

Central Asia-Caucasus Analyst

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THE CENTRAL ASIA-CAUCASUS ANALYST

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Submission Guidelines:

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

KEY ISSUE: A short 75-word statement of your conclusions about the issue or news event on which the article focuses.

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

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

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

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

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

Svante E. Cornell

Research Director; Editor, Central Asia-Caucasus Analyst
Central Asia-Caucasus Institute & Silk Road Studies Program
Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University
1619 Massachusetts Ave. N.W., Washington, D.C. 20036, USA.
Tel. +1-202-663-5922; 1-202-663-7723; Fax. +1-202-663-7785

A SINO-UZBEK AXIS IN CENTRAL ASIA?

Stephen Blank

Many factors have been cited for Russia's failure to intervene in the rioting in southern Kyrgyzstan. An overlooked factor appears to be the strong opposition from, and coordination between, Tashkent and Beijing. The growing approximation between the two was at open display during the June SCO summit in Tashkent, where unprecedented language of friendship was used in the communiqués of Sino-Uzbek meetings, compared to the correct but reserved tone that Russian leaders were confronted with. While both the CSTO and SCO appear unable or unwilling to respond to acute crises in the region, a growing Sino-Russian rivalry appears to be developing in Central Asia.

BACKGROUND: From June 11-14 ethnic rioting against the Uzbek population in and around Osh convulsed Kyrgyzstan. Apart from the fact that this rioting showed the fragility of the new Kyrgyz state and government, as well as its lack of control over its own police and armed forces, one of the mysteries of the rioting is Russia's failure to intervene even after Kyrgyzstan's government asked it to do so. Many commentators have offered various reasons for Moscow's actions.

Defense correspondent Aleksandr Golts argued that Moscow lacks troops for a peace support mission (in U.S. terminology) to Central Asia. Others argued that Russia did not want to choose sides between the Uzbek minority or the Kyrgyz, as it normally does when it conducts an ostensible peacekeeping mission, lest it end up on the wrong side of the Uzbek-Kyrgyz tensions in Central Asia. Still other pundits contended that the mission was unclear and that Uzbekistan strongly opposed any unilateral Russian intervention. Certainly Russia was trying to persuade Uzbekistan before the rioting began that the two states should collaborate, possibly under the Collective Security Treaty Organization's (CSTO) auspices, to stabilize Kyrgyzstan. But Tashkent refused to join with Moscow.

It is not known to what extent any or all of these factors contributed to inhibit Moscow from committing troops, as clearly many Russian elites wanted to do so. One report even suggested that it offered to send troops on condition that interim President Roza Otunbayeva resign in favor of the pro-Russian Omurbek Tekebayev, a condition that Otunbayeva spurned, thereby leading Moscow to withdraw the offer. But beyond the aforementioned reasons for Moscow's hesitancy, it would also appear that the Uzbek and Chinese factors have been underestimated.

There is good reason to suggest that not only did Uzbekistan oppose Russian intervention, but that it also joined forces with China to do so both in the concurrent summit of the Shanghai Cooperation Organization (SCO) and in the CSTO. Certainly Uzbek President Islam Karimov was on record as stating shortly before the rioting that Kyrgyzstan's travails were *exclusively* its own internal affair, a sign of his opposition to any Russian or other unilateral intervention. But in the meetings with other SCO member presidents before the SCO summit in Tashkent on June 10-11, signs of a Sino-Uzbek axis against Russian intervention emerged.



(Uzbekistan Daily)

When Russian President Dmitry Medvedev arrived in Tashkent the communiqué of his greeting by Karimov was correct and formal but reserved. On the other hand, Karimov's meeting with Chinese President Hu Jintao was entirely something else. A fulsome communiqué extolling the millennium of relations between Uzbekistan and the *Celestial Kingdom* (significantly not the PRC) came at the start of this meeting followed by a statement that the two presidents then conducted an extensive review of regional and geopolitical issues that could only emphasize the issue of Kyrgyzstan's stability.

In these discussions, President Hu Jintao offered a six point formula for Sino-Uzbek relations in which point 6 called on both countries to intensify multilateral coordination to safeguard both states' common interests and stated that both countries must work together against the threats to security in Central Asia. Karimov openly welcomed these proposals, suggesting quite strongly not just that Uzbekistan was leaning away from Moscow towards Beijing, not least because of Moscow's unremitting efforts to obtain a second military base in Kyrgyzstan in the Kyrgyz section of the

Ferghana valley around Osh, efforts that it still pursues in order to control that valley. It also appears that not only did Uzbekistan object to unilateral Russian intervention in Kyrgyzstan, it also obtained China's support for this position both in the SCO and in the CSTO where China is not a member, but also where a clear-cut Chinese policy aligned to that of Uzbekistan, would carry weight.

Thus it is probably not a surprise that Moscow is now still angling to obtain this desired base in the Ferghana Valley and also, e.g. in President Medvedev's recent statements, heightening the widespread fears that the current Kyrgyz government will fail and the state collapse. Apparently Moscow is looking for a pretext by which pro-Russian members can invite it to intervene in Kyrgyzstan by talking up the dangers and likelihood of state failure in Kyrgyzstan which, to be fair, are considerable.

It also is negotiating with the U.S. to obtain the rights to cut the Kyrgyz state out of the picture as oil seller to the U.S. base in Manas, ostensibly to remove the taint of corruption from that business as is now charged by the new Kyrgyz regime. In fact, even though the base already buys much of its oil from Russian refineries, the Russian energy sector is probably no less corrupt than is the Kyrgyz government, members of which are already seeking to gain lucrative contracts for themselves. Rather, Moscow may be seeking to deprive Bishkek of the revenues from this business to further weaken it and force it into greater dependence upon Russia.

IMPLICATIONS: If this argument is well-grounded, then this occasion would represent the third time in recent years that China has thwarted important Russian goals in Central Asia, the first two being the refusal to support

the independence of Abkhazia and South Ossetia in 2008, and the second being the opening of the Turkmenistan-China pipeline in 2009. This series of events would duly reflect greater public signs of Sino-Russian rifts over Central Asia as China moved to check Russian unilateralism there and assert its interests and capabilities in ever stronger fashion.

Second, this event would show that China can now leverage its relationships with Central Asian states who are wary of Russian objectives and policies not only inside the SCO but also within the CSTO, where it is not a member. In other words, it is able to find allies who will advance their own as well as China's interests within the CSTO to counter Russian policies there, which has hitherto not been the case.

Third, Uzbekistan has once again showed the dexterity with which it conducts its own version of a multi-vector foreign policy, always oscillating between Washington, Moscow, and Beijing, and its ability to find support for its position in one or more of those capitals at any given time. By doing so, and fourth, it also can assert its centrality as a key Central Asian actor.

Fifth, not only is it clear that Kyrgyzstan either is a failing state or close to becoming one, the absence of any reliable foreign support for intervention strongly suggests that it is on its own, a disturbing possibility given the precariousness of its domestic stability.

Sixth, this crisis has underscored the inability or unwillingness of Russia to stand behind its claims of being the region's security manager, a claim that it nevertheless is still trying to enforce by its campaign for a second base in Kyrgyzstan. Should violence reoccur here or begin elsewhere it is quite uncertain what Moscow will be ready or able to do to restore

stability even if it has a mandate from the host government or the CSTO.

Seventh, and last, this episode has also undermined the credibility of both the CSTO and possibly the SCO as security providers. Rather it has exposed the divisions within the ranks among the members of these organizations and the inability to forge a consensus on meeting an actual challenge to security one it appears. This failure cannot be a good augury for future possibilities of challenges to internal or regional security in Central Asia, which are probably inevitable.

CONCLUSIONS: The events in Kyrgyzstan, and its neighbors' reactions to them, highlight the nexus between the internal stability of each country and the larger foreign policy rivalries in and around Central Asia. Challenges to the former lead to complex maneuverings among players in the latter venue. China is clearly challenging Russian pretensions and claims to primacy in both the security and energy fields and is finding allies with which to act even in fora that are closed to it. This trend can only intensify the maneuverings among the regional and external governments that constitute the so-called new great game.

But this trend will also heighten Sino-Russian tensions as the rivalry between them in Central Asia grows more overt and palpable and drags Central Asian governments in its wake as partners or allies of one or another of these governments during future challenges to security. That game is now truly afoot.

AUTHOR'S BIO: Professor Stephen Blank, Strategic Studies Institute, U.S. Army War College, Carlisle Barracks, PA 17013. The views expressed here do not represent those of the U.S. Army, Defense Department, or the U.S. Government.

