

BIWEEKLY BRIEFING

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CENTRAL ASIA CAUCASUS ANALYST. 16 JUNE 2004 ISSUE



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Pavel Baev

The chain of exciting crises in Georgia has taken much attention away from the 'big issue' that shapes Caucasian security - the development of the Caspian hydrocarbons. It was President Putin who implicitly reminded about the forthcoming breakthrough in the Caspian area in his May 26 address the to Russian Parliament. That speech consisted mostly of feel-good Brezhnev-style generalities but the point on a new pipeline bypassing the Bosporus straights was taken in a remarkably direct manner. Moscow might have been caught unprepared by president Saakashvili's peaceful 'blitzkrieg' in Ajaria but it certainly keeps a watchful eye on the race of Caspian pipelines that comes to the final stage.

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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.

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EXPECTATIONS OF ROSE REVOLUTION PROVE PREMATURE IN ARMENIA

Arman Grigorian

The "revolution of the roses" in neighboring Georgia had a contagious effect on the Armenian opposition, which launched its own campaign of rallies three months ago, aiming to force president Kocharian to resign. Even though rallies are still held periodically in Yerevan, it is safe to assume that this campaign has already failed as several others before, and no revolution of any kind is imminent in Armenia.

BACKGROUND: Robert Kocharian's legitimacy and authority in Armenia has been questioned and challenged repeatedly since he came to power after president Ter-Petrossian's resignation in February 1998, as the constitutionality of the events leading to the resignation was questioned. This was followed by charges of rigged elections in 1998, reinforced by criticisms from international observers. Kocharian's problems were exacerbated when less than a year later, Vazgen Sargissian – the powerful Armenian defense minister and erstwhile Kocharian supporter – formed an alliance with Kocharian's challenger in the 1998 presidential elections, Karen Demirchyan. This alliance won the parliamentary elections in May 1999, effectively sidelining Kocharian.

On October 27, 1999, however, Vazgen Sargissian and Karen Demirchyan were assassinated in a terrorist act in parliament. Many of Sargissian's enraged supporters blamed Kocharian for the tragedy and tried to force him to resign. Instead, Kocharian managed to pull an improbable feat, using the few levers he had to find cracks in the camp of Vazgen Sargissian's supporters. Six months after the assassinations and the ensuing political crisis, the parties that supported Sargissian and Demirchyan had split with their majorities throwing their support behind Kocharian. Kocharian was more powerful than ever, but that power never translated into uncontested legitimacy and wide popular support. Nonetheless, the fragmentation and demoralization of the opposition meant that nobody could convert the existing political discontent in the country into an active political movement against Kocharian.

Despite the opposition's ineptness, the Spring 2003 presidential elections provided a focal point for the expression of that discontent. Kocharian claimed victory, but again lacked the blessing of the international observers and the concession of defeat by Stepan Demirchyan, who had replaced his father Karen as Kocharian's challenger. A campaign of demonstrations ensued, but after several weeks it ran out of steam and protesters left the streets.

The enthusiasm for challenging Kocharian received a new boost after the events in Georgia last fall. The invigorated Armenian opposition decided to renew the campaign against Kocharian, and the newly energized Armenian public thought that if Shevardnzdze could be forced out, so could Kocharian. The campaign had an impressive start with tens of thousands of people participating in demonstrations in March and April, and managed to rattle the nerves of the ruling coalition in that brief period. But this campaign seems to have failed, raising the question why the Armenian opposition has repeatedly failed to achieve what the Georgian opposition achieved last fall, and what this latest failure mean for Armenian politics.

IMPLICATIONS: The analogies between Georgia and Armenia, popular both in Armenia and elsewhere, are profoundly misguided. The most important and consequential difference between Armenia and Georgia was the fatal weakness of the Georgian state. Its institutions of governance were paralyzed and demoralized and the state's authority barely extended outside of Tbilisi. By contrast, Armenia's institutions of governance are incomparably better developed, and state control over the security and law enforcement structures is much more solid. Shevardnadze's orders fell on deaf ears, but similar insubordination is hard to imagine in Armenia. When the Armenian police was ordered to use force to break up a demonstration during the latest unrest, it dutifully fulfilled the order.

Second, Kocharian may not be supported by the majority of the Armenian electorate, but he is supported by a powerful "selectorate." One of the most important facts about Armenian politics is the incestuous and symbiotic relationship between the military leadership, those in charge of law enforcement, and big business. This alliance is in full command of the means of violence. It also controls enormous resources compared to what is available to the opposition. Shevardnadze's support base was far less powerful or organized.

Third, Armenia's opposition is far more incoherent and short of ideas than their Georgian counterparts. It includes politicians and groups that only share the desire to force Kocharian out. It is hard to see where they stand on many pressing issues the country faces. Once asked what his preferred solution to the Karabagh conflict is, Stepan Demirchyan replied "a just solution." It is equally unclear what this opposition would do differently regarding poverty reduction, corruption, or relations with Turkey. Instead, the opposition's discourse consists of criminal accusations and unsubstantiated promises, giving many ordinary Armenians little reason to support it even if they are opposed to the current administration.

A factor favoring the government in its periodic confrontation with the opposition is the fear among many Armenians that internal destabilization, which would be likely if the opposition pushes too hard, may make Armenia and Karabagh militarily vulnerable. Serious domestic unrest in Armenia may tempt Azerbaijan to resume hostilities, which most people in Armenia want to avoid more than they want to oust Kocharian. Hence the opposition cannot push things too far, and its pool of recruits is limited.

Kocharian has not come out unscathed of the latest confrontation with the opposition, however. The government had to use force and arrest dozens of supporters of the opposition, including high ranking politicians. That Kocharian withstood this latest campaign may attest to his power, but the fact that he had to use force and put opposition activists in jail may also mean weakness. Moreover, such actions have almost certainly turned many neutrals against Kocharian and increased the international scrutiny of his domestic behavior.

Interestingly, several members of the governing coalition opened a dialogue with the opposition over Kocharian's determined objections. Now that the demonstrations are dying down, that dialogue will probably be suspended. But it is significant that when tensions reached a point, some in the governing coalition were trying to cushion the blow against them in case things went south. If members of this coalition feel the ship is really sinking, this indicates they may decide to jump ship. Not unlike the opposition, Kocharian's coalition is a marriage of convenience, which may crack in a serious crisis. The opposition's latest campaign did not amount to such a crisis, however, and it is unlikely that the opposition can force one any time soon.

CONCLUSIONS: The opposition's latest challenge has managed to shake things up in Armenia, but failed in its ultimate goal of forcing Kocharian to resign. The Armenian opposition has yet again revealed its incapability, and the predictable consequences of refusing to articulate a real alternative to Kocharian's policies. The good thing for the opposition and for Armenia in general is that the opposition will have to change its strategy radically, and abandon the hope of mobilizing support just on the basis of Kocharian's perceived or real failures. Slogans and accusations have to be replaced by arguments. Otherwise, the current opposition will go from weak to simply irrelevant, which would further deepen the malaise characterizing Armenian politics for already so many years.

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SUCCESSION ISSUES A CONCERN IN KYRGYSTAN

After the Georgian and Azerbaijan power succession scenarios, Kyrgyzstan became the focus of the international community since the next presidential elections in the post-Soviet area are to be conducted here. Kyrgyzstan's President Askar Akaev after 13 years of rule had not defined his vision for 2005, and opposition forces are assessed by analysts as fragmented, having no real force in counterbalancing the ruling elite.

However, in January 2004, signals about an alliance of oppositional forces started to appear. The political bloc For People's Power united part of the opposition leaders, forming a first step toward unification. In June 2004, the political bloc chose former Prime Minister Kurmanbek Bakiev, who left the cabinet disagreeing with Akaev's policy, as its single candidate to ballot in the presidential elections.

