

Central Asia

Caucasus

ANALYST

BIWEEKLY BRIEFING

Wednesday, September 10, 2003

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BIWEEKLY BRIEFING

Wednesday/September 10, 2003

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EDITORIAL PRINCIPLES

The Analyst is an English language global Web journal devoted to analysis of the current issues facing the Central Asia-Caucasus region. It serves to link the business, governmental, journalistic and scholarly communities and is the global voice of the Central Asia-Caucasus Institute, The Johns Hopkins University-The Nitze School of Advanced International Studies. The Editor of the Analyst solicits most articles and field reports however authors may suggest topics for future issues or submit articles and field reports for consideration. Such articles and field reports cannot have been previously published in any form, must be written in English, and must correspond precisely to the format and style of articles and field reports published in *The Analyst* (www.cacianalyst.org) and described below.

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Analytical Articles:

Analytical articles require a three to four sentence 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.

Analytical article structure:

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

BACKGROUND: 200-300 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: 200-300 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.

Specifications for Field Reports:

Field Reports focus on a particular news event and what local people think about the event, or about the work of an NGO. Field Reports address the implications the event or activity analyzed has for peoples' lives and their communities. Field Reports do not have the rigid structure of Analytical Articles, and are shorter in length, averaging ca. 500-700 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: svante.cornell@pcr.uu.se and suggest some topics on which you would like to write.

Svante E. Cornell, Editor
 Central Asia-Caucasus Analyst
 Central Asia-Caucasus Institute
 The Johns Hopkins University
 Paul H. Nitze School of Advanced International Studies
 1619 Massachusetts Ave. N.W.
 Washington, D.C. 20036
 Tel. +1-202-663-7712; 1-202-663-7721
 Fax. +1-202-663-7785; 1-253-550-4390

RUSSO-SAUDI ROMANCE MAY MARGINALIZE THE CASPIAN

Ariel Cohen

Geopolitical tectonic plates have shifted as the de-facto ruler of Saudi Arabia, Crown Prince Abdullah completed his visit to Russia last week. Oil-exporting Caspian states should watch with concern how the two largest energy producers are beginning their elephantine dance. In the process, smaller oil exporters on Russia's periphery, such as Kazakhstan and Azerbaijan, may suffer if collusion between the major players results in pressure to limit oil production in order to keep global supply down.

BACKGROUND: The apparent rapprochement between Russia and Saudi Arabia during Crown Prince Abdullah's visit to Moscow is likely to have large implications for global energy markets, and especially for Caspian producers. There are significant forces which push Saudi Arabia and Russia into each other's embrace. Oil, weapons and geopolitics drive their newly found common agenda. Moscow, on its part, is driven towards a partnership with Saudi Arabia for a combination of geopolitical and geo-economic reasons. It is looking to compensate itself for the loss of influence in the Gulf with the demise of Saddam Hussein, the old Soviet client. Russian companies connected to Moscow high-flying insiders used to do brisk business - up to \$1 billion a year -- in Iraqi oil under the U.N.-sponsored oil-for-food programs. Most importantly, though, Moscow believes that Saudis and other rich Gulf states keep the keys to the 9-year-old war in Chechnya.

One of the most radical and audacious Islamist commanders in Chechnya, known by Nom de guerre Khattab, was a Saudi. The Russian special forces killed him after a long hunt. Another top commander, Shamil Basaev, on the U.S. Department of State terrorism list, is known to have military and financial support from the Gulf, as well as a number of foreign Jihadi recruits.

Moscow has consistently blamed Saudi Arabia for sponsoring extremism and terrorism in Chechnya and, thereby, keeping the conflict alive. During the horrific hostage taking in October of last year, the Russian security services alleged in the media that the Chechen suicide bombers who took 1,000 people hostage in a Moscow theater made phone calls to the Gulf. The Kremlin was livid. In the last summit with President Bush in St. Petersburg in June, President Putin stressed that 15 out of 19 hijackers were Saudi. President Bush nodded in agreement. This was an intentional jab to signal to Saudi Arabia that Russia is willing to join forces with the United States in prosecuting the war against terrorism if the Saudis don't reign the radical Chechens in.

Al Qaeda's terrorist attacks in Riyadh, in which over 30 Saudis died, seemed to have change the tone in the desert kingdom. Now Saudi leaders claim that they view Chechen separatism as an internal Russian affair, and that their assistance was always exclusively humanitarian. While nobody in Moscow believes that, the Putin Administration, which is

facing parliamentary elections in December and presidential elections in March 2004, is hoping for drying up of financing to the Chechen rebels, and thereby achieve a significant decrease in hostilities.

Putin also wants Saudi Arabia to assist Russia to join Organization of Islamic Conference (OIC), as an observer. The OIC is an assembly of such Muslim stalwarts as Iran, Indonesia, and Saudi Arabia, and the Russian foreign policy establishment believes that an open channel of communication to these countries after 9/11 is in Russia's national interest.

Saudi Arabia, meanwhile, recognizes that Russia, as the largest producer of oil, the second largest exporter of oil, as well the largest producer of natural gas outside of the Organization of Petroleum Exporting Countries (OPEC), packs a lot of punch in the global energy markets.

While the U.S. is interested in diversifying its energy supply to include Russia, Kazakhstan and Azerbaijan, Saudi Arabia wants its own direct energy dialogue with Moscow. And, as this author's experience with Gulf oil industry experts demonstrates, Gulf States traditionally viewed the Caspian states, with their ample oil reserves and free of restraints of the Organization of Petroleum Exporter Countries (OPEC), as potential competitors to their cheap, but politically unstable, oil.

Russian oil exports have grown at a rate of 8-10 percent a year since the financial crisis of 1998. Its increasing oil market share has in recent years begun to worry the Saudi monarchy, which saw signs of Moscow emerging as a rival on the horizon. Riyadh has traditionally considered itself the market-maker of energy and wants others to follow - and wants to keep it that way.

IMPLICATIONS: The five-year oil-and-gas cooperation agreement signed in Moscow by the two energy ministers, Igor Yusufov and Ali al Naimi, will allow the two fuel giants to coordinate the supply of oil to the global markets. This will doubtless help them keep the oil price at a level desirable to both. But in addition to obvious mutual interests in the energy sector, there are reasons beyond influence in energy markets, which drive the Russo-Saudi relations.

No longer sure of its prior close relationship with Washington, the Saudi monarchy is reaching out to the

former empire it helped America to defeat in Afghanistan only 15 years ago. In the aftermath of the Iraq war, Riyadh is looking to balance U.S. influence in the Persian Gulf. It also hopes to diversify its sources of weapons, and signals to Washington that it keeps all geopolitical options open.

Russia, the world's third largest weapons exporter after the U.S. and Great Britain, leads the world in the number of large weapons systems, like tanks and aircraft, sold. Its military sales topped \$6 billion in 2002, according to the Stockholm-based International Peace Research Institute. In the 1990s, Russia sold \$4 billion worth of state-of-the-art multi-layer air defense systems to the United Arab Emirates, and would like to open the large and lucrative Saudi weapons market to its rusting, but once-formidable arms industry.

CONCLUSIONS: Russia's improved ties with Saudi Arabia and other Islamic states will give Moscow ever-increasing freedom of maneuver in the Caucasus and Central Asia. If the Islamic world mutes its criticism of Moscow's policy in

Chechnya, some in the Kremlin may interpret it as an implicit green light to neo-imperial behavior in the former imperial space. Dr. Sergey Karaganov, the Chairman of the Russian Council on Foreign and Defense Policy, and a consultant to the Russian government, was instrumental in bringing Prince Abdullah to Moscow. Karaganov says that the visit was "very productive". This means Saudi-Russian cooperation both on energy and on Chechnya.

Karaganov, however, is known as an advocate of a more robust Russian policies toward Georgia and Azerbaijan. His buoyancy on the Saudi-Russian ties may indicate a "new thinking" in the Kremlin: to make Russia indispensable to the U.S., Iran, as well as to Saudi Arabia, and in turn demanding their acquiescence to Russia's assertive policies in the "near abroad."

AUTHOR BIO: Ariel Cohen, Ph.D., is a Research Fellow at The Heritage Foundation.

TESTS REVEAL POOR TEACHING STANDARDS IN KAZAKHSTAN

Bringing the educational system in line with recognized world standards constitutes the core of the school reform concept in Kazakhstan. Government spending on education is rising. This year alone, more than 5 billion tenge were allocated to build new schools, primarily in the countryside and 24438 government grants were offered to high school graduates enrolled in universities.

Some figures indicate that privately funded schools in big cities of Kazakhstan outnumber state-owned ones. But the difference between the two is so vague and formal, that there is no accurate statistics to pinpoint the exact number of private schools. It is even more difficult to tell which of them provides better knowledge.

This year's testing of high school students for university entrance produced dismal results. Every third high school graduate failed to achieve the minimally required 40 scores. Only 0.6% of applicants managed to get more than 100 testing scores. What is more surprising, among those who failed to pass the 40-score threshold were 708 high school graduates awarded with a certificate of distinction for excellent academic performance at school. "We see now that these certificates were granted to them falsely" admitted the director of the Department of Secondary Schools of the Ministry of Education Serik Irsaliyev.