SOUTH KOREA'S ADVANCES INTO CENTRAL ASIA

Sébastien Peyrouse

Since the beginning of the 1990s, South Korea has positioned itself as one of the main Asian allies of the Central Asian states. Today, it is the fourth largest commercial partner of Uzbekistan, with US\$ 904 million in exchanges in 2008, and the ninth-largest of Kazakhstan, with US\$ 864 million worth of exchanges. Often presented as one of the rising regional powers in Central Asia, Seoul continues to invest in strategic fields such as uranium and to aid the opening up of the region in terms of transport.

BACKGROUND: Since the 1990s, Seoul has aimed chiefly at Uzbekistan. After 1992, it quickly became the foremost foreign investor in the Uzbek economy, with over a billion dollars of investments, mainly in the famous automobile construction joint-venture Uzdaewoo, based in Andijan, as well as in Daewoo Unitel for telecommunications, and in Babool Textiles Ltd. Today, these joint ventures no longer have any South Korean capital: Seoul had to cede its shares in the automobile factory in Tashkent after the economic crisis of 1998, as well as those of Babool, under rather obscure conditions and apparently under pressure from the Uzbek authorities.

South Korea is interested in Central Asian gold, tungsten, and also coal, and is looking to establish itself on the Uzbek banking services market. However, it is in the energy domain – hydrocarbons and uranium – that the South Korean authorities have placed all their hopes. A memorandum of understanding was signed with Astana for the exploration of fields in the Caspian Sea. The Korean Consortium of the Caspian Oil Project, led by Korea National Oil Corporation and including SK Corporation, LG International, Daesung Industrial and Samsung, went through with the acquisition of 27 percent of the shares of the Zhambyl

offshore oil block for US\$ 85 million. Exploration will be conducted jointly with the Kazakh state company KazMunaiGas and, in accordance with the results, the Korean consortium will be able to acquire as much as half the drilling rights.

Uzbekistan has not been left aside. In 2006, Korea National Oil Corp., Korea Gas Corp. and Uzbekneftegaz signed a memorandum of understanding giving Korean companies exclusive exploration and exploitation rights for two oil and gas deposits, Chust-Pap and Namangan-Terachi. The Korea National Oil Corp. is also part of the international consortium leading the exploration of Aral Sea deposits, alongside Lukoil, Petronas and CNPC. In 2008, the Korean gas company KOGAS and Uzbekneftegaz came to an agreement for the joint exploration and exploitation of the Surgil gas site on the Ustyurt Plateau, for a total estimated cost of US\$ 1.84 billion. For its part, Daewoo International, which is attempting to invest in hydrocarbons, signed an agreement with Uzbekneftegaz for the exploration and development of two other blocks on the Ustyurt Plateau, Kushkuduk and Ashibulok. Recently established in Turkmenistan, Seoul is looking to develop its activities. In 2009, LG and Hyundai won a tender bid for the



(Getty Images/Andrew Caballero-Reynolds)

construction of a gas treatment factory close to the large Yolotan deposit for a value of US\$ 1.48 billion.

Korea is also gaining interest in Kazakh and Uzbek uranium. The country is in fact dependent on nuclear energy for 40 percent of its electricity, has twenty operational nuclear power plants and plans to construct six more. However, Seoul has arrived somewhat late on the Central Asian market compared to China and Japan. The Korea Resources Corp. is developing the Uzbek deposit of Zhantuar in partnership with the State Committee for mineral resources. In 2008, Korea Electric Power Corp. (KEPCO) signed an agreement with Tashkent for the purchase of 2,600 tons of uranium (or about 9 percent to Korea's total

consumption) by 2015, for a total cost of US\$ 400 million. The same year, Seoul reached an agreement with Kazakhstan to import a little more than 3,000 tons of uranium between 2011 and 2017.

IMPLICATIONS: Nevertheless, the South Korean project that is perhaps the most ambitious in terms of opening up Central Asia is currently taking place in Navoi. The Uzbek authorities have decided to create a great transport hub in the town of Navoi, one of the country's economic bastions, for it is the location of the immense mining combine which treats the quasi-totality of gold and uranium extracted in Uzbekistan. The idea of a great international logistics center has a domestic function: that of attracting foreign investors to

a region with strong economic potential but which is in need of cheap transport in order to facilitate the export of minerals. To carry this great hub project to term, the Uzbek authorities signed a memorandum of understanding with South Korea in 2008.

Many South Korean companies will henceforth play an active part in the future Uzbek logistics center: Korean Air is to contribute, in partnership with Uzbekistan Airways, to modernizing the Navoi airport and to transforming it into an air hub. In May 2009, the Hanjin Group was put in charge of operations of industrial advice concerning the logistics center, in order to broaden the airport cooperation to the domain of land transport. The quantity of passengers and commodities transported via the Navoi airport regularly increases, even if it remains modest: in the first trimester of 2010, 14,800 tons of freight and 4,200 passengers transited through it, an increase of 13.5 percent compared to the same period in 2009. Similarly, according to the statistics of Ozbekistan Temir Yollari, the volume of railway transit in 2008 reached 8.6 million tons, an increase of 6 percent compared to 2005, and the figures continue to expand today.

Since South Korea's arrival to the scene in 2009, some Boeing cargo 747-400 planes fly from Incheon to Navoi and Milan, at the rate of three flights per week. A passenger flight between Incheon and Tashkent, also at the rate of three flights per week, was likewise inaugurated. Two flights departing from Navoi toward Bangkok and Mumbai have been opened. The airport now receives 14 international flights per week from Bangkok,

Delhi, Mumbai, Frankfurt, Incheon, Seoul, Brussels and Milan. Korean Air hopes to obtain the benefit of being the "first occupant" on the Uzbek air cargo market, which is bound to grow in coming years. For Uzbekistan, the project is much larger than a simple logistical center: the point is to create a new free industrial and economic zone, but these noble intentions appear to have little credibility in the short term, taking the current investment climate into account.

CONCLUSIONS: Korea is currently playing a major card in Uzbekistan: if, in years to come, Navoi becomes one of Central Asia's hubs for cargo freight, Seoul will have shown the capacity open to regional powers without geopolitical ambitions of global dimensions to influence economic development in Central Asia positively. In addition, Tashkent and Astana regularly look to Asia and their positive references to the South Korean, Malaysian or Singaporean model have become part of their geopolitical standard.

AUTHOR'S BIO: Sébastien Peyrouse, Ph.D., is a Senior Research Fellow with the Central Asia-Caucasus Institute & Silk Road Studies Program, a Joint Center affiliated with Johns Hopkins University's School of Advanced International Studies, Washington DC, and the Institute for Security and Development Policy, Stockholm. He is one of the authors of *Into Eurasia. Monitoring the EU's Central Asia Strategy. Report of the EUCAM Monitoring*, with M. Emerson, J. Boonstra (*rapporteurs*), N. Hasanova, and M. Laruelle.

TURKMENISTAN CONFIRMS EXPORT SHIFT AWAY FROM RUSSIA

Robert M. Cutler

In mid-August, BP Azerbaijan announced that oil from Turkmenistan is now entering the BTC in Azerbaijan and will constitute between four and five percent of its present throughput of 800,000 barrels per day (bpd), which is being upgraded to 1.2 million bpd with a view towards eventual inclusion of oil from Kazakhstan's offshore Tengiz field. These practical steps of cooperation with Azerbaijan, combined with the mid-August announcement in Ashgabad of new directions in Turkmenistan's gas export policy, point the way towards a European direction for future Turkmenistani production, not forgetting China and the possibility of South Asia, while Iran is given only marginal reference and Russia is ignored.

BACKGROUND: The ongoing energy debacle between Russia and Turkmenistan followed the April 2009 visit of Turkmenistan's president Gurbanguly Berdimuhamedov to Moscow, where he shocked his hosts by declining to sign agreements finalizing arrangements for bilateral cooperation on refurbishing and reconstructing the Turkmenistani segment of the Caspian Coastal Pipeline (CCP, also called "Prikaspiiskii" and sometimes "Pre-Caspian"), which runs through Kazakhstan into Russia.

A trilateral agreement had been signed in 2007, but it had reserved to each of the three participating countries full autonomy and responsibility for carrying out the works on its own national territory. The original negotiations had begun under Berdimuhamedov's predecessor Saparmurad Niyazov, on the basis of the latter's original idea. They evolved so as to include important contracts to Russian companies for the work in Turkmenistan, partly in return for which these companies preferred to reserve control over the gas in the pipelines.

One month following Berdimuhamedov's "April surprise" presented to Moscow, there was an explosion on Turkmenistan's territory

in a pipeline that was taking gas to Russia. Moscow blamed Ashgabad for the allegedly low technical expertise of its engineering personnel; Ashgabad returned the compliment by insisting that the Russian side had closed the valves on its side of the border with only two days' notice. Proper procedure requires a week: Turkmenistan had been unable to decrease production volume and shut the valves on its side within the two-day interval, so the gas built up and the pipe exploded.