In May 2004, another part of the opposition and part of the centrists under leadership of the former Security Secretary Missir Ashirkulov created the Civic Union for Fair Elections. The Union stated as a primary goal to provide fair parliamentary and presidential elections. Prominent members of the Union include the Arnamys party led by political prisoner Feliks Kulov, parliamentary deputies Madumarov and Tekebaev, as well as businessman Almaz Atambaev.

President Akaev for a long time has expressed his decision not to run for the next presidential term. But following the integration of opposition forces, Akaev is signaling his disagreement with the attempts of some countries "to export democracy" through "velvet revolutions" as in Georgia.

Two probable scenarios prepared by the President to provide security for his clan's assets and save his influence in the country's policy have been considered. A first scenario could be to promote the progovernmental party Alga Kyrgyzstan to obtain a majority in the next parliament, to be elected in February 2005; then to conduct a referendum for the creation of a parliamentary system and following that to appoint Akaev parliamentary speaker. On May 30, the Constitutional Court declined the appeal of some parties for the creation of a parliamentary republic. Opposition deputies such as Tekebaev argued that the progovernmental parties feared that the opposition union would receive a majority in the new parliament as an explanation for that decision.

A second scenario is to promote a new person for the position of prime minister and gain popularity through conducting real reforms and achieving economic results. However, there is still no candidate that could replace Prime Minister Nikolay Tanaev. Moreover, this scenario is made less plausible by the fact that according to the comparative economic indicators, Kyrgyzstan has the lowest level of economic progress within the CIS.

Now to regain popularity and public trust, the leadership began to carry out real reforms, aimed at improving social life. An active struggle against corruption in the mid - and low authority echelons was launched, while specific and measurable goals in the attraction of foreign investments and poverty reduction in the country have been set out for each region, while the judicial and law enforcement system has been subjected to rigid criticism by the president for inefficiency.

Meanwhile, there are signals that regional powers have firmly decided to promote the succession of power in Kyrgyzstan. Missir Ashirkulov, the former secretary of Security Council and a close friend of the President, frequently visits Moscow for medical purposes and unofficially meets with representatives of the Kremlin. After launching the For Fair Elections Union, he left to Moscow. In the fall of 2002, an attempt on Ashirkulov's life was made, and court proceedings in the case were postponed without valid reason.

Since the establishment Antiterrorist Coalition forces in Kyrgyzstan, Russia has voiced its frustration with the presidential administration. Russia deployed its forces 50 km away from the Ganci air base, but did not stop at that; Russia is increasingly often expressing its discontent by what Moscow hardliners term a U.S. approach to encircle Russia. Some forces in Moscow are therefore interested in a transfer of power to a leadership with a more loyal attitude to Moscow.

According to recent reports, the U.S. has repeatedly informed that it is not satisfied with the speed of democratic reforms implemented by the leaders of Central Asian countries. On May 24, Deputy Assistant Secretary of State on European Affairs Lynn Pascoe visited Kyrgyzstan. He signaled that Kyrgyzstan is considered by the U.S. government as a model in promoting political and economic reforms in Central Asia.

However both the Kyrgyz opposition and president Akaev want a succession of power to take place without external intervention. Both parties reject the possibility of a Georgian or Azerbaijani scenario.

Kyrgyzstan is in line to become the scene of a new post-Soviet succession of power, but it is still unclear in what way. The elections that are to be conducted in the next two years for the parliament and the presidency are set to become key events in Central Asia. While the U.S. and Russia will inevitably be seen to play a role during the election process, considering their interests in the region, their roles are likely to be defined mostly by the actions taken by the Kyrgyz opposition and government in the nearest future.

Aijan Baltabaeva

RUSSIAN FORCES IN TAJIKISTAN: A PERMANENT PRESENCE?

Stephen Blank

On June 4, after talks between the Tajikistani and Russian Presidents, Vladimir Putin's website announced an agreement on the future of Russia's base in Tajikistan. This agreement gave Russia a "free and unlimited" use of Tajik territory to establish a base, while territories currently used by Russian forces as military testing grounds will be transferred to Russia under similar conditions. Russian border guards currently in Tajikistan will change their format of work and will cooperate with their Tajik colleagues against drug trafficking and the infiltration of terrorists. This agreement brings to an apparent close a serious political dispute between the two governments. This agreement was surprising as it had seemed clear that Tajikistan wanted its own troops to replace the Russians and had also considerably improved its relationships with the United States in the meantime.

BACKGROUND: By March 2004 it seemed clear that Russian troops and advisors were going to leave Tajikistan. Yet it also seemed that Tajik-Russian relations were good and improving. Key Tajik officials certainly made public statements to that fact and did so even into May, even granting the necessity of a base for Russian forces there. Nevertheless on March 1 the Tajik and Kazakh governments signed an agreement creating a basis for deepening cooperation between them as part of NATO's Partnership for Peace program. This agreement occurred during a time when Tajikistan's President Emomali Rakhmonov decisively moved against some of his own military advisors to begin reforming the Tajik armed forces with evident Russian and NATO support. Three days later, it was revealed that talks with Russia over a new base were deadlocked. Tajikistan wanted complete operational command control over this base and its infrastructure during times of threat. It also wanted what Russian authorities claimed were exorbitant financial payments for leasing the base, or the writing off of Tajikistan's debt to Russia. For its part, Russia wanted a base not just for the 201st division and the FSB troops on the border but also to protect the "Nurek" space complex as part of its space and missile defense systems. And it certainly did not want to pay for these privileges. Even so, its desire for the base gave Tajikistan some leverage.

The Russian forces in Tajikistan are being reorganized to form part of the broader forces of the new Russian-led Collective Treaty Security Organization (CSTO) in Central Asia. Nonetheless, this amenability did not lead to resolution of the financial or status of forces issues surrounding the 201st division or the Nurek facility and the new base that Russia wanted to build.

By early May, Tajikistan had decided to send Russian military advisors home and was exploring new ways to defend the border including the phasing out of Russian troops. Tajikistan was demanding that Russia assume Tajikistan's \$300 million debts, pay another \$50 million for Nurek, and grant Rakhmonov emergency command over the 201st division in an emergency. Although this decision reflected Tajikistan's greater sense of security than at any time in the past, Russian officials and commanders immediately complained that the Tajiks could not defend the border against narcotics like they could or maintain the infrastructure they had built and launched a press campaign to that effect. Since there had been numerous scandals involving Russian troops themselves moving large amounts of narcotics to Russia, for example shipping drugs in military transports from Tajikistan, this argument is suspect and might conceal the usual reluctance of the Russian military establishment to yield any of the remaining "wrecks of empire" that it still owns. Given the neo-imperial mentality that dominates the Ministry of Defense and the Russian political elite, this motive seems to be equally as important as more practical, tactical, considerations. Russia's unhappiness quickly expressed itself in a crackdown on Tajik migrant workers, whose remittances home are vital to Tajikistan's economy.

At the same time Tajikistan was establishing highly improved relations with Washington, including signing the agreement that gave U.S. soldiers immunity from the International Criminal Court. India too established a base in Tajikistan. All these actions indicate Tajikistan' increasingly open efforts to move away from dependence upon Moscow and Russia's ire over this turn of events.

IMPLICATIONS: Russian reports were contradictory, some saying a retreat was taking place and other officials contradicting this and saying that a tactical group would be placed in Tajikistan. Thus matters continued until the announcement of June 4 which apparently represents Tajikistan's surrender to Russian pressure. It appears that Russia successfully prevailed here by assuming some of Tajikistan's debts and will invest in Tajikistan's energy sector, particularly the Sangtuda hydroelectric station. As long as Tajikistan continues to invest in this project, Russia will suspend its interest payments but when the project is finished Russia will own part of it through the UES monopoly, another example of the liberal empire program sponsored by UES chairman Anatoly Chubais. It also conforms to Russia's established practice of taking equity in key sectors in return for CIS countries' debts. What made Tajikistan change its mind is not clear, but it is unlikely that it would have abandoned its earlier position so completely without such pressures being employed. Thus Russia will retain its military presence there and continue in its accelerating efforts to make the CSTO into a viable military force and representative of Russian interests in Central Asia.

