events in Kabul confirm this," he said. "Of course, all this pursues a certain goal. I mean the restoration of the former regime. But I think that this objective cannot be achieved," Nazarov said. The United States increased its assistance to Tajikistan after the Tajik authorities allowed airplanes of the anti-terrorist coalition en route to Afghanistan to land at Tajik airports. A total of 400 French servicemen and six Mirage airplanes are currently deployed at Dushanbe Airport. (Interfax)

AFGHANISTAN'S UNRULY PROVINCE 11 July

Afghanistan's southern province of Helmand is fast turning out to be one of the country's most dangerous, with almost daily clashes between militants and foreign and Afghan troops. More than 3,000 British troops have been deployed there since May, as part of a strengthened Nato force in the south aimed at tackling the twin threats of a resurgent Taleban and the country's drug trade. Helmand, with rocky mountains in the north and desert in the south, shares an open border with Pakistan and is said to produce nearly 20% of Afghanistan's opium crop. In short, it is the world's leading opium poppy growing region. The last time British troops were deployed in Helmand was in the 19th Century, and they left after two disastrous wars. Their experience this time is proving to be equally daunting. Part of the reason Helmand is so dangerous is because the Taleban have a major presence in the province. The Taleban has influence in almost every district and there are some areas where they are said to be firmly in control. In these areas they are seen as a real source of power, overshadowing the government, making villages there almost no-go areas for the security forces, particularly at night. It is very easy for them therefore, to launch attacks against coalition forces and melt into the countryside. It is also one reason why the US-led coalition has been particularly severe in its attacks in Helmand, targeting what it says are known Taleban strongholds and compounds. (BBC)

TAJIKISTAN BEGINS REBUILDING HIGHWAY TO UZBEKISTAN 11 July

Tajikistan officially launched the reconstruction of the Dushanbe-Chanak highway on Tuesday, a

project estimated to cost some \$296 millions. Tajikistan's President Emomali Rakhmonov took part in the launching ceremony. "The highway will make it possible to develop our economy rapidly, in particular, the industry, and it will also take our country out of a communication blind alley," he said in the village of Varzob, 15 kilometers from Dushanbe. Rakhmonov added that "after the linking of the highway running from Kulma [south-east Tajikistan, Chinese border] to Horog-Darvaz-Kulvab-Dushanbe and the Dushanbe-Hujand-Buston-Chanak highway, the Great Silk Route will return to live." China provided \$281.2 million in a long-term loan to Tajikistan for the implementation of the two-year project. The necessary balance will be provided by the republic's government. The new highway linking the capital to the north of the republic on the border with neighboring Uzbekistan, according to the president, will make it possible to increase traffic up to 11,500 cars per day throughout the year. China, according to Rakhmonov, is the second foreign investor in Tajikistan, with Russia holding the first spot. (Interfax)

PRESIDENT OF AZERBAIJAN ILHAM ALIYEV: ARMENIA IS NOW ISOLATED FROM ALL THE INTERNATIONAL PROJECTS 12 July

"Despite all Armenians' efforts to hamper realization of the Baku-Tbilisi-Kars railway, I am convinced that we will realize this project. Indeed, the Armenian lobby is striving for some organizations, international structures not to support this project", said President Ilham Aliyev in an interview to Turkey's Cumhuriyet newspaper. The President said "our current situation allows us to be independent of other organizations. We have possibilities, and we have funds. Azerbaijan is prepared to fulfill its financial obligation". "Therefore, this Armenian policy will fail to succeed; Azerbaijan will become stronger, and take stronger position in the region. Armenia is now isolated from all the international projects, and their situation will further worsen," President added. (AzerTag)

ARMENIA WILL RAISE TERRITORIAL CLAIM AGAINST TURKEY IF "GENOCIDE" IS RECOGNIZED, PRESIDENT OF AZERBAIJAN ILHAM ALIYEV 12 July

"Armenia raises false, imaginary, unreal and faked

accusations against Turkey, and try the notorious "genocide" to be approved in Europe. That is, it shows that they are in a hostile position," said President Ilham Aliyev in an interview to Turkey's Cumhuriyet newspaper. The Head of State then stressed, "First, there was not any genocide. Instead, in all periods they have killed the Turks, Azerbaijanis, and massacred them. Secondly, let us have a look at the new history. There were countries that battled with each other for ten times, twenty times. The European countries. Have a look at the World War II. In this war, carried out by Germany, the Soviet Union, England, France and America, 30 million and may be more people were killed. Wars occurred in world, and earlier in Europe. But after 20 years, the Soviet Union and Western Germany established relations. And today they are allies, France and Germany play leading role in the European Union and all see their alliance. These nations, these countries have closed the history for future, for progress. But look at Armenia; they educate their youth in spirit of hostility." Saying that Armenians they will demand compensation, raise territorial claim against Turkey after they achieve the recognition of "genocide", the Head of State added, "Turkey and Azerbaijan should have stronger position. We should not defend, but on the contrary, we should attack from the point of view of policy and propaganda. Here, in Azerbaijan we set up the affairs in high level. It is necessary to unmask the Armenian propaganda, and smash up their false propaganda and bring to the notice of world community." (AzerTag)

KAZAKHSTAN STARTS OIL DELIVERIES TO CHINA BY OIL PIPELINE GOING ACROSS ALATAU

12 July

Kazakhstan has begun to deliver oil to China by the oil pipeline going across Alatau to the oil storages, built in the Xinjiang Uygur Autonomous Region, in the north-east of the country. So, the commercial operation of the first direct oil pipeline going across the Chinese border has been started, the Xinhua News Agency reported on Wednesday. According to Zhu Minjie, an officer of the Chinese customs service, within 15 days, after the filling up of the intermediary oil tank, oil will start coming to the oil refinery in Dushanzi, the biggest in China. The 962kilometres-long oil pipeline connecting Atasu, Kazakhstan, and the Alatau crossing was built jointly by the Chinese National Petroleum Corporation (CNPC), the Kazakhstan State Energy Company and the Kazgaz Company. It was put in operation last November. After that CNPC continued to build the next section of the pipeline, whose total length is 252 kilometres, and brought it to the Dushanzi oil refinery. The maximum design capacity of the oil pipeline is 20 million tons a year. China is expected to import this year 4.75 million tons of oil from Kazakhstan and to bring the figure to eight million tons in 2007. (Itar-Tass)

'SUICIDE BOMBER' IN AFGHAN ATTACK 12 July

A suicide bomber has driven a taxi into a convoy of US-led troops in Afghanistan, killing himself and a child, officials say. Officials say that the attack happened in the Yaqubay district of Khost province, and that two US soldiers and three other children were injured. Officials blamed the attack on al-Qaeda and Taleban militants, who have mounted a series of attacks throughout 2006. It has been the bloodiest year since the overthrow of the Taleban in 2001. Correspondents say that most of the violence has been in the country's south and east, in provinces bordering Pakistan. Officials say that Wednesday's attack took place while the US convoy was parked near a government building in the eastern province of Khost. "The suicide attacker was blown to pieces and a 12-year-old was killed on his way to school," the administrative chief of Yaqubay district, Mirza Jon Nimgari told the Reuters news agency. Correspondents say that until recently suicide bombings in Afghanistan were rare. Wednesday's attack brings the number of suicide attacks in Afghanistan this year to nearly 30, more than the total for all of 2005 and dwarfing the figure for 2004. Nearly all the attacks are blamed on the Taleban, who were ousted from government by a US-led coalition in late 2001. Hundreds of people have been killed in violence in Afghanistan this year, most of them militants, the US-led coalition and Afghan officials say. (BBC)