Moscow rejoined that the poor maintenance of Turkmenistan's pipeline over many years was not its responsibility, but that it would be pleased to persuade its national companies to execute the repair work under certain conditions. In December 2009, an agreement in principle was announced in Ashgabad between presidents Berdimuhamedov and Dimitry Medvedev of Russia, according to which the two countries would cooperate in refurbishing and renovating a separate but related pipeline, the "East-West Pipeline" that crosses the southern region of the country to terminate not far from its Caspian Sea coast.

IMPLICATIONS: In May 2010, however, following a review of more than 70



international replies to a tender offer for that work, Berdimuhamedov announced that Turkmenistan had decided to execute itself the refurbishment and renovation of the East-West Pipeline. This pipeline could have fed the CCP that Russia wanted to help reconstruct, but now the gas that it will carry is free for export in other directions. Whether coincidence or not, the designed capacity for the East-West Pipeline project is 30 billion cubic meters per year (bcm/y), which happens to be the minimum volume required to make an undersea gas pipeline to Azerbaijan a commercial possibility.

Against that background come the new plans announced in mid-August in Ashgabad for further diversification of energy exports. While not failing to mention its existing partner China (to which Turkmenistan opened in January this year the first segment of a planned 40 bcm/y gas pipeline), and with which it is negotiating a US\$ 4.1 billion soft loan for

follow-on development of the South Yolotan field feeding that pipeline, Turkmenistan announced further diversification plans including unprecedented levels of cooperation with new and old Western partners. Berdimuhamedov announced in particular that bids for exploration and development of offshore resources (specifically, Blocks 9 and 20) would be preferentially considered not just from the United Arab Emirates firm Mudabala but also from three American firms: ConocoPhillips, TX Oil, and Chevron. Other American, British, and French firms are also in talks over offshore concessions. The Italian firm Eni was given an onshore concession: the first Western company to obtain one. (Only one other foreign company has achieved this, and it is Chinese.)

Turkmenistan has acknowledged that the oil it is now sending to Azerbaijan comes from its offshore Cheleken field and is destined for Europe. Separately, a Baku-based expert

revealed that Turkmenistan was by mid-August unloading nearly 17,500 bpd, and that this volume would double by early September at the latest. Turkmenistan had bought two tankers from a Russian shipyard for this purpose, with a third soon to be delivered. One may then calculate a volume averaging out to 26,500 bpd, already more than three per cent of BTC's current (reduced) stated throughput. Azerbaijan's state oil company SOCAR confirmed increased volumes at the end of last week, giving an equivalent figure of "up to" nearly 45,000 bpd, or four per cent of the to-be-expanded throughput. It also projected a year-end total of over eight million barrels from Turkmenistan. Bearing in mind that these exports started only in mid-year, the figures are in line with the aforementioned official projections.

In May this year, Berdimuhamedov made his first visit to New Delhi, where he discussed concrete possibilities for the realization of the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. In September he will hold similar discussions with Afghanistan's president Hamid Karzai in New York in the margins of the UN General Assembly meeting. In his sensational Ashgabad announcement in August on future export directions, Berdimuhamedov barely mentioned Iran and was entirely silent on Russia.

CONCLUSIONS: Turkmenistan's practical cooperation with Azerbaijan is most significant in view of the two countries' well-known territorial dispute in the Caspian Sea that has blocked such cooperation up until now. The fact that the current production is earmarked for Europe, even if it is oil and the quantity is now relatively small, is likewise not negligible. Four decades ago, after all, the process of establishing diplomatic relations between Washington and

Beijing was informally inaugurated through a series of ping-pong matches.

Underlining this significance is the fact that two of the companies pre-selected by Ashgabad for offshore gas exploration, ConocoPhillips and Mudabala, have already been cooperating for almost two years with KazMunaiGaz in the exploration and development of the "N" Block (for "Nursultan") in offshore Kazakhstan, not far from the port of Aqtau. This city is also the planned terminus of a gas pipeline beginning in the country's northwest at Eskene, where it is projected that associated gas from the offshore Kashagan field in the northern Caspian will be brought onshore.

Although none of the companies mentioned is a stakeholder in the planned Nabucco pipeline, the German firm RWE is such a stakeholder and was granted a concession for exploration and development of gas resources in Turkmenistan's offshore earlier this year. The ineluctable pattern manifests the progressive establishment of political preconditions for Azerbaijan-Turkmenistan cooperation in gas export to Europe and technical preconditions for an undersea pipeline via Kazakhstan's offshore, if this is necessary to obviate a settlement of the other two countries' bilateral territorial disagreement.

AUTHOR'S BIO: Dr Robert M Cutler (<http://www.robertcutler.org>), educated at the Massachusetts Institute of Technology and The University of Michigan, has researched and taught at universities in the United States, Canada, France, Switzerland, and Russia. He is a senior research fellow in the Institute of European, Russian and Eurasian Studies, Carleton University, Canada.

AFGHANISTAN AND PAKISTAN SIGN TRADE AND TRANSIT AGREEMENT

Gulshan Sachdeva

Kabul and Islamabad recently signed the Afghanistan Pakistan Trade and Transit Agreement. Under the agreement, Afghan trucks are allowed to carry Afghan transit export cargo to Pakistani ports and also to the Indian border. If implemented, the agreement has the potential to boost Afghanistan's development and regional trade. While it excludes Indian exports across Pakistan for the time being, over time it may also create insurmountable pressure within Pakistan and Afghanistan to open up trade across the border with India, thus providing a substantial stepping stone in the integration of South and Central Asian economies.

BACKGROUND: After seven rounds of bilateral Joint Working Group meetings on trade and transit, the Commerce Ministers of Afghanistan and Pakistan signed a “Record Note” called Afghanistan Pakistan Transit Trade Agreement (APTTA) on July 18, 2010. The note was signed in the presence of Pakistani Prime Minister Yusuf Raza Gilani and U.S. Secretary of State Hillary Rodham Clinton. Since the deal was signed on the eve of a major conference on Afghanistan, it was expected to contribute to the success of the much discussed Kabul conference.

According to this note, Pakistan will facilitate Afghan exports to India through the Wagah border crossing (near the city of Amritsar in Indian Punjab). Afghan trucks will be allowed to carry Afghan transit export cargo on designated routes to Pakistani sea ports and also up to the Indian border where Afghan cargo will be transferred on to Indian trucks. It was also agreed that no Indian exports to Afghanistan will be allowed through Wagah “at this stage”. However, it was decided that “a feasible proposal in this regard could be discussed at an appropriate time in the future”. For this purpose, “Pakistan will provide a side letter to Afghanistan giving this

Understanding”. To make transportation economical on return, the Afghan trucks will be allowed to carry goods from Pakistan to Afghanistan. To tackle the issue of unauthorized trade, both countries have agreed to install tracking devices on transport units and customs to customs information sharing (IT data and others). In addition, it has been agreed that financial guarantees equal to the amount of import levies of Pakistan will have to be deposited by authorized brokers or customs clearing agents, which will be released after the goods exit Pakistan.

Currently, Afghan transit goods in Pakistan are transferred under the Afghan Transit Trade Agreement (ATTA) signed by the two countries in 1965. Under the agreement, five transit routes are available for transit trade from Pakistan: These are 1) Peshawar-Torkham and vice versa; 2) Chaman-Spin boldak and vice versa; 3) Ghulam Khan Kelli; 4) Port Qasim; and 5) Karachi Port. Sheds and open spaces are earmarked in the Karachi Port area known as Afghan Transit Areas for handling Afghan Transit. Under the agreement, Afghan goods transiting through Karachi port are exempt from Pakistani duties or customs tariffs. In addition, rail or other transportation charges are



(AP)

required to be the same as those charged for goods destined for Pakistan.

In the past, the Pakistani authorities have complained that many goods that were sent to Afghanistan under the transit agreement have in fact been smuggled back into Pakistan. Consequently, transit trade in several types of goods have been prohibited and placed on a negative list, on which tobacco and auto parts remain since 2006. Afghanistan believes that under the UN convention on transit trade for landlocked states, Pakistan is bound to provide transit trade facilities to Afghanistan. Similarly, controlling the smuggling of Afghan transit goods within Pakistan is primarily the responsibility of Pakistani authorities. Therefore, custom duty charges on goods under the negative list are actually a violation of the ATTA.

IMPLICATIONS: The APTTA was reached after years of negotiations, active U.S. encouragement and promises of billions of

dollars of aid to Pakistan. The major difference between the old ATTA and the APTTA is that under the new agreement, Afghan exporters will be allowed to use their own trucks to carry exports to Pakistani sea ports and to the Wagah border. To the benefit of Pakistan, there are also many provisions to tackle the issue of unauthorized trade.