These events reveal many key aspects of the ongoing great game in Central Asia. First, regardless of protestations of win-win or mutual benefit, Russia regards the area as an exclusive sphere of influence, especially in military terms. Thus in the same interview that he lamented that Russia was leaving Tajikistan, Deputy Foreign Minister Trubnikov forcefully reiterated Russia's opposition to any foreign military presence in Central Second, Moscow will not hesitate to use all the Asia. instruments of power to achieve that goal. Today that largely means economic pressures such as debt for equity swaps but it could increasingly mean military ones as well. Third, Russian actions evidently confirm American reports in testimony to Congress by the heads of the CIA and the Defense Intelligence Agency that Russia now knows where it wants to deploy its military and is moving to do so. Fourth, Russia's sense of threat from foreign influence in Central Asia is overwhelming and will probably preclude efforts to arrive at multilateral cooperation there. Fifth, while this rivalry creates opportunities for Central Asian governments to play off rival great powers, it also could lead to heavy-handed efforts to pressure them into acquiescence in agreements contrary to their interests. This would especially

pertain to Kyrgyzstan and Tajikistan, the two most vulnerable states to foreign pressure.

CONCLUSIONS: By inference, these events underscore the importance for the United States, if it wishes to maintain its presence in the region, to develop appropriate instruments for training and development of indigenous military forces from among Central Asian governments so that they do not have to look to Moscow for help. The same principle applies to economic policies because these states are and will long remain vulnerable to foreign economic pressure, particularly if they do not begin to undertake serious economic and political reforms that can only strengthen their own independence and sovereignty – the stated goals of U.S. policy – over the long run.

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BORDER INCIDENTS SOUR KAZAKH-UZBEK RELATIONS

A new shooting incident on Kazakh-Uzbek border which took the life of a young man from South Kazakhstan clearly showed how illusory are hopes for the constructive settlement of disputes between the neighbors. While the sides trade accusations, people remain divided by a wall of blind hatred fanned by official propaganda.

The incident occurred on June 1 at the border crossing near Saryagash district in South Kazakhstan region. 27year old Nurzhigit Potanov, resident of the Kazygurt district, according to accounts given by Kazakh border guards, traveled in a hired car to neighboring Mayaul village in Uzbekistan to get his intended bride, a citizen of Uzbekistan, for their wedding ceremony. At the check-point his car was stopped by Uzbek border guards who took the ignition key from the driver and kept the car detained for unknown reasons. When Potanov went out of the car demanding an explanation border guards fired warning shots apparently not intending to kill him, but one of the bullets mortally hit Potanov. He was hurriedly transported to the hospital but he died a few minutes later from profuse bleeding.

This is in no way an isolated case of loss of a human life on the Kazakh-Uzbek border. According to official reports, there have been 20 shooting incidents provoked by Uzbek border guards over the last five years. Since 1999, four Kazakh citizens have been killed in minor border skirmishes. The circumstances under which most of these confrontations and shootings take place remain obscure to the wider public. Every time an incident occurs, each side blames the other for "unfriendly behavior".

So indeed this time. The Ministry of Foreign Affairs of Kazakhstan sent a protest note to Uzbek officials. The Uzbek Embassy in Kazakhstan shrugged off all accusations alleging that the Kazakh citizen trespassed on the Uzbek territory as Kazakh herdsmen did many times before. In this atmosphere of verbal standoff, it is very hard to tell which side is nearer the truth. The only encouraging sign is that the involved sides reached an agreement to set up a commission to investigate the circumstances which led up to the death of Patanov. On June 3 the secretary of the Security Council of Kazakhstan, Bolat Otemuratov, met his Uzbek counterpart Ruslan Mirzayev in Tashkent and discussed the possibilities of introducing simplified regulations for crossing the border.

The embarrassing point both for Kazakhstan and Uzbekistan is that the shooting took place not long after the first border posts were solemnly erected on Uzbek-Kazakh border at the crossing "Zhibek zholy" (Silk Route) on May 19, symbolizing good will to end decade-long disputes. The ceremony was attended by high-placed officials from both sides. All in all, hundreds of posts are to be set up along the 2351 km. Kazakh-Uzbek border. On November 16, 2002, Presidents Karimov and Nazarbayev signed an agreement on the delineation of their countries border, but the process has been advancing slowly since then. The border delimitation process, as stated by the Ministry of Foreign Affairs, will be completed in three years. But in reality, things do not look so optimistic. Most of the apples of contention lie in the South Kazakhstan region which shares a 890 kilometer border with Uzbekistan.

The absurdity of the territorial claims in disputed areas has gone so far that the residents of one and the same village in some cases find themselves cut off by borderlines from each other. Holders of Kazakh passports are sometimes left on the Uzbek side of the divide and vice versa. Such territorial chaos is created frequently by the arbitrary decisions of local governments. Those who suffer the most are the people on both sides. Uzbeks have to cross the b order daily to work on cotton fields and construction sites in South Kazakhstan or to buy relatively cheap basic goods. These normal cross-border activities, however, are increasingly used for propaganda purposes. "We provide work for poor Uzbeks", Kazakh papers proudly state. "Uzbek traders leave millions of dollars in the supermarkets of Kazakhstan" retort Uzbek officials. The patriotic rhetoric generates intolerance towards neighbors. Border conflicts and unregulated migration have created a stereotyped image of arrogant Uzbek and Tajik petty traders pushing Kazakhs out of local markets.

The smoldering animosity towards the neighbors did not yet reach the point of inter-ethnic violence, nor did it lead to unmanageable border conflicts. Nevertheless, the current geopolitical trend in Central Asia is not conducive to fostering trust between Kazakhstan and Uzbekistan in particular, and the integration of Central Asian states in general. According to philosopher Karim Otebayev, "The adherence of Central Asian nations to different geopolitical blocks weakens the already fragile trend of integration in the region, and can in future generate international conflicts, and particularly, border disputes".

To all likelihood, the leaders of Kazakhstan and Uzbekistan will avoid the edgy subject of sporadic border incidents during the upcoming Tashkent summit of the Shanghai Cooperation Organization scheduled for June 16-17. After all, there are other issues of no less importance to be addressed such as removing trade barriers, working out the harmonized use of water resources, and energy and transport communication policy. It seems, the way to the elimination of border problems lies in the civilized economic integration of European type within the Central Asian Cooperation Organization. But that, given the complexity of the bottleneck issues piled up, will probably remain wishful thinking for another decade, unless the steps now being taken to reinvigorate regional cooperation in Central Asia will bear fruit.

Marat Yermukanov

RUSSIA'S HAPPINESS IN MULTIPLE PIPELINES

Pavel Baev

The chain of exciting crises in Georgia has taken much attention away from the 'big issue' that shapes Caucasian security – the development of the Caspian hydrocarbons. It was President Putin who implicitly reminded about the forthcoming breakthrough in the Caspian area in his May 26 address the to Russian Parliament. That speech consisted mostly of feel-good Brezhnev-style generalities but the point on a new pipeline bypassing the Bosporus straights was taken in a remarkably direct manner. Moscow might have been caught unprepared by president Saakashvili's peaceful 'blitzkrieg' in Ajaria but it certainly keeps a watchful eye on the race of Caspian pipelines that comes to the final stage.