Sadly enough, with the advent of market economy in Kazakhstan, higher education, once a matter of social prestige, became a springboard in career-making for some, and a means of enrichment for others. Universities are full of suspiciously young doctors and professors of dubious making. Within a few years many teachers' training colleges were renamed universities all over Kazakhstan without giving much trouble to upgrade their standard of education to the level the status of a university requires.

Last year, five or six private universities were deprived of their licenses for inadequate educational standards.

But there are many others mushrooming up in various parts of the country which makes the process practically uncontrollable. "Why bother to attend these silly university courses, when you can buy diplomas of any sorts at a market?" runs a popular joke.

Nearly 75% of university applicants opt for law education, economics, journalism or diplomacy. Applicants from poor families, as a rule, from rural areas, choose less expensive agricultural colleges, teachers' training colleges, and nursery courses. This growing imbalance is widening the gap between the rich in big cities and the poor in villages. It also alarms the government. There is a dramatic shortage of tractor drivers, civil engineers, teachers and medical nurses in villages. There have been many attempts to make vocational schools more attractive for young people, but to no avail.

If the short-sighted policy of churning out journalists and diplomats is not to stop, warn experts, in the next decade the agriculture of Kazakhstan will face a devastating crisis. This policy affects rural schools as well. Up to now, it has been possible to hide the acute shortage of teachers in village schools by using people qualified in one subject to teach another. But illiteracy among teachers has become anecdotal to the point, that the Ministry of Education recently announced its decision to bar unqualified teachers from schools.

To an outside observer, a school in Kazakhstan with neat classrooms equipped with modern computers may have a quiet civilized look. According to official data, there is on average one computer per 50 students in Kazakhstan. But most schools in rural areas have no telephone connection or cannot afford Internet services. Village teachers are among the lowest paid section of the population.

The existing system of school management lays a considerable financial burden on parents, who have to make "voluntary" contributions to finance repair

works, or to pay utility services. Although the Ministry of Education issued a decree banning the practice of collecting money from parents, state funding is not adequate to cover all costs. So officials close their eyes to parental contributions.

Declining educational standards have triggered a series of debates in Kazakhstan. Many teachers think that entrance tests to universities should be conducted by independent testers, and not by university teachers. It sounds convincing when one considers the scale of corruption which has long wormed its way into colleges and universities. The former minister of education Shamshat Berkimbayeva, who came up with the half-baked concept of introducing a 12-year school education is rallying numerous supporters around her idea. Whether this scheme will bring the country out of educational impasse is not yet known.

The official educational concept places accent on fostering national moral values and patriotic duty. But these goals are hard to achieve under present circumstances. Teachers complain that all too often, they have to use Russian textbooks, since publishing houses in Kazakhstan cannot supply the necessary quantity of books.

Since 1994, within the framework of the educational project Bolashak (Future), more than 600 students were sent to study abroad, mainly in American universities, and then especially children from influential families. This year, the government admitted that some of the students did not return to Kazakhstan on completion of their study. This year, the project will be revised, and the number of students to be sent abroad will be reduced to 26. Regrettably, that will not ward off the rush of the brain drain.

Marat Yermukanov

WILL THE ECO TRADE AGREEMENT HELP CREATE A NEW ECONOMIC BLOC?

Hooman Peimani

In July the members of the Economic Cooperation Organization (ECO) gathered in Islamabad to sign the ECO Trade Agreement (ECOTA) aimed at boosting trade and investment in their region. The event took place within the context of a recent move towards reactivating the ECO to deal with all the issues of importance to its membership, including regional trade, tariff structures, trade regulations, insurance, banking and transportation. All the members have an interest in turning the ECO into a viable regional organization as evident in the July agreement. However, despite a great potential for growth, doubts remain regarding the achievement of that objective in the near future.

BACKGROUND: As the successor of the Regional Cooperation for Development (RCD) in the 1960s, Iran, Turkey and Pakistan founded the Tehran-based ECO in 1985. However, it became active as a large economic bloc only when the five Central Asian countries, Afghanistan and Azerbaijan joined it in 1992. Within a few months, the ECO members reached an agreement on a 10% tariff reduction among themselves. The July 1993 Istanbul conference set the grounds for the ECO's restructuring as a strong economic bloc as its members agreed on developing a transportation network, a telecommunication system and financial institutions. It has since taken other steps to consolidate itself and expand relations among its member states. In particular, it experienced a period of optimism and enthusiasm in the 1990s as its members viewed their organization as a vehicle through which they could address their various economic problems, including their underdevelopment, to a varying degree worsened by numerous transitional difficulties in the case of Azerbaijan and the Central Asian states. In this regard, a major event took place during its January 1995 conference in Ashgabad when its members agreed to facilitate visa procedures for ECO businesspeople and the transit of goods within the ECO community. They also agreed to create the ECO development bank in Turkey, the ECO insurance company and scientific centre in Pakistan and the ECO shipping and airline companies and its cultural centre in Iran. However, the initial momentum to make the ECO a success story gradually disappeared, although the ECO expanded its administrative structure. Consequently, by 2000, it was practically an inactive regional grouping with a little effect on its members, despite its contribution to the latter's expanding economic ties.

IMPLICATIONS: Being unable to address their economic problems and having lost hope to receive significant economic assistance from major Western economies, the ECO members have since shown an interest to revitalize their organization. The conclusion of the ECOTA should be analyzed within this context.

The ECO ministers of commerce and trade and their respective countries' heads of delegations signed the ECOTA during their July 17 meeting in Islamabad. Seeking to boost trade and investment in the ECO region, the signing ceremony followed the conclusion of the second ECO

ministerial meeting on commerce and trade. By virtue of the signed trade document, the ECO states agreed to bring down tariffs to the level of 15 percent of the existing rates within an eight-year period. In the aftermath of the meeting, the statements made by high-ranking ECO leaders reflected a very optimistic mood among the ECO states. For example, Pakistani Commerce Minister Humayun Akhtar Khan during the meeting expressed the desire to bring down tariff and non-tariff barriers as a means to encourage regional trade and "to move quickly towards a free trade regime [among] ECO member states". ECO Secretary-General Syed Mojtaba Arastou, the Iranian rotational ECO leader, described the signing of the trade agreement as "the beginning of a new era of economic cooperation amongst the member states." Apart from the prevalence of a reportedly positive mood in the meeting, he based his optimism on the establishment of a database at the ECO Secretariat in Tehran as a step towards removing some of the major non-political barriers to extensive trade. That database contains information on "the composition and direction of regional trade, tariff structure, trade regulations and matters relating to insurance, banking, transport and business proposals." As Arastou announced, the ECO states' agreement to vote "more closely at international fora especially [on] WTO (World Trade Organization) -related issues" further indicated a shared desire among them to turn the ECO into a more active organization to serve their interests also at the international level.

The ECO has all the ingredients (e.g., rich mineral, energy and agricultural resources, large population, strategic location and access to international markets via land and open seas) to develop into a strong economic bloc. If this scenario is realized, it will make a sizeable contribution to the economic development of its members. However, over a decade after its revitalization, it is yet to establish itself as an economic bloc to reckon with at the regional and international levels, while its relevance to the economic growth and prosperity of its members is still marginal. Major factors responsible for this situation include political and economic conflicts among its members over a variety of issues such as their pursuit of opposite foreign policies especially towards the United States and Russia, two influential powers in the ECO region. The ECO members' pursuit of different or opposite economic

policies further creates barriers to their expanding trade and economic cooperation currently restricted because of the limited opportunities due to a shortage of financial means and/or the lack of required skills, technology and goods. Other barriers include disagreements over the Caspian Sea's division (Iran, Azerbaijan, Turkmenistan and Kazakhstan) and border disputes (Central Asian countries).

CONCLUSIONS: Undoubtedly, the ECO members are all interested in the success of their regional economic organization. Various political, economic, security and social factors make it difficult, if not impossible, for them to address their economic problems by employing their own resources. Added to this, expansion of trade and economic cooperation in non-trade areas are a necessity for the viability and the growth of all the ECO economies experiencing

difficulties for one reason or another; they require a boost to revitalize. However, the existence of economic incentives, while an absolute prerequisite, are not enough for turning the ECO into an organization capable of satisfying its membership's needs. So long as the ECO members have not resolved their political differences or at least have not reached an understanding to minimize their impact on their relations, the conclusion of major agreements such as the ECOTA will likely fail to help the ECO establish itself as a strong economic grouping of relevance to its members' economic development and prosperity.

AUTHOR'S BIO: Dr. Hooman Peimani works as an independent consultant with international organizations in Geneva and does research in International Relations.