Once implemented, the APTTA could provide a major boost to the Afghan economy and regional trade. According to the ADB Statistics, India has been the number one export market for Afghan products since 2005. The main exports to India are edible fruits, nuts and asafetida. Obviously, this deal will for the first time provide an opportunity for Afghan producers of fruits, dry fruits, carpets and marble to ship their goods across Pakistani territory to the vast consumer market of India and beyond. This is important for the long term sustainability of the Afghan economy through its own resources. Apart from internationally acceptable and verifiable standards of sealable trucks, the APTTA also allows export of perishable goods in transit in open trucks and other transport units. This is important as Afghanistan traditionally used to export plenty of fresh fruits like grapes, melons and pomegranates to India.

It has also been reported that as a reciprocal gesture, Pakistan will be able to export its goods to Central Asia through Afghanistan. Although this clause is not part of the record note, Afghanistan does allow transit of Pakistani goods to Central Asia even without a formal agreement. At the moment, Pakistan's exports to Central Asia are quite insignificant. Still, this provision will have positive implications for Pakistan's economy in the long run. Within this broader framework, this is an important start for linking the South and Central Asian economies. In this way, Afghanistan's policy of promoting the country as a "land bridge" between different regions may become a reality in near future.

Interestingly, immediately after the conclusion of the Kabul conference, the Pakistan Commerce Ministry press release clarified that the APTTA agreement "has not yet been signed by the two countries". Technically, after vetting from the Law Ministry, the agreement should have been presented to the Cabinet for approval. However, once the process of negotiations was complete, this should have been a mere formality. Various trade and transport bodies within Pakistan have also raised a series of objections. It seems that, on the pretext of security issues related to India, that powerful transport lobbies within Pakistan are trying to derail the process. They fear that their monopoly over Pakistan-Afghanistan transport will be challenged by Afghan truckers. The Pakistani Prime Minister has announced that he has set up a committee comprising of the Ministers of Finance, Foreign Affairs and Commerce to brief the political parties and the parliamentary National Security Committee to clarify any misunderstandings. These developments indicate that Pakistan's Cabinet is not going to clear the deal in a hurry.

CONCLUSIONS: If the APTTA deal is properly honored, it will be a huge step forward for Afghan exporters. It could provide a boost for the Afghan economy and may build trust among South Asian neighbors. At the moment this is only a partial agreement clearly designed to exclude India. In the currently tense relations between India and Pakistan, this was an expected outcome. However, successful implementation of the APTTA may carry the seeds of a very different future. It may create insurmountable pressures within Pakistan and Afghanistan to open up trade across the border with India. Similarly, Indian policy makers may also realize that it is possible to work with Pakistan. The success of this venture has the potential to rejuvenate the South Asian Association for Regional Cooperation (SAARC) and South Asian Free Trade Area (SAFTA); bring South and Central Asian economies together and radically transform India's continental trade in the future. While looking at already emerging domestic political and commercial opposition in Pakistan, the immediate task is to convert the record note into formal agreement so that Afghan producers start exporting their goods. Otherwise, it will be another story of signing some agreement under external pressure but avoiding its implementation on one pretext or another.

AUTHOR'S BIO: Dr Gulshan Sachdeva is Associate Professor at the School of International Studies, Jawaharlal Nehru University, New Delhi. Since 2006, he has also headed the Asian Development Bank and The Asia Foundation projects on regional cooperation at the Afghanistan Ministry of Foreign Affairs in Kabul.

FIELD REPORTS

TURKMENISTAN REVISITS A BAN ON DUAL CITIZENSHIP

Tavus Rejepova

Over the past few weeks, controversy has emerged in Turkmenistan over what is termed a 'dual citizenship and passport fiasco' in the country. The Turkmen authorities unexpectedly announced the cancellation of the dual Turkmen-Russian citizenship and started enforcing this regulation at the airports, seaport and railway stations across the country. Since the news were first not publicly announced in the media, a sudden enforcement of these regulations caught the holders of a double citizenship by surprise and created confusion among those wanting to travel abroad.

On July 2, President Gurbanguly Berdimuhamedov held a plenary session of the National Security Council and listened to reports from the heads of law enforcement agencies, including the State Border Services, the Minister of National Security, the Prosecutor General, the Minister of Interior, the Chief of Justice, Turkmenistan's State Migration Service and the State Customs Control. Addressing the heads of these law enforcement agencies, Berdimuhamedov stressed the need for conducting "systematic security-related events" at the airports, seaports and railway stations. Exactly what these events would imply was not clear from the content of the president's televised speech. However, confusion escalated immediately as the State Migration Services started tightening their screening procedures and preventing citizens with dual citizenship from traveling abroad starting from early July.

An agreement between Turkmenistan and Russia on dual citizenship is in force since 1993, and thousands of residents in Turkmenistan had then obtained Russian citizenship, which allows many

opportunities for both visa-free traveling and work inside and outside Russia. Currently, only an estimated 100,000 holders of a double citizenship reside in the country. Berdimuhamedov's recent order to "introduce systematic security related events" has caused confusion and resentment among the holders of dual citizenship and is the second attempt by Turkmenistan to fully revoke the 1993 agreement with Russia.

In April 2003, Turkmenistan's former president Saparmurat Niyazov and then Russian President Vladimir Putin agreed to terminate the bilateral agreement on a dual citizenship as they reached a deal on gas pricing and signed a historical pact to deliver Turkmen gas to Russia over the following 25 years. Many interpreted Russia's acceptance to terminate the dual citizenship as a tradeoff for a lucrative gas deal with Turkmenistan. This caused massive resentment among certain politicians in Moscow and created an uneasy situation for the Russians living in Turkmenistan. The lower house of the Russian parliament, the *Duma*, then accepted a resolution condemning the termination of the dual citizenship and proclaimed that dual citizenship would not be officially revoked until ratified by parliament. Despite the fact that Turkmenistan had unilaterally given Russian citizens in Turkmenistan a deadline in April 2003 to choose between two citizenships, the cancellation of dual citizenship was not fully implemented until Berdimuhamedov decided to pick up the issue where it was left by his predecessor.

Turkmen Migration officials are now telling the holders of a dual citizenship that in order to travel abroad, they should either renounce their Russian

citizenship and apply for a new Turkmen passport or give up their Turkmen citizenship by choosing a Russian citizenship and leave Turkmenistan permanently. To meet the ICAO (International Civil Aviation Organization) security requirements, Turkmenistan was the first country in Central Asia to introduce a new passport with biometric information in July 10, 2008, and current Turkmen passports are valid for traveling abroad only until July 10, 2013. Holders of dual citizenship cannot obtain this new passport unless they renounce their Russian and choose a Turkmen citizenship. Nor are they allowed to leave the country with their current Turkmen passports. Facing escalating resentment from people prevented from exiting Turkmenistan, the authorities pasted fliers at the airports stating that the holders of a dual citizenship obtained after 2003 must choose between two citizenships in order to be able to travel abroad.

It remains unclear why the authorities suddenly decided to revoke the dual citizenship. The only explanation given so far is the official statement released by the Ministry of Foreign Affairs, stating

that article seven of the Constitution of Turkmenistan accepted in 2008 does not allow a citizen of Turkmenistan to hold a citizenship of another state. The people who have gone through a nerve wrecking experience at Ashgabat airport raise many questions as to why the authorities gave only last minute notice and never published information about the new regulations in the media in advance, and why they were introduced during the summer time when many travel abroad for vacation, work or study. It is important to recall that at about the same time last summer, the authorities suddenly imposed a travel ban on hundreds of students who were studying at private universities abroad at their own expense without government support.

According to some dual citizenship holders, the Russian government chose not to intervene in Turkmenistan's internal affairs and only decided to issue multiple entry visas and introduce simplified travel procedures for those who would choose a Turkmen citizenship but would still want to travel to Russia. However, neither the Russian government nor the Russian embassy in Ashgabat has so far released an official statement on this.

HIGH-PROFILE CONVICTS ESCAPE FROM PRISON IN CENTRAL DUSHANBE

Alexander Sodikov

Early in the morning on August 23, 25 recently convicted prisoners escaped from a high-security detention centre run by Tajikistan's State Committee for National Security (GKNB) in central Dushanbe. According to GKNB's statement released soon after the first media reports on the bold escape, three inmates had "taken advantage of the guards' negligence" by wrestling the keys away from them and setting other convicts free. The prisoners then killed one guard, severely beat another, and seized camouflage uniforms and firearms. As the GKNB's ward is part of a larger pretrial detention facility, the convicts then attacked

guards at the exit of the facility, killing another four, and escaped in three cars. The next day the cars were found in a valley not far from Dushanbe where the fugitives had reportedly taken to the mountains.

It is presently unclear whether the prisoners' escape was supported from outside the detention centre. According to the General Prosecutor's Office, fingerprints found in the cars abandoned by the fugitives indicate that they had been assisted at least in fleeing from Dushanbe. Independent experts maintain, however, that the fingerprints could belong to the owners of the cars or their previous

passengers. It has been confirmed that the escapees had stolen at least one of the cars they used.