BACKGROUND: The start for this race was back in September 1994 when Azerbaijan signed a contract on the development three oil fields with a BP-led consortium of Western companies. With hindsight, the investors would probably agree that the term 'the deal of the century' was a bit of wishful thinking, but their immediate concern ten years back was transportation. The hugely expensive and geopolitically risky plan for a 1000-mile pipeline connecting Baku via Tbilisi to the Mediterranean port of Ceyhan (BTC) captured the imagination of politicians in Azerbaijan, Turkey and, crucially, the U.S. - but encountered determined resistance from Russia. It was only when it became clear that the Bush administration was no less committed to the BTC project than the Clinton democrats had been, that Moscow dropped all its formal objections. The construction costs exceeding USD 3 billion – a bill that appeared mind-boggling in the late 1990s but looks quite reasonable on the current level of oil prices – have been covered with the help of international banks, including the World Bank and the European Bank for Reconstruction and Development. The latest reports from the construction sites in Azerbaijan and Georgia give the figure that over 65% of the pipe is laid, and Turkey is lagging only slightly behind. Unless a disaster strikes, which is always a possibility in the conflict-rich Caucasus, the first super-tanker could go out of Ceyhan full of Azerbaijani oil in about a year from now. There could be more problems, however, with filling in the second tanker, since extensive drilling in the southern part of the Caspian Sea has confirmed that the reserves in Azerbaijan are likely less than expected. It is exactly on this vulnerability that Moscow focuses its game plan.

IMPLICATIONS: Lifting its objections against the BTC, Russia still harbours serious reservations and would love to see the project derailed. Russian oil giant LUKOIL, which was a party to the original 1994 consortium, had to withdraw its interest in the BTC pipeline after receiving a hint from the Kremlin. In fact, Moscow's answer to the 'unfriendly project' took shape already in summer 2001 when oil started to flow along the new pipeline from the Tengiz oilfield in Kazakhstan to the port of Novorossiisk. The second parallel pipe has been commissioned and could be ready by next summer, and a third line is been planned. The bottleneck for this stream of Caspian oil is the Bosporus, since Turkey has been raising concerns about the volume of tanker traffic. The restrictions on passage in night time created a three-weeks long queue last winter at the mouth of the straights. In order to stay ahead in the race of pipelines, Moscow urgently needs to clear the way for the oil, hence Putin's stern reminder: 'A solution to this question is now overdue, to put it bluntly'. The issue of a by-pass pipeline was for the first time elevated to the 'presidential level' a year ago during Putin's visit to Bulgaria. It was, nevertheless, not found worth including in the Russian Energy Strategy, approved late last August, where many alternative options were spelled out in considerable detail. Now, however, Semyon Vainshtok, the president of state-owned company Transneft that owns all the Russian oil pipelines (with the notable exception of privately-owned Tengiz-Novorossiisk), expresses readiness to rush ahead with this project. Speaking at the third international pipeline forum in Moscow in early June, Vainshtok placed emphasis on the by-pass around Bosporus, skipping details due to 'possible pressure from Turkey'. Indeed, Ankara has its own by-pass project going from Samsun on the Black Sea to the same Ceyhan, but its first priority is certainly BTC. Russia's key proposal is a reasonably short and low-cost pipeline from Burgas in Bulgaria to the Greek port of Alexandroupolis. The second option is to pump the Caspian oil through the Ukrainian Odessa-Brody pipeline, completed a couple of years ago but still standing 'dry'. There is also a third option, involving the delivery of Kazakh oil to the rapidly expanding terminal at Primorsk near St. Petersburg. Environmentalists in the Baltic countries have been outraged with these plans, since the possible damage to the Gulf of Finland if a single-hull Russian tanker hits a rock in these hardto-navigate waters would be devastating. For Moscow, the oil comes first, so it dismisses these concerns off-hand. It has recently also explored the fourth option involving 'swap' deals with Iran, which in April completed the pipeline connecting the Caspian port of Neka with a refinery near Tehran. Potentially, up to 25 million tons of oil from Russia and Kazakhstan could be delivered to Neka annually, while Iran would ship the same amount out of its Gulf terminals. Finally, Moscow has shown inclination to insist that Azerbaijan exports some of its oil through Russian pipelines, as stipulated by old contracts. If all these options are realized, BTC would remain only half-full, so that Russian commentators would

have the pleasure of comparing its cost-efficiency with the notorious Soviet BAM railroad.

CONCLUSIONS: The key country which holds the future of the BTC in its hands while having no immediate stake in its success is certainly Kazakhstan. Unlike other Central Asian states, it has cautiously stayed a safe distance away from the US-led war against terror, and so has retreated to the margins of the political radar screens in Washington. Putin, however, has been courting President Nazarbaev with all the professional charm he possesses. Moscow has been also playing Prime Minister Danial Akhmetov against Timur Kulibaev, president of state-owned oil company and Nazarbaev's son-in-law. Nobody could blame Russia of abusing in any way its monopoly on transporting Kazakh oil and it is only natural that it seeks to preserve it. As a general rule, however, a monopoly – whether on political power or on a commercial commodity – is not a healthy practice. It is not too late to secure a part of the 'big oil' from the Northern Caspian for the BTC. One issue Nazarbaev has shown high sensitivity about is corruption allegations against his extended family. For Moscow this issue is non-existent, but the West has to find a way to clean its oil 'act' in Kazakhstan to an acceptable degree without offending the boss.

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WILL OSSETIANS EMBRACE GEORGIA'S INITIATIVES?

While Georgian authorities are trying to provide humanitarian assistance and cultural events for Ossetians in "Tskhinvali region", villagers are screaming, "Get out!". Residents complain that the Ergneti market closure by Georgian officials not only abolished the primary source of income for both Ossetian and Georgian populations, but it severed the very trade relations that fostered a peaceful coexistence over the last twelve years. Many see the humanitarian activities as a "big show". Perceiving the initiatives and a Georgian military buildup as an attempt to overthrow his government, the self-declared South Ossetian republic's President Eduard Kokoev, on 12 June suspended all relations with Tbilisi outside of the Joint Control Commission, representing Georgia, South Ossetia, North Ossetia, and Russia.

On the backdrop of a military buildup in Shida Kartli, the Georgian government has been launching a series of one-time humanitarian and cultural events across conflict zone villages. Authorities describe their initiatives as their "first steps" towards reintegrating "Tskhinvali region"—how Georgian authorities refer to Ossetian-controlled territories-into Georgia. Ossetian journalists and displaced Georgians from Tskhinvali explain, however, that the authorities' attempts to enter Tskhinvali on a "peaceful" mission are reminiscent of how the 1990 to 1992 civil conflict began. Moreover, many Ossetians want nothing to do with Georgia given their twelve years of de facto independence, their pro -Russia position, and the history of conflict. Consequently, Georgian representatives of humanitarian and cultural missions are barred from entering Tskhinvali region-even to pass into Georgian villages in Didi Liakhvi-by pro-Tskhinvali security forces and residents, allegedly upon direction from authorities. Thus, the Tskhinvali checkpoint has become a point of confrontation and communication. strictly monitored by Ossetian security forces, between Georgians and Ossetians.

Since Mikheil Kareli, the Shida Kartli governor, made his first humanitarian mission to deliver fertilizer to Ossetian villagers in Tskhinvali region on 4 June, he has faced consistent obstacles from Tskhinvali authorities, Ossetian peacekeepers and special forces, as well as local Ossetians. The first major confrontation occurred in Tsinagara, where one Ossetian security forces member fired shots into the air when Kareli arrived with his entourage. After negotiations failed, Kareli was forced to leave 400 bags of fertilizer in a neighboring village on Georgian territory, where villagers promised to deliver the fertilizer to Tsinagara residents.

In Gromi Gorge, an elderly woman met Kareli's group screaming "Get out! We don't want your help! We already bought fertilizer in Orjonikidze! What I need is flour and you took it from me!" She was upset that Ergneti market had been closed, and was worried that her family could not survive without it. The tax-free market provided low-cost goods to residents and a venue for selling local products. Further, she was angry that Georgian police had confiscated Ergneti flour she had purchased.

Not all Ossetians turned their backs to aid. Those in Georgian-controlled villages eagerly greet Kareli, distribute the fertilizer, and make toasts "to peace between Georgians and Ossetians". While other educational, cultural, and social initiatives are continuing, a general pattern has emerged whereby nobody can pass Tskhinvali to reach Didi Liakhvi, including the governor. Shida Kartli authorities hope Ossetians will participate in the ongoing programs by crossing into Georgian villages. Meanwhile, the repair of an alternative road to Didi Liakhvi began on 14 June.