AZERBAIJANI PUBLIC SUPPORTS CONSTRUCTION OF THE BTC PIPELINE

Last week in Baku, public hearings on the civil-engineering design of the Baku-Tbilisi-Ceyhan export pipeline (BTC) were organized by the International Financial Corporation (IFC) and the European Bank of Reconstruction and Development (ERDB). In each country (Azerbaijan, Georgia and Turkey), two meetings are planned. More than 170 representatives of local nongovernmental organizations (NGO), experts from the European Reconstruction and Development Bank and IFC, and also the companies implementing the project participated in the Baku meeting.

The construction of the 1740 km long BTC oil pipeline with a throughput of 50 million tons of hydrocarbons yearly is estimated to cost US\$ three billion. But these figures not final, according to experts, and the cost of the Pipeline could be much higher. According to the proposed scheme, 30% of expenditures will be covered by the own resources of the consortium, members of a group of sponsors, and 70% by means of international financing institutes.

Opening the Baku meeting with a greeting to participants, Minister of ecology and natural resources of Azerbaijan Huseyn Bagirov noted that there is a full consensus on the question of the realization of the BTC project in Azerbaijan. Both authorities and the opposition support the project and it gives this project a national status. "There is a full mutual understanding with British Petroleum, the operator company of the BTC project regarding environmental issues, in order to ease the ecological impact caused by exploration works and transportations of hydrocarbons".

The IFC has approved the allocation of credit (the planned volume of credit will be US\$150 million) for the civil engineering design of the BTC pipeline for October – November of this year. This was officially declared by executive vice-president of

corporation Peter Woicke during his recent visit to Baku. According to the representative of the EBRD, Charlotte Philipps, the financial structures scrupulously estimate the possible results of projects of the size and magnitude of BTC on the natural and social environment.

The EBRD considers questions of allocation of credits under two projects. One is the development of the Azeri, Chirag, and Guneshli (ACG) deposits, and another is the construction of the BTC pipeline. In this case the credit is in the amount of US\$400-600 million by the EBRD, IFC and a number of commercial banks. Another US\$100 million dollars are to be allocated for the Shah-Deniz project, and US\$60 million for the South Caucasus gas pipeline. Decision-making on BTC crediting is expected in the fourth quarter of this year, and on Shah-Deniz, in the first quarter of 2004, according to Ms. Philipps.

In the opinion of experts, the local population will benefit from the realization of these projects. Jobs will be created, and the country's infrastructure will be improved.

During the recent meeting, the issues of environmental security, social benefits of the project, and threats of acts of terrorism on the route of the BTC pipeline were also mentioned. According to the head of the Azerbaijani society for the protection of animals Azer Garayev, the estimation of the environmental and social impact of BTC is the first document in Azerbaijan where these issues are mentioned.

Representatives of the public were invited to a meeting together with NGO representatives worried of the possible leakage of oil. They recalled that the route of BTC passes via the territory of the

well-known Gobustan historical are 50 km West of Baku, which aggravates the problem. The EBRD and the IFC nevertheless did not consider this a major risk. On the whole, all NGO representatives who made speeches noted the importance of the project for Azerbaijan and declared they entirely support the allocation of credits for BTC.

According to the head of the NGO Forum of Azerbaijan Azay Guliev, this meeting could put an end to all efforts of the organizations opposing BTC. Recently a group of the European NGOs opposing the construction of the BTC pipeline directed a petition to international financial institutions in order to freeze the financing of this project.

Participants of the meeting emphasized the importance of BTC security and its protection against possible acts of terrorism, requiring a joint Azerbaijani-Georgian-Turkish security approach.

In addition to the cited meeting, negotiations took place in Baku on Kazakhstan's participation in the BTC project. Within this framework, the projected intergovernmental agreement between Azerbaijan and Kazakhstan on pumping Kazakhstan's oil through the BTC pipeline took place.

After signing the intergovernmental agreement, Azerbaijan and Kazakhstan are to prepare a document on the transit of oil. According to experts, Kazakhstan's oil will be fed into BTC in approximately 2007-2010, and the peak of pumping of Kazakhstan's oil through Azerbaijan will be in 2010.

Gulnara Ismailova

COLLAPSED HOPES FOR OPPOSITION UNITY IN AZERBAIJAN

Fariz Ismailzade

As the presidential elections in Azerbaijan are approaching, all hopes for a unified candidate among the opposition parties have been lost. The inability of the two main opposition leaders to agree on a common candidate has split the opposition in two major blocs and a great loss of prestige. Meanwhile, minor party candidates, possibly supported by the government, are turning the electoral debates into a farce by insulting and demeaning opposition leaders. In sum, while the ruling party is increasingly unified, the opposition is weaker and more divided than ever.

BACKGROUND: During the past ten years of Heydar Aliyev's rule in Azerbaijan, the country's opposition parties have been at bitter odds with one another in spite of domestic as well as international efforts for them to cooperate. This has seriously weakened their struggle against the ruling party. The major opposition parties, Musavat, Azerbaijan National Independence (ANIP), Popular Front and Democratic Parties have more often focused their struggle on each other than on the ruling regime. Musavat and the ANIP have been the most irreconcilable, as their leaders Isa Gambar and Etibar Mamedov have a history of personal rivalry dating back to the Popular Front's times. In 1998, Mamedov ruined the all-opposition's boycott strategy by participating in the presidential elections and in many ways legitimizing its multi-party character. In 2000, prior to the parliamentary elections, Musavat ruined its relations with another major party, the Popular Front, by recognizing its breakaway "classics" wing, and hence burning bridges with the core "reformers" wing of the party. The Popular Front's leader, Ali Kerimli, and ANIP subsequently signed a memorandum of cooperation.

Considering this history of rivalry between these parties, talks on a possible unified candidate from the opposition in the 2003 presidential elections seemed unrealistic. Yet the August 2002 referendum on constitutional amendments brought opposition leaders closer, as they all realized that they should unite their resources against Aliyev's regime.

In the Summer of 2003, the idea of a unified candidate picked up new momentum, after Ali Kerimli expressed his willingness to withdraw his candidacy should other major opposition leaders agree on a unified candidate. The American National Democratic Institute even invited the three leaders to Washington for consultations on the issue of a unified candidate. The hopes among the opposition circles, although hugely inflated for several weeks, collapsed after the ANIP and Musavat leaders were unable to agree on a single candidate, and the NDI-sponsored trip to Washington was cancelled. A subsequent trip to London by all three leaders and a subsequent final decision not to nominate a unified candidate buried the issue for good, and caused considerable damages to the opposition's image, both domestically and externally.

IMPLICATIONS: As the election date nears, it is increasingly evident that the opposition will approach the

elections in two main camps. Musavat and its 20 smaller allies will be supporting the candidacy of the Isa Gambar, while ANIP will attempt to finalize its negotiations with the Popular Front and the Azerbaijan Democratic Party led by the exiled former Speaker of Parliament Rasul Guliyev, to secure their support for the candidacy of Etibar Mamedov. Other candidates from the opposition, such as Lala Shovkat Hacıyeva of the Liberal Party, and Sabir Rustamkhanli of the Civil Solidarity Party, do not pose much of a threat to the ruling party.

Meanwhile, the intra-opposition debates are turning into a farce. In fact, never before, has normally dull Azerbaijani State Television been so entertaining as it was on Saturday, September 6. Fuad Mustafayev, a representative of the Popular Front party, stood up from his chair during a live debate and threw his full water glass into the face of his opponent, Hafız Hacıyev of the minor "Modern Musavat" party. The latter did not wait long, and threw his own glass and then his chair on Mustafayev's face as well. Other participants of the debate round table stood up and starting arguing and separating the fighters. It was a classical repeat of the famous Zhirinovski- Nemtsov glass-throwing incident that took place in Russia several years ago.

This hooliganism on live TV, although bad in itself, is only the tip of the iceberg. It illustrates how the opposition parties are being significantly damaged by so-called "fake" election candidates that have been registered by the Central Election Commission. These candidates, such as Hacıyev and Gudrat Hassanguliyev of the "Popular Front" citizens' initiative are normally breakaway factions of major opposition parties, accused of being masterminded by the ruling elites to split the opposition. Their roles seem to be to confuse voters, splitting the votes of the opposition parties and putting dirt on the names of the opposition candidates. The current campaign for the presidential post has been full of the elements of "black PR" effectively learned by Azerbaijani political parties from abroad. Hacıyev spends all his free air-time, allocated by the Central Election Commission, to cover the opposition leaders with the dirt. In his last speech, Hacıyev accused Musavat leader Isa Gambar of being a KGB agent, ANIP leader Etibar Mamedov of collaborating with Armenians, and Popular Front leader Ali Kerimli of "loosing his manhood" while in jail. Although these accusations are ridiculous in nature, they do create a negative image for the opposition candidates, and thus Hafız Hacıyev achieves his

goal. Other instruments are also being used to weaken the opposition. Posters of opposition parties are regularly torn down, and interruption of public meetings of the opposition candidates is also commonplace.

CONCLUSIONS: The regime's "divide and rule" policy has worked once again and the opposition's inability to unite will significantly reduce their chances for the upcoming elections. Together they could have been a major force and significant alternative to the ruling party, yet their standing got ruined among their own ordinary members. Meanwhile, the ruling party's unification around the new prime minister Ilham Aliyev, the son of the President, have dispersed all talks on a possible collapse of the ruling party anytime soon. Ilham Aliyev will maintain a tight grip on the financial and administrative resources of the country to ensure his election to the Presidency.