Amidst spreading rumors that several high-profile political prisoners were among the missing inmates, the GKNB hastily publicized a list of the 25 escapees. These include a brother and an uncle of Mirzo Ziyoev, who served as the military commander of the Tajik Islamic opposition forces which fought against president Rahmon's government during the 1992-97 civil war in the country. Following his dismissal from the post of Minister of Emergencies (that he obtained in the power-sharing deal that ended the war), Ziyoev was killed in July 2009 by militants with suspected ties to the Islamic Movement of Uzbekistan (IMU), according to Tajik security agencies.

Most of the 25 escapees had been arrested in 2009 as part of a major security sweep in eastern Tajikistan that followed Ziyoev's death. Just several days before the escape, they were sentenced to lengthy terms in prison on charges ranging from drug trafficking to terrorism. Following the sentences, they were expected to be transferred from the temporary detention centre in Dushanbe to high-security prisons elsewhere.

Among the other fugitives are alleged members of the Islamic Movement of Uzbekistan (IMU), classified by the U.S. State Department as a terrorist group, four Afghan and two Uzbek citizens, and five militants from Russia's troubled North Caucasus region. Notably, one of the fugitives, Ibrohim Nasriddinov (also known as Kori Ibrohim), was among several Tajik citizens held at the U.S. military prison in Guantanamo Bay, Cuba, according to Radio Free Europe. Nasriddinov was repatriated to Tajikistan in 2007 and sentenced by a local court to 23 years in prison on charges including murder and illegal possession of weapons. By Tajik law, Nasriddinov had to serve his sentence in a regular prison. However, according to the Ministry

of Justice, the GKNB requested that he be transferred back to its detention centre. The GKNB is now claiming that Nasriddinov was one of the three master minds of the prison break.

Within several hours after the prison break, Tajik security agencies set up additional checkpoints at airports, railway stations and major roads across the country. Border troops along the Afghan border were also put on high alert in an attempt to prevent the escapees from crossing into Afghanistan. In addition, the government dispatched extra military and police units to the Rasht valley in eastern Tajikistan, the home region of many of the fugitives and an Islamic opposition stronghold during the civil war.

Kyrgyzstan and Uzbekistan have also reinforced their patrols along the border with Tajikistan. Furthermore, immediately after the prison break, the GKNB requested assistance from the Russian and Afghan security services in recapturing the fugitives. Moscow responded immediately with a promise from President Dmitry Medvedev that Russia's Federal Security Service (FSB) would assist Tajikistan in hunting down the escapees.

Although the whereabouts of the fugitives remain unknown, Tajik law-enforcement agencies believe that they have divided into several smaller groups and will try to reach the Afghan border through mountainous passes. Given Tajikistan's terrain and a long porous border with Afghanistan, they are likely to have few problems crossing to the neighboring country. In the meantime, independent analysts, media and the general public across Tajikistan increasingly believe that corruption within the Tajik security agencies rather than their negligence explains how such a high-profile group of convicts could escape so easily from a highly guarded facility in the very centre of the country's capital.

RUSSIA, KAZAKHSTAN AND BELARUS DISCUSS SECURITY COOPERATION WITHIN CUSTOMS UNION

Georgiy Voloshin

As Russia, Kazakhstan and Belarus continue to intensify their trade and investment cooperation within the framework of the newly created Customs Union, their law enforcement authorities are voicing concerns over the spread of organized crime across the single customs area of three member states. Such statements were made on August 23 and 24 when the Kazakhstani, Russian and Belorussian interior ministers met in Uralsk (West Kazakhstan) and Astana to discuss new ways to combat transnational crime and ensure law and order in the changed circumstances. These high-level meetings also assembled representatives of the Border Control Service of Kazakhstan's National Security Committee, the Customs Control Committee of Kazakhstan's Finance Ministry, and the Border Service and the Federal Customs Service of the Russian Federation.

The first part of a broad discussion took place between the law enforcement, border control and migration authorities of four Kazakhstani and four Russian neighboring regions, sharing the longest borderline between the two countries. "It is not a secret that leaders of organized crime groups are now busy studying the ongoing processes and working out their tactics under new conditions. They are worried about the fact that their corrupt liaisons consolidated through years of work are now being disrupted. They have to look for brand new approaches to promote their criminal interests in terms of establishing contraband channels", said Rashid Nurgaliev, the Russian minister of internal affairs. He also stated that a special protocol had been signed to set up a single information database to enable shared information usage, stressed the importance of ongoing trilateral harmonization of crime prevention laws and pointed to the need for ensuring fair economic competition, fearing an upsurge in corrupt practices.

As regards Russian involvement in the establishment of a new "security architecture", the term first used by Russian President Dmitry Medvedev to describe the security situation in the Euro-Atlantic region, Nurgaliev promised to open Russia's GLONASS satellite system to Kazakhstan and Belarus. He even suggested that Kazakhstani customs authorities extend a "green" corridor to all trucks bound for Russia via Kazakhstan provided that they are equipped with GLONASS tracking devices.

The Russian interior minister praised the current trend in Russia-Kazakhstan law enforcement cooperation, referring to the apprehension of a Kazakhstani citizen in Moscow who is accused of money laundering at a value of US\$ 1.3 million. Another example cited by the minister was linked to the arrest of a black caviar smuggler with dual citizenship who used clandestine routes across the Caspian Sea. "We should forecast possible scenarios of transformation of the crime situation, particularly with regard to smuggling, unlawful car sales, drug trafficking and illegal migration, and adequately respond to the criminal world's challenge", said his Belorussian colleague, Minister Anatoly Kuleshov, who had earlier praised the role of the Customs Union in further economic rapprochement of three former Soviet countries.

Earlier on August 23, the deputy head of the Russian Border Service, Yevgeny Inchin, said that the border between Kazakhstan and Russia had become the place of operation of more than 120 criminal groups engaged in drug trafficking. According to the top border control official, Afghan drugs are smuggled to the Russian territory through Kazakhstan with transit points in the cities of Astrakhan, Chelyabinsk, Orenburg and the region of Altai in Russia. "Russian customs officials seize about 30 percent of all drugs entering Russia across the Russia-Kazakhstan border", Inchin added.

When the floor was given to Serik Baimaganbetov, Kazakhstan's interior minister, he promptly reassured his counterparts that the existing bilateral and multilateral agreements represented a solid legal basis to reinforce current cooperation schemes and implement joint programs. He also reminded his listeners of the ongoing large-scale law enforcement reform in Kazakhstan initiated by President Nazarbayev and laid out in his decree of August 17, 2010. In pursuance of the President's instructions, Kazakhstan's Prosecutor-General's Office will optimize the transport prosecution by merging three regional transport prosecutor's offices into a single unit with nationwide coverage.

The Government of Kazakhstan is further expected to formalize the establishment of a new criminal investigation committee under the Ministry of

Internal Affairs and to set up a new migration committee to replace the one previously attached to the Labor Ministry.

The declared purpose of this ambitious reform is said to streamline the operation of law enforcement authorities which are currently overburdened with extraneous responsibilities, such as the upkeep of detoxication centers to be transferred to the Ministry of Health or the supervision of correction and rehabilitation centers for juvenile delinquents, that are supposed to be handed over to the Ministry of Education. Nurgaliev also referred to the comprehensive reform of police forces in Russia, spurred by the Presidential Administration, saying that the process of drastic transformations has been lasting for eight months and has so far yielded similar results.

RUSSIA STRENGTHENS ITS POSITIONS IN THE SOUTH CAUCASUS

Haroutiun Khachatrian

Two events took place in the South Caucasus in the second half of August 2010, which at first glance seem to have symmetrical effects on the two countries of the region which are involved in the most difficult regional conflict. Turkey and Azerbaijan signed a Strategic Partnership and Mutual Assistance treaty on August 16 during Turkish President Abdullah Gül's two-day visit to Azerbaijan. Three days later, Russian President Dmitry Medvedev paid a state visit to Armenia, which also resulted in signature of new agreements on cooperation. However, the two deals are different in value, despite the apparent similarity.

The available information shows that the Turkish-Azerbaijani treaty does not contain any principal novelties; it just confirms the friendly relations between the two countries which have de facto existed for a long time. The treaty includes vague formulations about friendship and cooperation including "a comprehensive military cooperation

between the two countries". It cannot be regarded as a new factor in the region and the new Russian-Armenian agreement is not a "symmetrical answer" to that.