Governor Kareli explained, "We are not going to stop our humanitarian initiatives because we see that the Ossetian population is seeking our support. People who obviously oppose the Kokoev government accept the aid—they don't hide it. Others, who are afraid and under pressure, are still trying to accept it."

Observers worry that Saakashvili's government is moving too quickly with the momentum of the two Georgian Rose Revolutions—and particularly Ajaria behind them. Planning an Ajara revolution in South Ossetia will not work: this region has entirely different social, economic, and political issues. One Tbilisi-based activist explained, "Right now, Ossetians are calling this the 'humanitarian invasion'. Rather than coming in with cameras and a big entourage, authorities need to enter with genuine support. If they are sincere, information will spread quickly and Ossetians might support the initiatives."

While the rest of Georgia has experienced fourteen years of civil society development, South Ossetia has had none. Thus, Ossetians have no platform through which to protest the Kokoev government. Without counterparts in Tskhinvali, Georgians NGOs find it difficult to discuss conflict resolution issues with Ossetians. Freedom of speech is largely deemed absent in Tskhinvali. Indeed, when I asked one Ossetian at the Tskhinvali checkpoint, whether he could envision Ossetia reintegrating with Georgia—and he began to answer positively, two Ossetian peacekeepers abruptly pushed him away from me, yelling in Ossetian. One Shida Kartli authority explained his government's frustration: "We have not met our first step because we can't communicate with the Ossetians, so we don't know what they need!"

Georgian media representatives are not allowed to film events at the Tskhinvali checkpoint—only Ossetian media is allowed to operate freely. When I asked two Tskhinvali-based journalists why security forces censored the Georgian media, they confidently responded, "because they broadcast false information". Georgian cameras are confiscated and reporters handled harshly if they resist orders.

An atmosphere of fear now prevails in Tskhinvali region. In recent weeks, there have been various reports of beatings, arrests, and officials losing their positions for communicating with Georgians. One local authority explained to officials, "If you leave your fertilizers here now, they will kill me tonight. It's better if you take them to the neighboring village where we can distribute them at night". Residents report that Tskhinvali authorities have built trenches, delivered arms to unauthorized persons, and that troops with heavy military equipment have entered Ossetia from the North Caucasus. Meanwhile, Georgian peacekeepers and Ministry of Interior troops have set up camp along the conflict zone.

Georgians believe Saakashvili is demonstrating power and would never initiate a conflict. Yet, if reports are true that on 15 June armed Ossetians attempted to enter Georgian territory, anything can trigger an event. Both sides now look to Tbilisi and Russia to solve the issues through diplomatic channels. However, unless the Georgian government can come up with wellplanned, long-term initiatives, which Ossetians will not perceive as a "show", it is unlikely that Tskhinvali residents will embrace reintegration with Georgia any time soon. Until the Tskhinvali government allows a dialogue between Georgians and Ossetians, conflict resolution initiatives are difficult and the situation will remain extremely tense.

Theresa Freese

SOUTH OSSETIA: ACTIVISM OF THE GEORGIAN GOVERNMENT TESTS INTERNATIONAL EFFORTS

Jaba Devdariani

The Georgian government has taken decisive steps to address some of the most pressing political and economic problems related to the post-conflict area of South Ossetia and proposes revision of the current peacekeeping mandate. Recent developments in South Ossetia have shown the inadequacy of the current peacekeeping arrangements to the complex state-building and conflict resolution tasks that the new Georgian administration pursues. Pro-active economic rehabilitation and social assistance programs that are offered to South Ossetian residents hold promise for boosting the political negotiations, but also a risk for a militant backlash. Somewhat paradoxically, the international organizations involved in conflict resolution could prove the least ready to catch up with the new developments.

BACKGROUND: The conflict in South Ossetia, leading to the death of ca. 1,000 and the displacement of some 60,000 persons ended in a ceasefire in July 1992. A somewhat unorthodox ceasefire arrangement introduced a joint peacekeeping force (JPKF) composed of Georgian, South Ossetian and Russian elements. Russia took the factual, as well as the legal lead of the military operation. The OSCE has been the most actively involved international institution in the political aspect of conflict settlement, but a quadripartite Joint Control Commission (JCC) involving Georgia, South Ossetia, Russia as well as Russia's North Ossetia Republic became the main political discussion forum.

The OSCE acts as a JCC participant, while UNHCR and EU involvement in the process has varied over times and is by now rudimentary.

Although the OSCE drafted a settlement proposal in August 1994, Russian mediation (with OSCE participation) proved more fruitful in moving the political dialogue forward. Meetings between the South Ossetian and Georgian presidents Lyudvig Chibirov and Eduard Shevardnadze in 1996-98 led to a general détente in the conflict area. By the end of the 1990s, road communications between Tskhinvali and neighboring Georgian provinces were restored, and the region became a booming hub for largely illegal trade between Georgia and Russia.

While economic détente was apparent, a political settlement proved evasive. In July 2000, the conflicting parties agreed through OSCE mediation on demilitarization, joint economic projects, elaboration of the legislative base for repatriation of displaced persons, and even on joint law enforcement activities. Yet hopes for eventual political settlement were dashed in December 2001 with the election of Eduard Kokoev as South Ossetia's president. Kokoev, a Russian businessman, has reportedly monopolized the illegal trade and squeezed the previous leadership out of the political arena, accusing them of pro-Georgian sentiments. Kokoev also presided over a massive acceptance of Russian citizenship by South Ossetian residents. South Ossetia became a tangible economic security threat to Georgia. Goods smuggled via Ossetia, such as petrol and flour, reportedly capture up to 30% of the Georgian market. The "war economy" in South Ossetia has also involved the Georgian and South Ossetian law enforcers, as well as the peacekeepers, in smuggling and corruption.

In late May 2004, President Mkheil Saakashvili ordered interior troops to crack down on smuggling. These moves harmed the interests of the South Ossetian political elite, and apparently upset the Russian peacekeeping commander, resulting in a standoff between Georgian special services and the Russian and South Ossetian peacekeepers.

In addition to these measures, Saakashvili proposed a complex of social and economic rehabilitation projects in South Ossetia, pledging to extend the Georgian government's protection to its Ossetian citizens. For the first time, the Georgian leadership took the initiative in South Ossetia and made some reconciliatory moves, albeit carefully backed by credible force.

The reaction of foreign players has been rather perplexed. Russia has reacted with warnings to Georgia against a resumption of hostilities. The OSCE has made no official reaction apart from expressing general concern. However, State Minister for Conflict Resolution Giorgi Khaindrava has indicated that the Georgian government will propose a revision of the peacekeeping mandate in South Ossetia.

IMPLICATIONS Georgia's economic concerns are real. However, it is impossible to effectively address these concerns in the current format of peacekeeping, and OSCE diplomats seem to grudgingly agree that the current format, which concentrated on the separation of warring forces, has outlived its usefulness. Effective anti-smuggling operations by Georgia put a stranglehold on the South Ossetian leadership and may push them towards militarism if political solutions are lagging. The domination of the Russian and Ossetian components in the JPKF also seems to end as Georgia brings its peacekeeping battalion to full strength in personnel and equipment, and concentrates well-trained troops and heavy equipment in adjacent Georgian provinces.

The need for a new level of political mediation is urgent, but international actors seem hesitant to take risks and accept that function. The OSCE has the longest history in handling this particular conflict. However, its political decision-making is burdened by consensus voting in Vienna, which would render the organization incapable in case of Russia's opposition. OSCE-Russia interaction failed to produce results in 2003, when a Transdniestria peace plan strongly influenced by Russian interests was met with opposition in Western capitals and eventually failed, spurring heated criticisms towards the OSCE, which the organization may see as an obstacle in addressing South Ossetia.