Long expected and much hoped consultations between the major opposition parties did not produce any concrete results on the issue of the unified candidate. Personal ambitions and high egos of several leaders from the opposition prevented the unification of the anti-Aliyev forces. This, in turn, will significantly hurt the standing of the opposition forces on October 15 presidential elections. Should the opposition lose the upcoming elections, there will be a greater pressure on the leaders to step down as they failed to ensure the unity and thus victory. In this situation, the standing of Ali Kerimli of the Popular Front, who offered to sacrifice his candidate for the unity of the opposition will certainly rise.

AUTHOR BIO: Fariz Ismailzade is a Baku-based freelance writer on politics and socio-economic development in the South Caucasus.

REPLACEMENT OF LENIN STATUE HEATS UP NEW POLITICAL SEASON IN KYRGYZSTAN

The Legislative Assembly of Jogorku Kenesh (Kyrgyz Parliament), which resumed work on September 2 after a two-month recess, opened in a stormy manner. The first issue that the deputies discussed was the dismantlement of the Lenin statue, which was raised by the deputies' group "Communists of Kyrgyzstan". A number of deputies demanded the resignation of the Kyrgyz government, claiming that by its action the government violated the law "On the Lenin statue" adopted in 2000.

On August 11, on the threshold of celebration of the Independence Day and the 2200th year of Kyrgyz statehood, the Kyrgyz government adopted a decree "On the reconstruction of the main square "Ala-Too". The decree made provision for transferring Lenin Statue erected in 1984 from the main square of Bishkek to the old square and replacing it by a Statue of Liberty, which is meant to symbolize independent Kyrgyzstan.

The government's decree immediately evoked not only resolute protest on the part of the Communist party of Kyrgyzstan, but it also evoked sharp criticism from the Socialist party "Atameken", the "Jangy Kyrgyzstan" party, and the "Erkin Kyrgyzstan" and "Asaba" parties. They demanded the resignation of the Kyrgyz Prime Minister Nikolai Tanaev and the whole cabinet. In their opinion, by issuing a decree and removing Lenin Statue unilaterally, the Kyrgyz government violated the law on Lenin Statue, which was adopted by Parliament and signed by the President in 2000.

The government, in its turn, started running a PR-campaign, claiming that it was receiving telegrams and letters from citizens, work collectives, and public organizations all over the

country, in which the Kyrgyzstani people support the government's decision. The PR-campaign conducted by the government in an attempt to justify its action may have ensured a "peaceful" celebration of the holidays, but it did not and could hardly ensure a long-term resolution of the issue.

The dismantlement of Lenin Statue and the government's corresponding decree was the first issue that the Legislative Assembly started to discuss after summer recess. The Leader of the communists, the Chairman of the parliamentary committee on state structures Absamat Masaliev expressed his protest, saying that "the government violates laws, is illiterate, and does not have the right to remain". It is remarkable that the initiative of the "Communists of Kyrgyzstan" to dismiss the government has been supported by non-communist deputies and, what is more remarkable, is that it has been supported by traditionally pro-governmental deputies. The Leader of the "Ata Meken" party, deputy Omurbek Tekebaev labeled the government's action a historical and political mistake. Deputy Turdakun Usulaliev thinks that "the government, which does not take public opinion, the Constitution and laws into consideration, does not have a right to stay in power and should immediately resign". In the opinion of another deputy, Ishenbai Moldatashev, the issue of removing the Lenin Statue to a new place is not the point; the point is the violation of the law adopted by the Parliament by the government. At the same time, some deputies think that the government made the right decision as times change and Lenin is the symbol of the old era.

The government, in its turn, does not think that there was a violation of the law. Prime Minister Nikolai Tanaev, who participated in the session of the Legislative Assembly on September 4, said that the decision on reconstruction of the main square was adopted two years ago at the initiative of architects, cultural workers and already then a working group had been formed by the government's decree. According to Tanaev, replacement of the Lenin Statue meets the requirements of modern architecture, and logically puts an end to the construction of the old square and establishes a link between different time periods. In the opinion of the Prime Minister, the government did not violate any law because there is no legal document, which marks the borders of the "Ala-Too" square; therefore the old square is also a part of the main square.

As for President Askar Akaev's position on the issue, he has not expressed any opinion. But people from the "President's circle" such as State secretary Osmonakun Ibraimov think that there was no violation of any law and the resignation of government would be embarrassing for the Parliament. Meanwhile, some radical opposition figures such as Azimbek Beknazarov propose the resignation of the President on the grounds that he is the initiator of the entire affair while the Prime Minister is just the "executive figure". This is a too ambitious proposal, while the resignation of the government itself is very unlikely, say local observers.

Aisha Aslanbekova

REASONS AND IMPLICATIONS OF PAKISTAN-AFGHAN BORDER CLASHES

Asma Shakir Khwaja

The increasing tensions on the Pakistani-Afghan border are a clear threat to stability and to the interests of both Pakistan and Afghanistan, none of which can afford an escalation of the tensions, which ironically began when Pakistan in an unprecedented move took troops into the Tribal Areas bordering Afghanistan to stop infiltration by Taliban elements. Much of the differences seem to come from different perceptions of where the border lies, partly due to the use of different maps, while some Afghan forces don't recognize the border at all. Yet this shows how underlying tensions can ignite a fire in this troubled region.

BACKGROUND: During the past months, instances of the use of force and border clashes on the Pakistani-Afghan border have caused the deaths of numerous soldiers on both sides, and created serious misunderstandings among the two states. The border clashes took place shortly after the deployment of Pakistani troops in the tribal area of the Mohmand agency, to block the infiltration of suspected Taliban and Al-Qaeda activists from Afghanistan. Afghan tribesmen accused Pakistani troops of setting up checkpoints deep inside Afghan territory. According to the Political Agent in the Mohmand Agency, Pakistan established eight major posts including at Yaqubi Kandao and Anargai, on the border with Afghanistan. He said troops were also deployed at 28 other points to provide protection to the eight major posts.

A Pakistani military spokesman blamed Afghan tribesmen and local warlords for attacks on his troops, adding that a pro-government military official of the Nangarhar province was promoting the attacks. Pakistani officials denied any border incursion and insisted that its troops are operating on its own soil, and took 14 foreign diplomats to visit the border areas. Islamabad accused the Indian consulates in Qandahar and Jalalabad of promoting misunderstandings between Afghanistan and Pakistan, terming them "bases of the RAW [Indian intelligence] and its accessories" indulging in subversion in Pakistan.

Afghan President Hamid Karzai repeated his stance that Pakistan should change its attitude towards his country and put an end to cross-border attacks by extremists. Relations worsened further after the ransacking of the Pakistani embassy in Kabul.

Recently, unknown attackers hurled a hand grenade at the Indian consulate in Jalalabad, causing some damage, a first attack on an Indian mission which is giving assistance to Afghanistan in many sectors. The hostility between India and Pakistan can hence also be witnessed in war-torn Afghanistan.

The issue of the Durand Line was highlighted after these border skirmishes. Afghan officials are presently asking the United States to renegotiate the Durand Line, which was drawn in 1893 by Sir Mortimer Durand. The U.S. offered to help the two countries to re-position small border posts,

refusing to take up the issue of the border. Pakistan has stated that the Durand Line is a closed chapter and that the border is not negotiable.

A tripartite fact-finding commission comprising military officials of Pakistan, Afghanistan and the United States was set up in mid-July, and its members agreed to use Global Positioning System (GPS) to sort out border disputes. The Afghan Government reportedly objected to four points on the border where Pakistani troops had allegedly occupied territory inside Afghanistan. Two of the major points were Yaqubi Kandao and Sirala Sar at Ziarat, both high peaks on the Durand Line. Shedding light on the cause of the misunderstandings, a Pakistani commission member said Afghanistan was using Russian maps, while Pakistan was using British maps, and the Americans had their own maps.

IMPLICATIONS: The re-emergence of the Durand Line issue and the eruption of border clashes are a threat to regional stability. Both parties are trying to solve the issue through diplomatic means, but mistrust remains high.

The Karzai government is facing problems on both the external and internal front, exacerbating the problem. Karzai recently went on the offensive against powerful warlords, like the governor of Qandahar, Gul Agha Shirzai, and the governor of Herat, Ismail Khan, whom Karzai dismissed as military commander of western Afghanistan, to assert the power of the central government. On the other hand, the movement for a referendum on the type of government in the country has been launched. Supporters of former king Mohammad Zahir Shah announced the formation of a movement to press for the restoration of the monarchy, labeling the Karzai government as 'a tool of warlords'. The adoption of a new constitution has been postponed by two months, allowing more time to inform the public about what is at stake, in a move that could delay elections due next year.