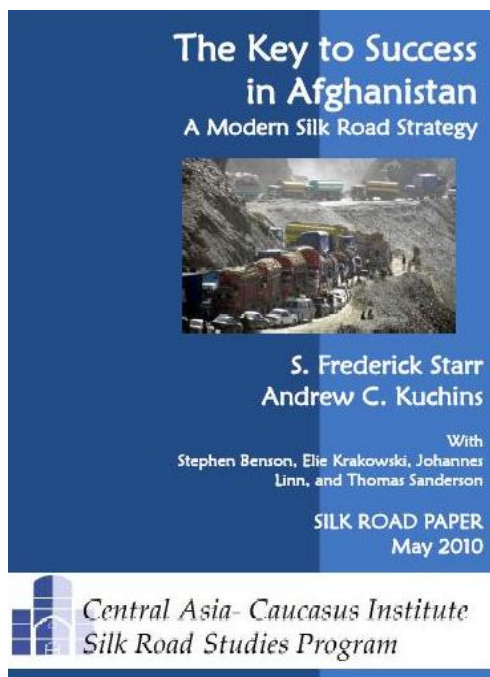
The Russian-Armenian documents provided a series of new specific elements which will enter into force after being ratified by the parliaments of both states. Most importantly, they extended the terms of the 102nd Russian military base in Armenia. Its 25-year deployment in Armenia stipulated in the treaty of March 16, 1995, was extended to 49 years. In addition, four new elements appeared which were of special interest to Armenia.

First, the base will undertake to guarantee Armenia's national security in its entirety, and not just along its borders with Turkey and Iran as before. Second, Russia takes on an obligation to supply Armenia with modern weaponry. Third, at least four Armenian enterprises will obtain licenses

to establish service centers and joint ventures on technical servicing and repairs of military techniques on Armenian territory. Armenia will thus apparently produce weapons which Russia cannot transport across Georgian territory. Fourth, new impetus was provided for large investment projects in Armenia. In particular, the construction of a new unit at the Medzamor nuclear power plant is reportedly planned to start in 2011 with Russian technology. This new unit will replace the nuclear reactor currently in operation, which will be closed in 2016. Russia has also pledged to continue its investments in the rail transport system of Armenia, both in modernizing the existing railways and in constructing the Iran-Armenia railroad, another project of strategic importance for Armenia.

Thus, with the new agreement Russia has secured guarantees that it will remain a key player in the South Caucasus region for a long time, as its military base in Gyumri will be present in Armenia at least until 2046 (forty nine years from the 1997 ratification of the 1995 treaty). The U.S. seems to accept that Russia formally extends its presence in the region – the statement of State Department spokesman Mark Toner on August 26 being telling in this regard.

In return, Armenia received additional security guarantees. First, the documents signed during Medvedev's visit are generally interpreted in Yerevan as additional evidence that Russia will support the Armenian side in case if Azerbaijan initiates military operations in Nagorno-Karabakh, as frequently threatened by Baku. Thus, Yerevan hopes that the agreement makes a resumption of violence in the region less likely. In addition, Yerevan seems interested in developing the Collective Security Treaty Organization (CSTO), as this organization intends to set up military forces that will intervene if the security of its member states is endangered. The mechanisms for quick responses were among the principal issues discussed during the informal CSTO summit held in Armenia on August 20-21, immediately after the end of Medvedev's visit. Hence the Armenian interest in hosting both Medvedev's visit and the CSTO summit. It appears that these events were rather difficult to organize. In particular, Medvedev's state visit was officially announced only on August 16, three days before it started. Evidently, Medvedev was not sure that the visit would take place, while Armenian President Serzh Sargsyan was highly interested in holding the state visit and the CSTO summit at the same time.



New Silk Road Paper:

***The Key to Success in Afghanistan: A Modern
Silk Road Strategy***

**By S. Frederick Starr and Andrew C.
Kuchins**

This Silk Road Paper examines the prospects for trade and infrastructure development as key features of U.S. and NATO strategy in Afghanistan.

The Silk Road Paper can be downloaded free at www.silkroadstudies.org. Hardcopy requests should be addressed to Paulette Fung at caciz@jhu.edu.

NEWS DIGEST

MANY POLLING STATIONS TO STAY CLOSED DURING AFGHAN ELECTIONS

18 September

More than 900 polling stations for Afghanistan's parliamentary elections next month will not open because of security fears. That's according to Fazel Ahmad Manawi, chairman of the Afghan Independent Election Commission, who today told reporters that 938 polling stations will remain closed "due to security problems during the election." He said those that would not be able to open were spread across 25 of Afghanistan's 34 provinces, but mostly in the south and the east, where the Taliban insurgency continues to rage. Despite the presence of around 150,000 foreign troops, violence across Afghanistan has hit its worst levels since the Taliban were ousted by U.S.-backed Afghan forces in 2001. (Reuters)

KYRGYZ SPECIAL FORCES VETERANS PICKET NATIONAL SECURITY BUILDING

18 August

A group of veteran officers from the Kyrgyz "Alpha" special squad protested in front of the building of the National Security Service on Wednesday, demanding to stop the prosecution of the combatants from this special unit. Seven "Alpha" officers have been charged with killing participants in the April riot in Bishkek, which led to a new government in the country, Kyrgyz law enforcement sources told Interfax. "Seven combatants from the 'Alpha' squad and the commander of this unit are charged with being involved in shooting at peaceful demonstrators on April 7, 2010, which left dozens of people dead and hundreds injured," the sources said. The Alpha servicemen disagree with the charges and claim they were just following the orders of their superiors, the sources said. (Interfax)

TBILISI CONDEMNS RUSSIAN-ABKHAZ PASSENGER BOAT SERVICE

18 September

Maritime traffic to ferry passengers from Russia's Black Sea ports to Gagra in breakaway Abkhazia "is an open challenge to the international community and yet another clear demonstration that Russia does not consider itself bound" by international norms, the Georgian Foreign Ministry said in a statement on August 17. According to the reports by Russian news agencies, hovercraft boats, operated by a Sochi-based firm, launched this month regular traffic carrying passengers between Russia's Black Sea port of Tuapse in north of Sochi and Gagra. The boats make several stops before reaching Gagra, including in Sochi for passport control. Officials in Sokhumi say, that land border crossing facilities with Russia can not properly handle existing volume of traffic during the summer, causing jams at border crossing point "Adler" and the launched maritime traffic is hoped to ease traffic on the land border. The Georgian Foreign Ministry said that by launching maritime traffic with the breakaway region, Russia violates number of international conventions, as well as Georgia's law on occupied territories. It called on the international community to take relevant measures to secure Russia's fulfillment of its international commitments. Maxim Gvinjia, foreign minister of breakaway Abkhazia, told RFE/RL's Russian-language service, *Ekho Kavkaza*, that the launched maritime traffic aimed at easing ordinary people's transpiration problems. "I don't understand why it causes concern and protest [in Tbilisi], that it is becoming better here - that's terrible," Gvinjia said. (Civil Georgia)

RUSSIAN-GEORGIAN AIRLINES TO SHARE TBILISI-MOSCOW FLIGHTS

19 September

Georgian and Russian air carriers will start direct Moscow-Tbilisi flights this month with each conducting three flights per week. Georgian Airways will start flights from August 20, the united transport administration at the Georgian ministry of economy said. Russia's Sibir Airlines,

operating under the brand name S7 Airlines, will start flights on August 23, the Russian air carrier said on August 18. S7 Airlines said that resumption of flights was made possible after it had received permission from aviation authorities of the two countries. The Georgian united transport administration described the planned flights as "multiple non-regular flights." It said that flight permissions were valid from August till the end of October. Georgian Airways obtained permission to conduct direct Tbilisi-Moscow charter flights for number of times in the past; most recently such flights were conducted by the Georgian Airways in late May and June. Russia cut regular direct air flights with Georgia in October, 2006, following spy row between the two countries. The flights were restored in late March, 2008, but were again suspended after the August war. Before the cut of regular flights, S7 Airlines was also conducting flights between Moscow and Georgia's second largest city Kutaisi, as well as between Moscow and Georgia's Black Sea resort of Batumi. "In case of full-scale resumption of flights between the two countries, S7 Airlines is ready to consider possibility of restarting flights to Kutaisi and Batumi," the company said. (Civil Georgia)

RALLY IN SOUTHERN KYRGYZSTAN DEMANDS RESIGNATION OF INTERIM GOVT, RETURN OF OSH MAYOR

20 August

About 1,000 people are attending a rally on the central square in the southern Kyrgyz city of Osh, demanding the resignation of Kyrgyzstan's interim government and the return of Osh Mayor Melis Myrzakmatov from the republic's capital Bishkek. The demonstrators are chanting "People Choose Melis!" and "He is a Kyrgyz National Hero!" Myrzakmatov left for Bishkek two days ago to participate in a session addressing programs to rebuild for southern Kyrgyzstan, where violent clashes between the local Kyrgyz and Uzbek communities erupted in June. "We have not chosen Roza Otunbayeva. The interim government must resign. Melis is our protector," several people taking part in the rally said. A group of demonstrators attacked Kyrgyz Minister of Labor, Employment and Migration Aigul Ryskulova, demanding that she support Myrzakmatov. Security guards managed to calm the people down, and Ryskulova left the square safely. Demonstrators also broke a video camera belonging to a journalist. Law enforcement is not present on the square. Journalists

whose visit to Osh was arranged by the interim government's press service are currently leaving the city "for security reasons, because tensions are escalating there," the organizers of the trip said. In an interview with Interfax, an aide to Myrzakmatov confirmed that the Osh mayor is in Bishkek, but declined to give further details. (Interfax)