The EU has crucial tools at its disposal that may come into play if initial political consultations on South Ossetia are successful. The EU has generated significant experience in Bosnia and Herzegovina by running the police mission (EUPM) tasked with reconciliation and synchronization of the hostile ethnic groups within a single police force and also rendered significant assistance to improvement of the border controls there. In South Ossetia, the interoperability of local police with Georgian counterparts would be crucial in ensuring joint anti-smuggling efforts and precluding an armed standoff similar to that of May 31, 2004.

South Ossetia has historically been overshadowed by the conflicts in Abkhazia and Nagorno-Karabakh. The interest and involvement of the international organizations and foreign powers, except Russia, has been very weak. However, at present the Georgian government is determined to first "unfreeze" and then resolve the conflict, and is choosing a long-term, economics-based approach coupled with a "hearts and minds" campaign to achieve this goal. Together with a relatively low degree of inter-community tension, South Ossetia has the chance of becoming a one-of-a-kind conflict resolution success in the post-Soviet space and likely set a precedent.

There is a fierce battle among international organizations for political know-how, donor attention and finite funding. The organization or state that puts stakes in South Ossetia conflict resolution is likely to rip significant political benefits, while the consequences of failure are unlikely to be catastrophic.

CONCLUSIONS Current actions of the Georgian government to articulate new policies towards South Ossetia provide a good background for productive political mediation by third parties. The international organizations present in the South Caucasus such as the OSCE and the EU have comparative advantages to take up this role. Georgia's recent détente with Russia allows for positively involving the Kremlin in this process. It would take decades to amass the political will for peaceful resolution comparable to the current mood in Tbilisi. Unless the international organizations overcome their lethargy towards the relatively low profile of South Ossetia to see the region-wide benefits of successful conflict resolution, promising developments may go in vain, leaving the scene to the "parties of war" on both sides of the conflict.

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AZERBAIJANII-GEORGIAN RELATIONS UNDER FOCUS DURING PRESIDENTIAL VISIT

Azerbaijan's President Ilham Aliyev paid a state visit to neighboring Georgia on June 14 to discuss bilateral political and economic relations and the situation of ethnic Azerbaijanis in Georgia. The latter issue became the target of the Azerbaijani media's attention in the last several weeks as several protest rallies among the Azerbaijani minority took place in the Kvemo Kartli region of Georgia.

President Aliyev once again reaffirmed Baku's official support for bilateral and regional economic projects and stated that the trade turnover between Azerbaijan and Georgia has doubled since he came to power in October 2003. "Georgia is our strategic partner. We are engaged already in some of the largest energy and transport projects in the world [the ongoing Baku-Tbilisi-Ceyhan oil pipeline and the planned Baku-Tbilisi-Erzurum gas pipeline] and we would like to intensify our cooperation in all spheres. Only together can we develop and prosper," Aliyev stated at the press conference in Tbilisi.

The two governments signed six intergovernmental agreements in the fields of education, transportation, taxation and media. "I brought here a large delegation with myself. Almost half of the Cabinet of Ministers is present here. I urge all Azerbaijani ministers to have talks with their Georgian counterparts and intensify the dialogue between the two countries," said Aliyev. One of the key issues in the bilateral talks was the transit rates for cargo across Georgia and Azerbaijan. Both Presidents agreed that in order to compete with other routes, the two countries, President Aliyev expressed Baku's interest in the construction of a

Georgia-Turkey railway and proposed to form an international consortium to carry out the project.

On the second day of his visit, Aliyev, together with Georgian President Mikheil Saakashvili, traveled to Marneuli, the southeastern region of Georgia, almost completely populated by ethnic Azerbaijanis. This region has been the place of socio-economic and ethnic tensions in the past several weeks. On May 25, close to a thousand Azerbaijanis protested in front of the local mayor's office to voice their criticism of President Saakashvili's cadre policy. Protestors were angry over the forceful replacement of local civil servants in governmental positions serving under former President Shevardnadze by loyalists of President Saakashvili. Even elected members of the local municipalities were reported to be forced to resign. Local residents also complain about land distribution in the region: close to 70% of local Azerbaijanis are still not able to privatize their land.

Further on, tensions in this region intensified in the beginning of June, when police forces launched an anti-smuggling and anti-corruption campaign and arrested several local businessmen. Azerbaijani media immediately labeled the incident as "discrimination against the Azerbaijani minority" and accused President Saakashvili of implementing such a policy. Official Tbilisi reacted by saying that there was no ethnic ground of these actions, and that they were only directed against organized crime. The Georgian embassy in Baku issued a press release in which it said, "These measures are directed against smuggling and are not aimed against a particular ethnic group. They take place all over the territory of Georgia." At the press conference in Tbilisi, President Saakashvili once again stated, "We hope that our neighbors will take our measures with understanding. It should be clear that these actions are aimed only to fight corruption."

An estimated 500,000 ethnic Azerbaijanis live in Georgia, primarily in Tbilisi and the southeastern regions of the country, bordering Azerbaijan. The cross-border trade of agricultural products is the main source of income for residents on both sides of the border.

President Aliyev rushed to express the Azerbaijani Government's commitment to bilateral friendship and partnership and promised to keep the issues of concern of ethnic Azerbaijan under his watch. "You are ethnic Azerbaijanis, but you are also citizens of Georgia. You need to try to further integrate into Georgian society. You need to become more publicly active and hold governmental jobs," said Aliyev to a crowd in Marneuli. Aliyev also promised that more socio-economic development of the region should be expected with the completion of Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum pipelines. The Azerbaijani government pledged more support for the region in the field of education. The joint publication of books on history and language will be planned in the nearest future.

Thus, Aliyev's visit once again reaffirmed the bilateral political and economic alliance of Georgia and Azerbaijan. Despite some minor tensions in the relationship, often artificially raised by local media, the two countries are committed to continue their strategic partnership and economic cooperation.

Fariz Ismailzade

NEWS BITES

RUSSIA 'CONCERNED' AT TURKMEN DIPLOMA POLICY

3 June

Russia's Foreign Ministry issued a statement on 3 June expressing concern at a new Turkmen policy on recognizing foreign diplomas. According to numerous reports, on 1 June Turkmenistan stopped recognizing foreign diplomas earned after 1993; Turkmen officials have said recently that they are merely "verifying" the validity of foreign degrees, however. The Foreign Ministry statement charges that Turkmenistan has mothballed a 2001 Russian proposal to conclude a joint diploma-recognition accord. The statement goes on to note that the new diploma policy unfairly targets Turkmenistan's Russian-speaking population and "will only increase Turkmenistan's self-isolation." Turkmen Embassy officials in Moscow told the news agency that the new rules are intended to verify existing degrees and weed out "illegally obtained" diplomas. (RIA -Novosti)

TAJIKISTAN INTRODUCES DEATH PENALTY MORATORIUM

3 June

The lower chamber of Tajikistan's parliament unanimously passed a moratorium on capital punishment on 2 June. Speaker Saydullo Hayrulloev told the news agency that the moratorium is retroactive to 30 April 2004, no matter when the upper chamber passes it and the president signs it into law. The draft law not only stays all death sentences handed down after 30 April, but replaces the death penalty with a 25-year prison term. Abdumannon Holikov, deputy chairman of the committee on constitutionality, told Deutsche Welle on 3 June that the moratorium is indefinite; legislators will monitor the moratorium's effects and, if circumstances warrant, may eventually abolish capital punishment altogether. The moratorium fulfills a pledge President Imomali Rakhmonov made in his 30 April address to the nation. (Asia Plus-Blitz)