While Karzai is facing political problems at home, Pakistan is reassuring the world that it has no designs of interfering in Afghanistan and asserting its support for the Afghan government. Pakistan repeatedly issues statements to the effect that a strong, stable and prosperous Afghanistan is in the interest of Pakistan, and supporting Karzai's government. For his part, Karzai has laid out his parameters for the relationship between the two countries: "One, we want

friendship. Two, we want trade and business. Three, we want a civilized relationship with Pakistan which avoids acts of aggression against Afghanistan and support for extremism."

Both nations are cooperating on many fronts. Pakistan will train personnel of Afghanistan's border security agencies. A group of Afghan diplomats will be participating in a training course specially organized for them at the Foreign Service Academy, Islamabad, which will start in September 2003. They are finding ways of cooperation on reconstruction and on economic and political fronts. Afghanistan's Border Areas and Tribal Affairs head Malik Faridoon Khan Mohmand recently announced a new force to bring terrorism under control along the two countries' borders. A new, 4,000-strong Afghan militia is to operate to curb terrorism in the border areas with Pakistan'.

At the root of the Afghan-Pakistan tangle lies the resolution of the Durand line issue. Afghanistan is the strategic rear for Pakistan, and it cannot afford strain relations on its western borders. The interests of Pakistan and Afghanistan would be best served in a settlement of the border dispute, and any support from the U.S. helping to encourage such a dialogue would help improve the regional security environment. This can in turn be sustained only through the improvement of

economic relations. There is an urgent need for a high-level dialogue, driven mainly by establishing new parameters for tackling security challenges.

In the joint statement issued after the visit by Pakistani foreign minister Khurshid Kasuri in August, interestingly the Afghan foreign minister did not talk about the re-demarcation of the Pak-Afghan border.

CONCLUSIONS: Pakistan's and Afghanistan's economies are complementary. Pakistan regards Afghanistan as its strategic rear and land bridge to Central Asia and beyond. Instability or clashes on the Pak-Afghan border cannot help in establishing close links with the Central Asian States. A government official of Pakistan said, "we must recognize that Pakistan's own internal stability, Pakistan's relations with Afghanistan, and Pakistan's hopes of trade and economic collaboration with Central Asia are all at stake, if we fail to mend fences among the nations".

AUTHOR'S BIO: Asma Shakir Khawaja is an Islamabad based Analyst on Central Asian affairs and strategic issues. She is contributing research articles on these issues to national research journals. Currently she is working for Islamabad Policy Research Institute, Islamabad, Pakistan.

SITUATION WITH MALARIA REMAINS SERIOUS IN KYRGYZSTAN

In recent years, malaria has been a serious problem in Kyrgyzstan. In 2002, 2744 cases of malaria infection were registered in the country. In the Osh province 1643 people were infected, while 734 people in Jalalabad, 347 in Batken, and 10 each in Chui and the capital Bishkek contracted the disease. Warm weather and the lack of necessary means to fight malaria threaten to intensify the epidemic in the country.

Among the reasons for the worsening of the epidemic in Kyrgyzstan is the negative situation in regions close to the borders of Tajikistan, close contacts over the border, and the intensive migration of the local population. Tajikistan has witnessed a malaria outbreak, and the disease was registered in 38 districts of the country, which is one third of its territory. The number of infected people there exceeded 1,500 people. Other favorable conditions for malaria epidemic include abundant rainfalls, which provoke a massive propagation of malaria mosquitoes, poor sanitary and hydraulic conditions of the irrigation and drainage systems, the expansion of rice plantations located close to inhabited localities, and the absence of insecticides.

Having realized the threat posed by possible malaria outbreak in Kyrgyzstan, the Kyrgyz government in early June issued a decree "on the measures of fighting and preventing the spread of malaria in the Kyrgyz Republic in 2003". The decree thoroughly sets out a list of specific measures directed towards preventing the further complication of the epidemic and struggle against

malaria in the country. The decree commissioned a number of ministries including the Ministry of Healthcare, Ministry of Finance, Ministry of Agriculture, Ministry of Defense, Ministry of Internal Affairs, Ministry of Foreign Affairs, Ministry of Ecology and Emergency Situations and Ministry of Education as well as the heads of the local administrations to take appropriate preventive as well as management measures related to malaria.

The situation with malaria in Kyrgyzstan has also, besides the government, drawn the attention of a number of international organizations. Because of the complication of the situation with malaria, a Field Office of the World Health Organization was opened in Osh province. Roundtable meetings on the issue of malaria have been held, which involved representatives of interested ministries, donor organizations, official delegates from neighboring countries and others. Due to the close cooperation and financial support of the Euro-WHO, trainings have been conducted for laboratory specialists on how to use methods of malaria diagnostics and for members of the field teams to teach insecticide processing. According to the press service of the Ministry of Healthcare, the WHO provided 500 kilograms of insecticides, which were used to process 1,998,000 square meters of inhabited and uninhabited land. The French non-governmental organization "Akted" has been distributing bed curtains among the population of the most vulnerable regions of the Batken province. Also the WHO and the governments of Turkey and Poland have given Kyrgyzstan microscopes as

humanitarian assistance, other diagnostic equipment, medical products, and other necessities to fight malaria.

However, according to specialists, these means provided through humanitarian channels have not been enough to implement necessary anti-malaria measures. As the state sanitary epidemiological inspectorate informs, for August 11, 2003, 156 people infected with malaria were registered. 106 of these people are residents of Batken province, 26 of Jalalabad, 10 of Osh, 6 of Chui province, 7 of Bishkek and 1 of Osh town. Presently there is a substantial shortage of insecticides for fighting against insects carrying malaria. There is also a lack of laboratory equipment for malaria diagnostics.

There have been no reports yet on how many more people were infected during the latter two weeks of August, which were very hot in Kyrgyzstan. As the Kyrgyz meteorological service informs, summer weather will remain for at least another month. Accordingly to the service, September will be hot and dry and the average monthly temperature is expected to be over two degrees Celsius warmer than usual. This is unlikely to calm down the alarming situation, and will rather aggravate it. Hot weather may result in a growing number of malaria-infected people as the malaria-carrying mosquito continues to multiply and the diagnosis of the disease remains relatively limited.

Gulzina Karim kyzy

NEWS BITES

AZERBAIJANI FOREIGN MINISTER ACCUSES ARMENIA OF 'DESTABILIZATION.'

27 August

Speaking at a press conference in Baku on 27 August, Vilayat Guliev accused Armenia of violating the cease-fire along the Line of Contact separating Armenian and Azerbaijani forces "many times" over the past two months, and predicted that such incidents will continue. Guliev said instability in Azerbaijan "is in Armenia's interests," but expressed confidence that the Azerbaijani armed forces are capable of responding to Armenian "provocations." (Turan)

POWER CUT DURING AZERBAIJANI OPPOSITION LEADER'S TV BROADCAST

27 August

Civic Solidarity Party Chairman and presidential candidate Sabir Rustamkhanli lodged a formal protest on 27 August with Azerbaijan's Central Election Commission after electricity was cut off the previous day to several southern regions during his televised election campaign broadcast. Rustamkhanli said he believes the cuts were deliberate as the Azerbaijani authorities are aware that he enjoys strong support in the south of the country. (Turan)

DAGHESTAN'S NATIONALITIES MINISTER KILLED BY CAR BOMB

28 August

Magomedsalikh Gusaev was killed on 27 August by a magnetic bomb that two unidentified attackers placed on the roof of his car as he was traveling to work. The perpetrators escaped. Gusaev, who was 52, was injured in an assassination attempt two years earlier. Politicians in Makhachkala and Moscow lauded Gusaev's work during his 10-year stint as minister to maintain interethnic harmony in Dagestan and to crack down on Islamic fundamentalism. Federation Council member Ramazan Abdulatipov praised him as "a man of courage and principle" and "a real statesman." Officials in Dagestan believe radical Islamists were responsible for the murder, as Gusaev was the author of a program of measures to eradicate wahhabism in the wake of the August 1999 Chechen incursion into Dagestan, according to "Kommersant-Daily" on 28 August. (RFE/RL)

MURDERED CHECHEN WOMAN'S FAMILY FLEES ABROAD

28 August

The family of Elza Kungaeva, the young Chechen woman who was murdered in March 2000 by Russian Army Colonel Yuri Budanov, arrived on 27 August in Norway, where they have been granted refugee status, "The Guardian" reported on 28 August. The family has lived for the past three years in a displaced-persons' camp in Ingushetia. Kungaeva's father, Visa Kungaev, said the family has received repeated threats of reprisals from Russian troops. The North Caucasus Military

Court sentenced Budanov last month to 10 years' imprisonment for the murder. (RFE/RL)