ARMENIA ACCUSES TURKEY OF LACKING POLITICAL WILL TO NORMALIZE RELATIONS

20 August

Armenia has made a lot of effort to normalize relations with Turkey, but Turkey's lack of political will has obstructed this process, Armenian President Serzh Sargsyan said. "By initiating the process of normalization of relations with Turkey, Armenia invested it with logic of full-scale cooperation and mutually advantageous trade. However, the process has stuck, because the Turkish leadership has not displayed the necessary political will," Sargsyan said at a ribbon-cutting ceremony for the Hill of Honor monument in the town of Gyumri in northern Armenia on Friday. "Unfortunately, we have not seen true preparedness on Ankara's part to honor its international commitments," he said. Armenia announced its withdrawal from a process of settling relations with Turkey and ratifying Armenian-Turkish protocols at the end of April 2010. "High-ranking Turkish officials talked on the language of preconditions for a year. Turkey took a whole year to do anything to mark time and disrupt the process. Hence, our conclusion and our position are unambiguous. Turkey is not willing to continue the process and move ahead without preconditions and in the spirit of the protocols that have been signed," Sargsyan said at the time in an address to the nation. "In our view, all reasonable timeframes have been exhausted," he said. (Interfax)

RUSSIA, ARMENIA SIGN DEAL ON NPP REACTOR CONSTRUCTION

20 August

Russia and Armenia have signed an agreement on the construction of a new power unit at an Armenian nuclear power plant. The document was signed by Rosatom chief Sergei Kiriyyenko in the presence of the two countries' presidents. The construction of a new power unit on the grounds of the operational Armenian nuclear power plant will start in 2012. The project is estimated at approximately \$5 billion. The new power unit will

have a Russian 1060-megawatt reactor with a 60-year service life and a European safety certificate. The facility is due to be commissioned before 2017. The only power unit with a 404-megawatt capacity operating at the Armenian nuclear power plant, which generates about 40% of the electricity nationwide, is due to be shut down before that. The 'nuclear island' for the new power unit for the Armenian nuclear power plant will be built in Russia within the next few years, Armenian Minister of Energy and Natural Resources Armen Movsisian told journalists on Wednesday. Rosatom chief Sergei Kiriyyenko said earlier that Russia plans to not only build the nuclear power plant in Armenia but also be one of its investors. (Interfax)

AFGHAN POLICEMEN KILLED BY FRIENDLY FIRE

21 August

NATO says coalition forces have killed three Afghan policemen in a friendly fire incident in northern Afghanistan. The NATO-led International Security Assistance Force said that Afghan security forces, who were under fire from an unknown number of insurgents, called for air support on August 20 in Jowzjan Province. Two helicopters responded, but an investigation of the site later found that three Afghan policemen were accidentally killed and several wounded by the air weapons team. Also on August 21, six Afghan police officers were found dead in their station house in southern Afghanistan. Provincial spokesman Dawood Ahmadi said the six police, who were shot, were found in Greskh district of Helmand Province. (RFE/RL)

AFGHAN POLICE RECRUIT SHOT DEAD AFTER KILLING THREE SPANISH TRAINERS

25 August

Afghan security forces have been deployed to quell rioting in the northwestern province of Badghis after a deadly gun battle between a local police recruit and his Spanish instructors. The Spanish government has confirmed that two Spanish police officers and their Spanish interpreter were killed when a rogue police recruit opened fire on them at a provincial-reconstruction team (PRT) police training center in Badghis's provincial capital of Qalay-e Naw. Abdul Ghani Saberi, the deputy governor of Badghis Province, told RFE/RL's Radio Free Afghanistan that the rioting broke out after Spanish troops shot dead the Afghan trainee during

the altercation. Saberi said the police "usually train inside the Spanish PRT. One police driver, whose name was Ghullam Sakhi, carried a gun with him into the compound." After arguing with Spanish troops who told him not to bring a gun inside the compound, "he started shooting at the Spanish soldiers -- killing three of them." Saberi said provincial authorities think the recruit might have had ties with the Taliban and intentionally tried to carry a gun into the PRT compound to attack troops in the NATO-led International Security Assistance Force. Saberi said the authorities suspect Taliban militants who are active in the area may have infiltrated the police force to carry out the initial attack. "We think there was a plot behind this incident," Saberi said. "We think the Taliban could be behind this because they are the enemies of the Afghan country and such plots are usually organized by the enemies of stability and peace in Afghanistan." RFE/RL's correspondent in the area, Sharafuddin Stanakzai, reported that angry demonstrators tried to storm the PRT compound after the initial shooting incident. He said that demonstrators on the scene said they broke through the compound's outer perimeter and set fire to part of the base. One witness told RFE/RL that Spanish troops fired on rioters who were storming the base, injuring several of them. However, the Spanish government denied that demonstrators tried to storm the base. Spanish officials said the demonstrators wanted the body of the slain Afghan and that an Afghan judge was allowed to enter the PRT compound in order to authorize the handover of the remains.

There was no immediate confirmation by Afghan or NATO officials about witness claims that the PRT base was infiltrated or that there were more casualties there. However, Saberi confirmed that hundreds of demonstrators later marched on the provincial government's headquarters in Qalay-e Naw -- smashing several windows of the building and forcing local authorities to call for the deployment of troops from the Afghan National Army and national police. (RFE/RL)

UZBEKISTAN BURNS HALF A TON OF SEIZED AFGHAN HEROIN

26 August

Authorities in Uzbekistan have incinerated nearly a half ton of confiscated Afghan heroin worth an estimated street value of \$150 million in Europe. Officials say more than 700 kilograms of illegal drugs, including 497 kilograms of heroin, were

burned on August 26 in the smelting furnace of a Soviet-era metals factory outside of Tashkent before an audience of diplomats and journalists. Olimjon Turakulov, a spokesman for Uzbekistan's SNB domestic security services, said the drugs being destroyed had already been used as evidence in trials against drugs traffickers. He said the incinerated drugs represent just part of about 2.5 tons of drugs seized from smugglers coming out of Afghanistan since the start of 2010. (RFE/RL)

TURKMENISTAN REMOVES GOLD STATUE OF NIYAZOV FROM ASHGABAT

26 August

A prominent 12-meter golden statue of Turkmenistan's former dictator Saparmurat Niyazov has been taken down in the capital Ashgabat -- a move further eroding the personality cult around the late Central Asian leader. Workers removed the statue on August 25 and were dismantling the base on August 26. The Arch of Neutrality was a centerpiece of the capital, Ashgabat, and the most distinctive monument built in honor of Niyazov. The statue stood on a 70-meter white tile-clad tripod and rotated to face the sun. Niyazov -- who renamed himself the Great Turkmenbashi, the "Father of All Turkmen" -- died in 2006 after two decades of iron-fisted rule. (RFE/RL)

KAZAKHSTAN TO DOUBLE CRUDE OIL EXPORT DUTIES

30 August

Energy-rich Kazakhstan will double its crude export duty tax to 40 dollars (21.60 euros) per tonne next year to boost revenue, the country's finance ministry said on Tuesday. "The most significant budget revenue is planned at the expense of increasing the export duty on oil from 20 dollars to 40 dollars per tonne," Finance Minister Bolat Zhamishev said at a cabinet meeting in the capital Astana. Kazakhstan, Central Asia's largest oil producer, had introduced the export duty on crude in 2008 at the height of the global financial crisis but reduced them to zero in January 2009. The export duty was reintroduced at 20 dollars per tonne in July of 2010. The Chevron-led Tengizchevroil energy venture and Karachaganak Petroleum Operating group, led by energy majors ENI and BG, will not be exempt from the duty. (AFP)