KAZAKHSTAN, UZBEKISTAN DIFFER ON BORDER INCIDENT

4 June

Kazakh and Uzbek officials advanced differing versions on 3 June of a fatal shooting incident on the Kazakh-Uzbek border on 1 June even as a Kazakh Foreign Ministry spokesman stressed that the event will not harm relations between the two countries. KazInform quoted a press release from Uzbekistan's National Security Service (SNB) as saying that "weapons were used lawfully against a violator of the border." The SNB noted that a crowd of 15 Kazakh nationals gathered at the border crossing after a car attempted to enter Uzbekistan illegally. In the ensuing confrontation, Nurzhigit Padanov, a Kazakh national, was shot and killed. For his part, Valikhan Konurbaev, director of the Kazakh Foreign Ministry's consular department, stated that Uzbek border guards wrongfully fired on civilians who were putting up no resistance, Khabar news agency reported. Konurbaev went on to note that the actions of individual border guards should not harm bilateral relations and that investigations by both countries will resolve the matter. (RFE/RL)

POLICE BREAK UP ANTI-U.S. PICKET IN AZERBAIJAN

5 June

Police in the Azerbaijani capital on Saturday broke up an unsanctioned opposition rally staged outside the U.S. Embassy to protest the war in Iraq. Some 80 activists of several Azerbaijani opposition parties approached the U.S. Embassy building, shouting "Allah Akbar! (God is great)," and holding placards such as "America, Get Out of Iraq!" They were immediately pushed away by several dozen police officers, who tore down their placards and briefly detained three protesters. Gunduz Hajevi, a leading activist of the Islamic Party of Azerbaijan which took part in the protest, said the party will go to court to protest the local authorities' refusal to sanction the rally. Earlier this week, the same party staged a rally in the town of Nardaran, its main support base, to protest the U.S. action in Iraq. The rally went on peacefully. (AP)

KAZAKHSTAN WASHES HANDS OF BRIBERY CASE 7 June

The Kazakh government will not interfere in the New York trial of a U.S. businessman accused of offering bribes for oil contracts, Radio Free Europe says.

Kazakh Foreign Minister Qasymzhomart Toqaev told the network the case is focused on James Giffen, not Kazakhstan. Giffen is accused of paying more than \$78 million in bribes to Kazakh officials – including President Nursultan Nazarbaev -- in return for lucrative oil contracts. Nazarbaev has denied he gained personally from the transfers. Toqaev's promise contradicts previous government actions. Between 2000 and 2003, the Kazakh government mounted vigorous efforts to suppress the investigation. The Kazakhs filed numerous motions in Swiss courts trying to prevent Swiss banking officials from providing bank records to the U.S. Justice Department. During pretrial hearings last week, Giffen's attorneys argued the case should be dismissed on grounds that the actions took place in Kazakhstan -- not in the United States. The judge is expected to rule soon. (UPI)

DETAILS EMERGE ON RUSSIAN -TAJIK AGREEMENT 7 June

New details emerged on 7 June about the agreement on military cooperation that Russian President Vladimir Putin and his Tajik counterpart Imomali Rakhmonov signed at their 4 June meeting in Sochi. A source in the Tajik presidential administration told the news agency that Russia will write off \$250 million of Tajik debt in exchange for the space-surveillance center in Nurek. Russia will use the remaining \$50 million of Tajik debt to invest in projects inside Tajikistan. The source said that a "political decision" has been made on a permanent Russian military base in Tajikistan, with only "a few technical issues" to be resolved. Moreover, Russia will join an international consortium to build the Sangtuda hydroelectric power station. Finally, the two countries will work together to conclude an agreement on labor migration. (Asia Plus Blitz)

NORTH OSSETIAN PRESIDENT CONDEMNS GEORGIAN PRESSURE ON CO-ETHNICS 7 June

Aleksandr Dzasokhov arrived in the South Ossetian capital, Tskhinvali, on 6 June and met with the unrecognized republic's president, Eduard Kokoity, and with parliament speaker Znaur Gassiev. Their talks focused on the socioeconomic integration of the two Ossetian republics. Dzasokhov also met with representatives of the local population. Republic of South Ossetia Foreign Minister Murad Djioev told Caucasus Press that Dzasokhov pledged to intervene if the Georgian leadership continues to pressure the South Ossetian leadership and may dispatch humanitarian aid to the region. On 4 June, Georgian Agriculture Minister David Shervashidze tried to distribute mineral fertilizers to farmers in South Ossetia as a gesture of goodwill on the part of the Georgian government, but local residents' hostility proved so palpable he was able to visit only one village. On 5 June, the government and parliament of the Republic of North Ossetia-Alania (which is part of the Russian Federation), together with local NGOs, issued a statement criticizing the Georgian authorities for fueling tensions in the region and thus imperiling peace and stability in the Caucasus. The statement expressed gratitude to Moscow for its efforts to defuse those tensions. (Caucasus Press)

SEVERAL EXCHANGES OF FIRE REPORTED BETWEEN ARMENIA, AZERBAIJAN 8 June

At least four exchanges of fire between Armenian and Azerbaijani troops have been reported over the past three days. According to the Azerbaijani Defense Ministry, Armenian troops opened fire on Azerbaijani positions in two locations in Azerbaijan's Gazakh Raion late on 6 June. In addition, one Azerbaijani serviceman was killed and a second injured when Armenian forces opened fire on Azerbaijani positions in Goradiz, some 260 kilometers southwest of Baku according to the Azerbaijani Defense Ministry. Armenian Defense Ministry spokesman Colonel Seyran Shakhsuvarian told ITAR-TASS on 8 June that Armenian troops in the village of Berkaber in Tavush Raion halted an attempt by Azerbaijani forces early the previous day to advance to more strategically advantageous positions near the two countries' common border. (ITAR-TASS)

FORMER AZERBAIJANI FOREIGN MINISTER NAMED AMBASSADOR

8 June

Vilayat Guliev, who served as foreign minister from October 1999 until April 2004, has been named ambassador to Poland. On 8 June, the online daily zerkalo.az quoted Guliev, who is 52 and a philologist by training, as saying that he considers his new appointment "normal" and proof that the traditions of Azerbaijani statehood are becoming stronger. He pointed out that one Moldovan, one Uzbek, and four Kazakh ex-foreign ministers also serve as ambassadors abroad and added that he was offered a choice of postings and chose Warsaw. Guliev also dismissed as misplaced speculation that he was fired because of his harsh criticism of the OSCE Minsk Group, which seeks to mediate a political solution to the Nagorno-Karabakh conflict. He characterized his successor as foreign minister, Elmar Mammadyarov, as an educated and capable diplomat. (RFE/RL)

TAJIK DRUG POLICE BURN HALF-TON OF HEROIN 8 June

Police in Dushanbe burned 600 kilograms of heroin on 8 June. Faizullo Gadoev, head of the Tajik Interior Ministry's Drug Trafficking Department, told the news agency that the drugs were confiscated in the course of 2003-04. Senior prosecutor Rajab Tagaev told Asia Plus-Blitz that this is the third such drug burning in 2004, adding that 1,250 kilograms of narcotics have been confiscated in Tajikistan since the beginning of the year. Tagaev noted that while overall drug busts are down somewhat, the amount of heroin confiscated is on the rise. "If 6,724 kilograms of heroin were confiscated in 2000, by 2003 the amount was 9,408 kilograms," he said. (Asia Pluz-Blitz)

RED CROSS AFGHAN JAIL ABUSE PROBE 9June

The US is to allow the Red Cross to visit a detention center in the Afghan city of Kandahar following accusations of prisoner abuse in US-run jails. The Red Cross was previously allowed to visit only the main holding camp at Bagram, near Kabul. Last month, the US ordered a "top-to-bottom" review of its detention centres in Afghanistan. Human rights groups had accused US troops in the country of the "systemic" abuse of prisoners. Around 350-400 prisoners are thought to be held in about 20 US-run holding centres in Afghanistan. A US military spokesman said the head of US forces in Afghanistan, Lieutenant General David Barno, had agreed to a request by the International Committee of the Red Cross for access to the Kandahar centre. The spokesman, Lieutenant Colonel Tucker Mansager, said the decision was made because prisoners were spending a longer time at Kandahar than had been anticipated. All US centres except Bagram are for transit only. The review was sparked initially by claims from a former police colonel, Sayed Nabi Siddiqui, in the New York Times that he was subjected to sexual abuse, taunting and lack of sleep while detained at the US base in Gardez, east of the capital, Kabul. The rights watchdog. Human Rights Watch, then said it had documented "numerous cases of mistreatment of detainees", similar to those reported in Iraq. Human Rights Watch says the abuse suffered by prisoners includes sleep deprivation, exposure to freezing temperatures, severe beatings, and detainees being stripped and photographed naked. It also says the US military has still to "explain adequately" the deaths of three detainees in American custody. The United Nations has warned that trust in US forces in Afghanistan will be at risk if the abuse allegations are not properly investigated and made public. (BBC)