CHINA EYES IRANIAN SWAPS FOR ITS KAZAKH CRUDE

28 August

China National Petroleum Corporation (CNPC) is considering exporting a portion of crude from the North Buzachi field in Kazakhstan through Iran under a swap agreement. According to the deal, CNPC would deliver the Buzachi crude to the Iranian port of Neka on the Caspian in return for an equivalent amount of Iranian crude, which would be delivered at Kharg Island. It appears that CNPC wants to secure multiple routes for its crude, with exports also being shipped from Makhachkala, Novorossiisk and Azerbaijan. However, if a deal with the Iranians is sealed, CNPC may stop shipments through Azerbaijan altogether, Azer-Press reported. Earlier in the month, ChevronTexaco and Nimir agreed to sell CNPC their respective stakes of 65% and 35% in the North Buzachi field for roughly US\$210m. Iran has been anticipating an increase in Caspian crude swaps and has embarked on a programme to upgrade its refineries to handle greater volumes. In addition, a new 150,000-bpd pipeline running from Neka to Tehran is expected to be opened in September. Iran is currently swapping around 50,000 bpd of Caspian crude, up from around 30,000 bpd earlier in the year. CNPC is aiming to have several options for exporting its heavy, sulphurous Buzachi crude. By swapping with Iran, CNPC will be cutting out thousands of miles of transport costs. If the swap arrangement is successful, it will cast into doubt plans for building a massive Kazakh-Chinese pipeline. (WMRCL)

KAZAKH SECURITY SERVICE SHUTS DOWN ALLEGED HIZB UT-TAHRIR PRINT SHOP

28 August

The Kazakh National Security Committee has shut down an underground print shop that was allegedly turning out literature for the illegal Muslim extremist organization Hizb ut-Tahrir in Shymkent, the head of the security committee office in South Kazakhstan Oblast Vladimir Nakisbaev told Interfax Kazakhstan. Shymkent is the administrative center of South Kazakhstan Oblast. Nakisbaev said that the secret print shop was discovered on 25 August during a series of raids intended to stop the activities of banned extremist groups. The apartment housing the print shop had been rented in February 2002 by three residents of neighboring Kyzyl Orda Oblast. Security officers found equipment for desktop publishing, a copier, and bookbinding equipment, as well as 600 leaflets and 250 books and magazines that had evidently been printed in the shop. (Interfax-Kazakhstan)

WORLD CONGRESS OF KYRGYZ OPENS IN BISHKEK

28 August

A World Kurultai (congress) of Kyrgyz opened on 28 August in Bishkek. Three hundred ethnic Kyrgyz, half of whom are citizens of Kyrgyzstan while the rest represent the Kyrgyz diaspora, are reported to be attending the event, which will end on 1 September following ceremonies celebrating the purported 2,200 years of Kyrgyz statehood and Kyrgyzstan's 12 years of independence, and honoring the Kyrgyz victims of tsarist repression in 1916. The event has stirred controversy because of its emphasis on Kyrgyz ethnicity, which has disturbed many of the country's ethnic Russians, and because of President Askar Akaev's intention to ask the congress to adopt a "Democratic Code for Kyrgyzstan." The delegates to the congress who were elected at an opposition kurultai on 23 August have declared the world congress is illegal because most of the population had no opportunity to choose delegates. Consequently, the participants have no legal right to make political decisions, the opposition argues. (akipress.org)

AZERBAIJANIS RALLY IN MOSCOW IN SUPPORT OF EXILED OPPOSITION LEADERS

29 August

Some 1,200 Azerbaijanis attended a rally in Moscow on 28 August to demand that the Azerbaijani authorities register former President Ayaz Mutalibov and former parliament speaker Rasul Guliev as candidates in the 15 October presidential election. Mutalibov has lived in Moscow since fleeing Baku in May 1992 after an abortive comeback attempt. Guliev, who left Azerbaijan in 1996, now lives in the United States. Both men attended the 28 August rally. Mutalibov told zerkalo.az that he met on 27 August with Guliev, who briefed him on the talks in London on 23-24 August between Guliev and the chairmen of three Azerbaijani opposition parties. He said he has not seen the three cooperation agreements signed by the four opposition leaders during those talks, but does not exclude cooperation with the four parties. Mutalibov said he and Guliev did not sign any agreement on cooperation. (zerkalo.az)

IMF WARNS KAZAKHSTAN THAT WTO MEMBERSHIP WON'T HELP IT IN WORLD MARKET

29 August

The International Monetary Fund (IMF) has warned Kazakhstan World Trade Organization (WTO) membership, for which the country is so eagerly preparing, is not going to improve the country's position on world markets, "Novye izvestiya" reported on 28 August. According to the IMF, WTO membership will not affect Kazakhstan's relations with its present trading partners, because it already has free-trade agreements with them. Nor will membership help Kazakhstan overcome trade barriers such as antidumping sanctions. At present, Kyrgyzstan is the only Central Asian state that has WTO membership. (RFE/RL)

UN CONFERENCE IN CENTRAL ASIA TO FOCUS ON WATER

29 August

The global threat posed by water-related problems will be the focus of a UN-sponsored conference due to begin in the capital of Central Asia's Tajikistan. Delegates from Canada, Lebanon, Turkey, Iran, the United States and Malaysia were due to gather for the Dushanbe International Water Forum to discuss

problems as diverse as flooding, desertification and water-borne disease. But it is unclear how much the conference will accomplish, since several of Tajikistan's neighbors who face grave water-related problems are not sending high-level government officials to the event. The most notable among them are Uzbekistan and Kazakhstan, which share the Aral Sea - - once the world's fourth-largest lake that toxic waste has shrunk to a 400,000-square-kilometre wasteland that has become a symbol of the world's water problems. The UN's new World Water Development Report estimates that some 2.2 million people around the world died due to water-related diseases last year. Partly due to global warming, well over two billion people will be suffering from water scarcity by the middle of this century, the report warns. But this deepening crisis "is essentially caused by the ways in which we mismanage water," the report reads. "The real tragedy is the effect it has on the everyday lives of poor people." Tajikistan, which pushed to host the forum, faces water problems of a different sort. The mountainous country has enormous amounts of water, but much of it is not clean and the water supplies in the impoverished country are erratic. The lack of access to treated drinking water means that water-related health problems like malaria are widespread in the former Soviet republic. Water-related problems are also evident further along the banks of the Amu-Darya river, which flows from Tajikistan into Turkmenistan, where it crosses the Turkmen-Uzbek border before trickling -- in a good year -- into what remains of the Aral. Tuberculosis and other diseases are on the rise among the people who scrape a living on the banks of the river's polluted shores, a leading non-government health organization told AFP. (AFP)

RUSSIAN, CHECHEN OFFICIALS CALL FOR EXTENSION OF CHECHEN AMNESTY

1 September

Chechen administration head Akhmed-hadji Kadyrov has written to State Duma Speaker Gennadii Seleznev requesting that the Duma discuss at the earliest opportunity the possibility of extending for a further three months the amnesty for Chechen fighters that expired on 31 August. Deputy Prosecutor-General Sergei Fridinskii said the same day that some 145 Chechen fighters have been amnestied, of a total of 170 who requested amnesty. Some 226 servicemen and Interior Ministry personnel have also benefited. Vladimir Zorin, who is Russian minister with responsibility for nationalities affairs, urged the Duma on 1 September to comply with Kadyrov's request. Describing the amnesty as "an important element of the post-conflict settlement," Zorin argued that extending it would help to ensure that the 5 October presidential election in Chechnya is not disrupted by violence. (Interfax)

MUFTI KILLED IN CHECHNYA

2 September

Unidentified gunmen shot dead Shamkhan Madagov, mufti of Vedenovskiy Raion, early on 31 August in the courtyard of his home in front of his wife and children. A total of 18 imams and other Muslim clerics have been killed over the past three years, and four since the beginning of this year. (RFE/RL)

RUSSIA, SAUDIS SIGN OIL ACCORDS

2 September

Saudi Arabia and Russia signed an oil-industry cooperation agreement on 2 September during a visit to Moscow by Saudi Crown Prince Abdullah. After talks between Abdullah and President Vladimir Putin, the two countries' energy ministers signed a five-year gas-and-oil cooperation deal. The agreement calls for joint ventures in oil-and-gas exploration and research, according to a text released by the Russian government and cited by news agencies. Saudi Arabia and Russia are the world's two leading oil producers. Abdullah's visit is the first by a Saudi crown prince since 1932. Other items on the agenda for the talks include postwar Iraq, the Middle East peace process, and Moscow's allegations that Saudi charities are financially supporting Chechen militants. (Interfax)

PROTESTS OVER ELECTRICITY SHORTAGES CONTINUE IN GEORGIA**2 September**

Several hundred residents of the southern Georgian Marneuli region blocked the central highway to Tbilisi on 2 September to protest the mounting electricity shortage. The Marneuli region has been without adequate electricity for nearly a week and similar protests in other regions have already been staged. Georgian government officials announced that Russia's Unified Energy Systems (EES) would resume electricity to most regions after completing repairs to the Kavkasioni high-voltage transmission lines. EES assumed management on 1 September of the Telasi energy-distribution company that provides power to the Georgian capital. (ITAR-TASS)