KAZAKHSTAN TO EXTEND ITS GRAIN SALES MARKET

30 September

Kazakhstan will extend the geography of its grain exports due to enforcing of the grain export ban in Russia, announced Asylzhan Mamytbekov, the Chairman of the Board of Directors of the "National holding "KazAgro" JSC, on August 27. According to him, the Caucasian countries will become the potential partners of Kazakhstan in the sphere of grain trading, first of all. The volume that the countries previously planned to purchase in Russia, they can purchase on Kazakh market, noted A.Mamytbekov. According to him, the country will probably increase the export volumes on the traditional markets. The Head of the holding noted that despite the fact that the Russian Federation stopped grain supplying on own traditional markets, that does not mean that Kazakhstan should take place of Russia. Last year in Kazakhstan grain production totaled 22.7 mln tonnes in bunker weight, or 20 mln tonnes in clean weight. According to the forecast, in 2010 grain production will total 16 mln tonnes in bunker weight, 14 mln tonnes in clean weight. Previously, it was announced that grain export volumes from Kazakhstan will total 8 mln tonnes, including 4 mln tonnes to the countries of the Middle Asia and Afghanistan, and also 2 mln tonnes to the countries of the South Caucasus, Russia, Iran and other countries. (agrimarket.info)

AZERBAIJAN TO BUY FOUR KA-32 HELICOPTERS FROM RUSSIA

30 August

Russian Helicopters company will supply four Kamov Ka-32 helicopters to Azerbaijan in the near future, the Azerbaijani APA news agency said on Monday. It is not known which of the country's state departments or institutions ordered the helicopters, the report said. In May, the Azerbaijan Emergencies Ministry bought two Ka-32 helicopters from Russia. The Ka-32 is a 12-ton coaxial twin-rotor helicopter that can carry a payload of up to four tons. It is commonly used in utility cargo work and fire-fighting, has an endurance of about four hours and cruises at 205 kilometers per hour. (RIA Novosti)

KABUL CHALLENGES PAKISTAN'S BAN ON AFGHAN TV CHANNELS

31 August

Afghanistan's Minister of Culture and Information has criticized a recent ban imposed on Afghan TV channels by Pakistan's government, saying it does not benefit either country. Talking to RFE/RL's

Radio Free Afghanistan by telephone, Sayed Makhdoom Raheen said that he will directly discuss this issue with Pakistani officials and ask them to reopen the TV channels as soon as possible to Pakistani viewers. Pakistan's Electronic Media and Regulatory Authority (PEMRA) on August 29 blocked nearly 28 foreign TV channels, including several Afghan TV channels, from being broadcast by cable operators in Pakistan. Asked if he would take similar action in response to the ban, Raheen replied that "Afghanistan's policy is to open, not to close down TV channels." "They have closed our TV channels in Pakistan, but we do not do the same in Afghanistan," he added. Raheen emphasized that the regional countries should try their best "to build closer ties through each other media outlets." RFE/RL's correspondent in the Pakistani city of Quetta reports that most Afghan refugees in Pakistan are interested in Afghan TV channels that offer news and recreational programs. The channels enjoy some popularity among Afghan refugees in neighboring Pakistan. Twenty-year-old Ehsanullah, an Afghan University Student in Quetta, told RFE/RL that he hoped Pakistan would reopen the banned channels. Noor Agha, another Afghan refugee in Quetta, said that such television channels as Ariana, Shamshad, and Lemar have been major sources for Afghans in Pakistan's north-west to get information about news and events back home. Osman Kakar, the Leader of the Awami National Party in Pakistan's Khyber Pakhtunkhwa province, condemned the ban and called on the Pakistani government to reopen the channels. The Afghan channels have been banned in Pakistan in the past, but the bans were lifted later after protests by Afghans living in Pakistan. (RFE/RL)

NATO CHIEF BACKS STARTING SECURITY HANDOVER TO AFGHANS NEXT YEAR

31 August

NATO Secretary-General Anders Fogh Rasmussen says he hopes NATO member states will agree at an upcoming summit to start handing over security responsibilities in Afghanistan to Afghan authorities next year. The NATO chief's comments came on August 30, as the deaths of four more NATO soldiers were reported due to fighting in Afghanistan. The alliance said four U.S. troops were killed in a Taliban-style bomb attack -- raising to 21 the number of Americans killed in the past three days, according to the AFP news agency. The alliance said an eighth NATO soldier, who was not American, was also killed the same day in a bomb

blast in southern Afghanistan.

Canada, meanwhile, said one of its soldiers had died in the hospital after suffering injuries in a bomb attack in Afghanistan on August 22. In his interview with Danish television, the NATO chief said the security situation in Afghanistan was "definitely" not satisfactory. But he said there had been some progress in security, and that he hoped NATO members would agree at a November summit in Lisbon to begin gradually handing over security responsibilities in 2011. Rasmussen added that he supported the intensification of the military campaign against Taliban strongholds in Kandahar and Helmand provinces, saying the Taliban had no chance of defeating NATO forces on a military level. But he said the Afghan conflict couldn't be won by military means alone, as building stability will depend on educational, health, and economic advances as well. (RFE/RL)

TAJIK PARENTS PUNISHED FOR CHILDREN'S TRUANCY

31 September

A court in the town of Qurghonteppa in southern Tajikistan has for the first time passed sentence on parents whose children failed for months to attend school, RFE/RL's Tajik Service reports. Judge Rustam Nazarov told RFE/RL that the court imposed fines on August 31 of 3,500 somonis (\$800) on the parents of four children who missed school from September 2009 until April 2010. Nazarov said that the constitution obliges parents to enable their children to attend school and that all children between the ages of seven and 16 must do so. One of the fathers who was fined told RFE/RL that he cannot understand why he is being punished for being unemployed and not in a position to buy his child clothes and shoes. He said if he had money he would buy those things and send his child to school. Local prosecutor's office representative Mahmadsaid Nasimov said that most claims by parents that poverty prevents them from sending their children to school are baseless. He added that as soon as an investigation was started into absenteeism, many parents immediately sent their children back to school. Ismon Juraev, the chief inspector at the Qurghonteppa administration education department, said that during the last school year they discovered 44 children who missed school. Following joint intervention by the education department and the prosecutor's office, the number fell to six or seven. Juraev said that this year, the provincial administration together with

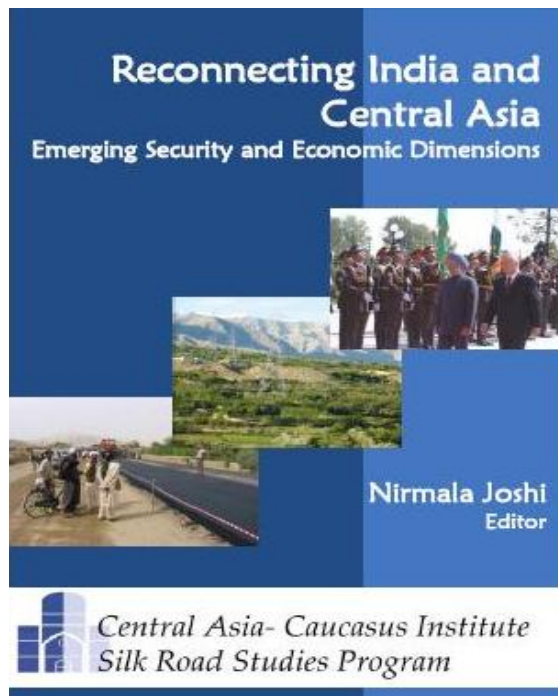
international humanitarian organizations and local businessmen launched a special charity project for children from poor families. They are provided with school uniforms and other necessities. (RFE/RL)

AZERBAIJAN, KARABAKH TRADE BLAME OVER DEADLY CLASH

1 September

Azerbaijan and the rebel mountain region of Nagorno-Karabakh traded blame for a deadly clash on their frontline on Tuesday in which Azerbaijan said two of its soldiers had died. Skirmishes break out frequently between Azeri and Armenian-backed forces near Nagorno-Karabakh, a small mountain region where ethnic Armenians threw off Azeri rule at the time of the collapse of the Soviet Union. The unresolved conflict is a constant threat to stability in the strategic South Caucasus, sandwiched between Russia, Turkey and Iran and criss-crossed by pipelines carrying oil and gas to Europe, much of it from Azeri reserves in the Caspian Sea. The Azeri Defence Ministry said in a statement that two Azeri soldiers and three Armenians were killed

when Azeri security forces repelled an enemy assault near the village of Chaili on Nagorno-Karabakh's northeastern flank. Karabakh authorities blamed an attack by an Azeri "special forces group", Armenian agencies reported. Just one Armenian Karabakh soldier was wounded and the Azeri forces "suffered losses", the Karabakh military said. The accounts could not be independently verified as international observers only carry out periodic monitoring of the frontline. The clash follows conflicting reports about an Azeri soldier who Azerbaijan says was captured this week by Armenian forces. The Karabakh authorities say he deserted. An estimated 30,000 people died in the fighting over Nagorno-Karabakh, which broke out in the late 1980s as the Soviet Union headed towards its collapse and ended with a ceasefire in 1994. Armenian forces captured seven surrounding Azeri districts, forming a corridor linking the region with Armenia. Years of talks, mediated by the United States, Russia and France, have yet to yield a peace deal. (Reuters)



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