TAJIKISTAN HOPES TO SELL ELECTRICITY TO EUROPE, SAYS PRIME MINISTER**2 September**

Tajik Prime Minister Oqil Oqilov told a news conference in Dushanbe that Tajikistan wants to sell electricity to Europe cheaply when a series of new hydroelectric plants is completed. The Tajik power exports would use the Russian electricity grid. Oqilov noted that Tajikistan signed an agreement in June to supply 5 million kilowatts to Russia daily, thereby demonstrating that Tajik electricity can find a market. On 21 June, the Nurek hydroelectric plant, built in the Soviet era as the first in a series of power stations, began supplying electricity to Russia after a 13-year interruption, due largely to the Tajik civil war (1992-97) and reconstruction. Tajikistan is seeking investors to complete the entire project. (ITAR-TASS)

NEW AGREEMENT ON ARMENIAN-GREEK MILITARY COOPERATION SIGNED, MORE AID PROMISED**3 September**

Following a three-day official visit to Armenia, General Georgios Antonakopoulos, the Greek Army's chief of staff, promised on 3 September that Greece will increase its military assistance to Armenia, saying that the two countries share common geopolitical goals. Antonakopoulos signed a new memorandum of understanding with his Armenian counterpart, Deputy Defense Minister General Mikael Harutunian, and agreed to expand bilateral military cooperation with the formulation of a more detailed cooperation plan by November. According to the agreement, Armenia is expected to deploy a 30-man contingent

of troops for peacekeeping duties under the command of Greek forces in Kosova. The Armenian contingent is part of a larger Greek-trained battalion formed last year specifically for peacekeeping duties. Armenia enjoys close military ties with Greece and has more than 110 officers currently training in Greek military academies. (Armenpress)

SENIOR AZERBAIJANI CLERIC APPEALS TO ARMENIAN COUNTERPART**3 September**

Sheikh ul-Islam Allakhshukur Pashazade, who is chairman of the Muslim Spiritual Board of the Caucasus, has written to his Armenian counterpart, Catholicos Garegin II, asking him to intervene to halt the alleged destruction of Azerbaijani historical monuments on Azerbaijani territories currently controlled by Armenian forces. The letter claimed that "hundreds" of architectural and historic monuments have been destroyed in recent years, including the history museum in Shusha and the Museum of Stone Monuments in Zangelan, according to Pashazade's spokesman Hadji Akif. (Interfax)

EUROPEAN PARLIAMENT LOOKS AT HUMAN RIGHTS IN TURKMENISTAN**3 September**

The European Parliament has raised the issue of human rights in Turkmenistan and is considering adopting a resolution on the issue. According to Peter Zalmaev, coordinator for CIS programs of the International League for Human Rights, this is "a revolutionary event." He described the action of the European Parliament as the first step toward instituting sanctions against Turkmenistan. The European Parliament is also considering holding a roundtable on Turkmenistan with the participation of human rights organizations and members of the Turkmen opposition. An official delegation from Turkmenistan would also be invited. Turkmen opposition figure and former Ambassador to Turkey Nurmammed Hanamov, who has been meeting with European parliamentarians, said he had found his interlocutors well informed about the situation in Turkmenistan and added that a resolution by the European Parliament should contain specific demands. (Deutsche Welle)

SON OF TURKMEN OPPOSITION FIGURE BEATEN IN MOSCOW**4 September**

Shanazar Berdyev, an RFE/RL stringer who is the son of prominent Turkmen opposition figure Muhamedgeldy Berdyev, was attacked at the door of his Moscow apartment on 2 September and severely injured by a person reportedly wearing a police uniform, the Russian human rights group Memorial reported on 4 September. Muhamedgeldy Berdyev's brother, Meretmuhammet, was detained in 1997 for distributing the opposition publication "Turkmen Ili" in Mary Oblast, and later died in a psychiatric institution under unexplained circumstances. Shanazar Berdyev emigrated to Russia in 2002 to escape the Turkmen security services and two unidentified Turkmen speakers reportedly attempted to kidnap him from a Moscow street in October 2002. His father was beaten on a Moscow street on 29 July 2003. Muhamedgeldy Berdyev told Memorial that he has not reported the attacks on him and his son to the Moscow police because they do not have residence permits for

Moscow, and they fear they will be deported to Turkmenistan. (RFE/RL)

KAZAKHSTAN AGREES WITH OIL MAJORS TO DELAY KASHAGAN

4 September

Kazakhstan has agreed with oil majors to delay the start of production at its huge Kashagan oil field by at least two years until 2007 after months of discussion, a Kazakh official said. "There is no dispute between the government and investors, we simply have slightly different visions of the field's development," the head of Kazakh state oil firm Kazmunaigaz, Kaingeldy Kabyldin, told reporters late on Wednesday. "The government has a firm position that production should start at the end of 2006, while investors propose that it begin at the end of 2007, citing a number of technical reasons," he said. "But we don't rule out that the date could be put off further if investors agree to compensate us for profits we would get if production started earlier," he added. The field's operator ENI (ENI.MI) of Italy has said it expects significant Kashagan production to begin in 2006-2007 as the world's biggest oil discovery for three decades has proved more difficult to tap than first thought. Kazakhstan initially asked the Kashagan group, which also includes France's Total (TOTF.PA), U.S. Exxon Mobil and ConocoPhillips, Royal Dutch/Shell (SHEL.L), Britain's BG (BG.L) and Japan's Inpex, to begin production in 2005. Kazakh President Nursultan Nazarbayev has repeatedly defended the initial date and has said international majors risk stiff penalties if they fail to keep to contractual obligations. Kazakhstan wants the group to produce one million barrels per day by 2015. By that time the country wants to become a major global oil player, rivalling Mexico and Norway in terms of output. The field contains nine billion barrels of recoverable reserves, but its development is complicated by the depth of the reservoir -- located well below the shallow landlocked Caspian Sea, which freezes in winter. Another problem is the abnormally high pressure in the field, which contains a large amount of poisonous hydrogen sulphide gas. (Reuters)

TWO MORE TAJIKS KILLED BY LAND MINES ON UZBEK BORDER

4 September

Two Tajik citizens were killed on 2 September by Uzbek land mines on the common border of the two countries. According to Tajikistan's Border Protection Committee, the two fatalities brought to 45 the number of Tajik citizens killed since August 2002 by land mines laid by the Uzbek military as part of Uzbekistan's efforts to stop penetration of Uzbek territory by militants of the Islamic Movement of Uzbekistan (IDU). A total of more than 60 Tajik citizens are reported to have been killed by the Uzbek land mines. Tajikistan is in the process of removing landmines left from the Tajik civil war of 1992-97. (RIA-Novosti)

FORMER UZBEK ISLAMIC MILITANT BEING INTERVIEWED BY MEDIA

4 September

A former IDU militant is being allowed by the Uzbek National Security Service to give interviews to the foreign media. Azizbek Karimov, who was arrested in May 2003, has told foreign

journalists that Tohir Yuldashev, one of the most important IDU leaders, is in hiding in Pakistan and planning new attacks. Karimov has claimed that he was trained in a Chechen guerrilla camp and also had contact with an Al-Qaeda member, who paid him to attack the U.S. Embassy in Bishkek, but he and a group of Uighur separatists bombed a Bishkek market in December 2002 instead, considering it an easier target. Later, the IDU demanded he return the money he had received. He said he hopes for a milder sentence because of his admissions. (Interfax)

MEMORIAL SAYS RUSSIAN SECURITY SERVICE DETAINED TURKMEN DIPLOMATS

5 September

The Moscow human rights organization Memorial has issued a report asserting that the Russian Federal Security Service (FSB) detained several Turkmen diplomats in Moscow on 17 August for allegedly engaging in activities not compatible with their diplomatic status. An FSB spokesman was quoted as saying the detained officials included the first secretary of the Turkmen Embassy in Moscow, a representative of the Turkmen Foreign Ministry, and an official of the Turkmen National Security Ministry who was allegedly sent to Moscow to undertake actions against the Turkmen opposition. The detainees have been released, but eight employees of the Turkmen Embassy in Moscow were expelled from the country. Memorial interpreted the FSB's action as an indication that the Russian special services are no longer willing to close their eyes to the operations of the Turkmen security service on Russian soil. (RFE/RL)

PHONE SERVICE TO GEORGIAN PARLIAMENT CUT OVER UNPAID BILLS

5 September

The state-owned Elektrokavshiri telecommunications company disconnected telephone service to the Georgian parliament on 5 September for the third time this year because of unpaid bills, Civil Georgia reported. According to Elektrokavshiri officials, the total debt for the parliament's phone service has reached 214,000 laris (\$101,000), forcing the company to disconnect all 435 phone lines in the parliament building. (RFE/RL)

SCO FOREIGN MINISTERS MEET IN TASHKENT

6 September

The Foreign Ministers' Council of the Shanghai Cooperation Organization (SCO) -- comprising Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Russia and China -- met in a special session on 5 September in Tashkent. Uzbek Foreign Minister Sodyq Sofaev opened the session with an announcement that two SCO permanent bodies -- the secretariat in Beijing and the executive committee of the regional antiterrorism center in Tashkent -- will begin functioning in November. A communique issued at the end of the session called for the UN to take on a larger role in Iraq, supported efforts toward the peaceful resolution of the dispute over North Korea's nuclear program and the conflict in the Middle East, and called for the adoption of a convention against international terrorism and the elaboration of an international strategy under UN auspices to combat drug trafficking from Afghanistan. (ITAR-TASS)

KAZAKHSTAN REJECTS SCO ANTITERRORISM EXERCISES

6 September

Kazakh Foreign Minister Qasymzhomart Toqayev told the special session of SCO foreign ministers on 5 September that his country opposes any large-scale antiterrorism military exercises by the SCO on the grounds that the fight against terrorism is the responsibility of law enforcement agencies. The SCO recently held antiterrorism exercises in Kazakhstan and China. Toqayev argued that such activities create a mistaken impression of SCO goals in the world community. He asserted that the struggle against international terrorism, drug trafficking, and other threats to security and stability should be a top priority for the Shanghai group, but efforts should be coordinated through the regional antiterrorism center that is being set up in Tashkent. (Interfax-Kazakhstan)

IRAN TO UP CRUDE SWAP CAPACITY WITH KAZAKHSTAN IN'04

6 September

Iran's Road and Transport Minister Ahmad Khorram says his country will raise its capacity for swap in crude oil with the Central Asian republic of Kazakhstan to 200,000 barrels a day next year, the state-run Tehran television reported Saturday. Iran presently has a swap capacity of 120,000 b/d of oil with its northern neighbor, Khorram told members of a Kazakh delegation taking part in the two countries' seventh joint economic cooperation commission, held in Tehran on Saturday. He said the cost of oil swap through Iran to international crude markets for Kazakhstan stands at around \$11 a metric ton, whereas the next cheapest available route will cost that country more than \$25 a metric ton, thereby making the application of the Iranian route most attractive to that country in terms of cost. However, the U.S. is advising Iran's oil-rich northern neighbors against engaging in any kind of long-term oil deals as part of ongoing trade and economic sanctions against Iran. If Kazakhstan chooses to engage in an oil swap with Iran, it will have to transfer its oil to the Iranian Caspian Sea port of Neka, where it will be pumped through a pipeline to a refinery in the northwestern Iranian city of Tabriz or to a refinery south of the capital Tehran. In return, Iran will deliver Kazakhstan's customers a crude of comparable quality at a Persian Gulf oil terminal. Khorram said the volume of trade between the two countries now stands at around \$130 million a year, but in view of Kazakhstan trade potentials and the projected cooperation in oil swap, the volume will rise to around a billion a year. The Iranian minister said Iran is preparing for up to 370,000 b/d of oil swap with its Central Asian neighbors by next year. Tehran is intent on improving its ties with its Central Asian republics to improve the likelihood of establishing a trade corridor linking the countries in the north with the Persian Gulf and international waters through Iran. In its efforts to foster closer ties with its northern neighbors, Iran on Thursday signed a \$500 million deal with Turkmenistan. As part of the agreement, Turkmenistan will have to export 2.4 billion kilowatts of electricity to Iran for the next 10 years. (Dow Jones)

WAR ON TERROR TAXES US

7 September

United States Defence Secretary Donald Rumsfeld has acknowledged the difficulty of combating global terrorism. He was speaking during a visit to Afghanistan, which has seen a resurgence of activity by suspected Taleban fighters and their supporters. Coalition forces faced a complex task in trying to defeat groups that operated across borders, Mr Rumsfeld said in Kabul. "The global war on terrorism isn't a problem in or for one country," he said. But Mr Rumsfeld said US forces in Afghanistan had told him they were having success in countering attacks by supporters of the ousted Taleban. This is set to be used to demobilize militias that support the Taleban, speed up the deployment of provincial reconstruction teams and step up the training of an Afghan national army. Mr Rumsfeld and Mr Karzai met to discuss efforts to rebuild the country, and the threat posed by militia groups. At a news conference afterwards, both stressed the importance of rebuilding Afghanistan's infrastructure and Mr Rumsfeld assured Afghans of continued American support. Before arriving in Kabul, Mr Rumsfeld flew to a remote US base in Gardez, south of the capital, where 80 American soldiers are stationed. They are involved in tackling militia fighters and are also helping with reconstruction projects, such as repairing schools, opening roads and digging wells. The Afghan capital was under tight security blanket for Mr Rumsfeld's visit, with extra roadblocks set up at key points in the city. Hours before the defense secretary's arrival, suspected Taleban fighters fired rockets at a local administrative office in the troubled province of Paktika, along the Pakistan border. (BBC)

LIVE TV POLITICAL DEBATE ENDS IN BRAWL

8 September

A live television debate in the run-up to Azerbaijan's October presidential election ended in a brawl, and police in the oil-producing country opened a criminal case on Sunday against an opposition politician. The opposition Popular Front accused the government in the former Soviet republic of trying to discredit it over the incident. The debate on Saturday became so heated it was taken off the air. Fuad Mustafayev, speaking for the Popular Front's presidential candidate, called pro-government contender Hafiz Hadjiyev dishonest. Hadjiyev responded by describing Mustafayev as a "puppy." The brawl began after the two hurled water at each other. "We have received a complaint from Hadjiyev concerning yesterday's incident and consider it necessary to open a criminal case," said a police spokesman, adding Mustafayev had not been arrested. A Popular Front spokesman said: "The government is using illegal methods in its election campaign." President Haydar Aliyev is overwhelming favorite to win the election, but the 80-year-old strongman who has dominated Azerbaijan for three decades is in a U.S. hospital receiving treatment for heart and kidney problems. A dozen candidates are standing for president. Six are pro-government, while six are campaigning on behalf of opposition parties. Aliyev's opponents accuse the government of trying to oversee a dynastic succession. (Reuters)

AZERBAIJAN OFFERS TO RESUME TALKS WITH TURKMENISTAN OVER DIVIDING THE

CASPIAN SEA**8 September**

Azerbaijani Deputy Foreign Minister Khalaf Khalafov offered on 8 September to resume bilateral negotiations with Turkmenistan on the division of the Caspian Sea. Khalafov explained that "it is vitally important for both sides to agree on the middle line demarcating the Caspian Sea," and called for talks to resolve the status of two disputed offshore Caspian oil fields. Khalafov made the proposal at the opening meeting of the 11th session of the working group for the preparation of the Convention on the Legal Status of the Caspian Sea in the Turkmen capital Ashgabat. Talks between the two countries over the Caspian broke down in May 2001, although three of the five littoral states --Russia, Kazakhstan, and Azerbaijan -- reached a trilateral agreement on demarcation issues in May 2003. The working group is expected to forge a new framework convention for the protection of biological resources of the Caspian Sea during its meeting. (ITAR-TASS)

TRANSFER OF SCO ANTITERRORISM CENTER TO UZBEKISTAN EXPLAINED**8 September**

Foreign Minister Aitmatov explained to journalists after his meeting with Chinese Foreign Minister Li in Bishkek on 6 September the reasons for Kyrgyzstan's apparently passive acceptance of Uzbekistan's demand that the SCO regional antiterrorism center be located in Tashkent rather than in Bishkek, as originally planned. According to Aitmatov, the Kyrgyz request that the center be set up in Bishkek was made in 2000, in the wake of incursions into Kyrgyzstan by Islamic militants in 1999 and 2000. But since the U.S.-led antiterrorism coalition has been so successful in eliminating terrorist bases in Afghanistan that Kyrgyzstan is no longer directly threatened with extremist incursions. Now Uzbekistan is more "sensitive" to extremism than Kyrgyzstan is, Aitmatov said. (kabar.kg)

FOUR KYRGYZ PRO-GOVERNMENT PARTIES MERGE**8 September**

Four pro-government political parties in Kyrgyzstan -- Jany Zaman (New Times), Manas El, Jany Kyymyl (New Movement), and the Party of Cooperators -- have merged under the name Alga, Kyrgyzstan (Forward, Kyrgyzstan). The chairman of the new party's political council is Bolot Begaliev, who formerly headed Jany Zaman. He told a news conference that the name of the party was determined at a recent congress at which the merger of the four parties was agreed upon. Begaliev estimated that the new party has about 40,000 members throughout the country. He added that Alga, Kyrgyzstan intends to focus on building a strong and democratic country, with an emphasis on decentralization and the development of local government. Other parties sharing the same goals have been invited to join the new organization. (kabar.kg)

ARMENIAN OPPOSITION ENDS PARLIAMENTARY BOYCOTT**9 September**

Members of the opposition Artarutiun (Justice) bloc ended their boycott of parliamentary proceedings and attended the opening session of the Armenian parliament on 8 September, RFE/RL's Yerevan bureau and Yerkir reported. Artarutyun, which is led by Stepan Demirchian, and Artashes Geghamian's National Unity Party refused to attend the opening sessions of the new legislature in June to protest the contested May 2003 parliamentary election. Artarutyun deputy Victor Dallakian on 8 September presented the opposition bloc's legislative agenda, which includes measures to protect low-income families against utility-rates increases and providing their schoolchildren with free textbooks. With only 25 of the 131 parliamentary seats held by the opposition, the pro-government majority declined to include either initiative on parliament's legislative agenda. (RFE/RL)