RUSSIA TOPS IN ASYLUM SEEKERS

9 June

Russia has the highest number of citizens seeking political asylum abroad, "Novye Izvestiya" reported on 8 June, citing data

from the UN High Commissioner for Refugees. According to the daily, 7,508 Russian citizens applied for political asylum abroad during the first quarter of this year. Most were former residents of Chechnya, according the United Nations. Asylum applications from Russians fell by 26 percent during the past six months, but Russia remains the country with the highest number of asylum seekers. (RFE/RL)

ARMENIAN PREMIER CONDEMNS 'ILLEGAL' POLICE RAIDS

9 June

Andranik Markarian told journalists in Yerevan on 8 June that a criminal investigation has been opened into what he termed the "illegal" ransacking of the offices of major opposition parties in the wake of a police crackdown on 13 April on demonstrators in Yerevan calling for the resignation of President Robert Kocharian, RFE/RL's Armenian Service reported. At the same time, Markarian argued that Armenia is more democratic now than before last year's presidential and p arliamentary elections. He pointed out that the authorities do not prevent unsanctioned demonstrations, and that there is complete freedom of the press. (RFE/RL)

GEORGIAN VILLAGERS PROTEST CASPIAN OIL PIPELINE 9 June

Dozens of villagers in the former Soviet republic of Georgia protested Wednesday against a pipeline for Caspian Sea oil, demanding compensation because it is being built near their land.

About 40 residents of Krtsansi, about 40 kilometers (25 miles) east of the capital Tbilisi, tried to enter a closed construction site for the Baku-Tbilisi-Ceyhan pipeline, and then blocked a road near the site after they were turned away by security forces, Deputy Interior Minister Irakly Kldiashvili said. Two women accused of organizing the protest were detained, Kldiashvili said on Rustavi-2 television. The protesters want to be compensated because the pipeline is being built near plots of land they have been given to grow vegetables and fruits. Villagers whose homes are close to the pipeline have received compensation. A consortium led by the British oil company BP is building the pipeline to bring oil from the inland Caspian Sea across Azerbaijan and Georgia to the Turkish Mediterranean port of Ceyhan. The 1,760-kilometer (1,090-mile) pipeline is seen as a key way of lessening the dependence of the United States and other Western countries on Middle East oil and reducing Russia's dominance of pipeline routes out of the former Soviet Union. (AP)

RUSSIA CONSIDERING INVESTING WITH IRAN IN TAJIK ENERGY SECTOR

9 June

Russia is ready to invest in Tajikistan's energy sector jointly with Iran, the head of Russia's

electricity grid said Wednesday. "We know that Tajikistan's neighbor, Iran, is interested in a number of projects, including the Sangtuda hydroelectric power station, and we are interested in joint analysis of the situation to see the possibility of joining the consortium," Anatoly Chubais, the head of Russia's Unified Energy Systems, said in the Tajik capital, Dushanbe. Chubais met Wednesday with President Emomali Rakhmonov and said the Tajik leader favored conducting a three-way meeting among Russia, Tajikistan and Iran on the energy issue. Tajikistan is a mountainous country with rich water resources, but it lacks investment capital to complete the construction of its largest energy projects _ the Rogun and Sangtuda hydroelectric power stations. Impoverished Tajikistan owes Russia US\$300 million. An assessment last month of the Sangtuda project estimated that up to US\$520 million was needed for its completion. (AP)

CHINA WORKERS DIE IN AFGHAN RAID 10 June

At least 11 Chinese construction workers have been killed in Afghanistan in an attack described by Beijing as a "brutal terrorist act". An Afghan national was also killed and several Chinese wounded. The attack took place in north-eastern Afghanistan, an area considered one of the safest in the country. No one has claimed responsibility for the incident. It is the second fatal attack on foreign workers in Afghanistan in a week. The killings took place when about 20 armed men attacked two tents in which the construction workers were sleeping, south of the city of Kunduz. Chinese officials say the dead men were part of a team of 100 Chinese nationals employed by the China Railway Construction Shisiju Group Corporation. The men most of whom came from the eastern Chinese province of Shandong - were employed building a road in the region. Many of the victims had barely been in Afghanistan for a week. The motive behind the attack - one of the bloodiest yet on foreigners in Afghanistan - is not clear. However, recent months have seen a steady rise in the targeting of foreigners by members of the deposed Taleban regime. Last week, three Europeans and two Afghans working for the Medecins sans Frontieres aid agency were ambushed and killed by gunmen in north-western Afghanistan, an area that was broadly regarded as safe from extremists. According to China's official Xinhua news agency, Chinese firms are involved in three major projects in Afghanistan - renovating a hospital in Kabul, rebuilding major road links and repairing Parwan's irrigation canals. China reopened its embassy in Kabul in 2002, after an interval of almost a decade during the heavy fighting between the Taleban and other factions. Northern Afghanistan is seen as one of the most stable areas of the country with about 200 German peacekeepers based in Kunduz. (BBC)

CHECHEN LEADER THREATENS MILITANTS' FAMILIES 10 June

Chechen First Deputy Prime Minister Ramzan Kadyrov told NTV television on 9 June that "we will punish" the relatives of Chechen resistance fighters and, if necessary, ask the Russian State Duma to enact legislation that would legalize such reprisals, Reuters reported. Kadyrov argued that those fighters "can kill our relatives, our fathers and brothers, but we cannot kill theirs." Reuters quoted unnamed observers as pointing out that any such legislation could in fact legalize the activities of Ramzan Kadyrov's personal security squad, which is widely believed to engage with impunity in the abduction, torture, and killing of Chechen civilians. (RFE/RL)

POLICE DEPLOYED TO GUARD GEORGIAN SECTION OF OIL-EXPORT PIPELINE 10 June

Some 20 police officers have been deployed in Krtsanisi, eastern Georgia, to protect the Baku-Tbilisi-Ceyhan oil-export pipeline currently under construction. On 9 June, police used force to disperse residents of Krtsanisi who blocked access to the construction site to demand compensation for plots of land across which the pipeline is to be routed. They also alleged that the subsidiary of British Petroleum that is building the pipeline violates safety norms, thus creating a potential ecological hazard. (Caucasus Press)

RUSSIA SAYS GEORGIA'S ACTIONS VIOLATE TSKHINVALI AGREEMENT 11 June

The Russian Foreign Ministry says that Georgia's actions do not fully comply with an agreement on checkpoints in the Georgian-Ossetian conflict region. "According to several reports, the Georgian side is not completely following the agreements reached on June 2 this year in Tskhinvali during a meeting of the chairmen of the Joint Monitoring Committee. The Georgian checkpoints, the presence of which was not approved by the Joint Monitoring Committee, are still present in the Georgian-Ossetian conflict zone," says a Foreign Ministry statement. "Moreover, the checkpoints are being expanded. New representatives of the Georgian security forces are arriving," the statement says. "These actions also go against the content of the joint statement of the Russian and Georgian Foreign Ministries, where both sides declared their support for the abovementioned agreements and the obligations that are placed upon each country as a result of existing agreements," it says. In relation to this, the Russian Foreign Ministry "insists that the agreements of June 2, 2004, be completely followed." (Interfax)

MOSCOW URGES CAUTION AMONG FOREIGNERS VISITING CAUCASUS

11 June

Moscow has called on foreign citizens to take security precautions when they visit the North Caucasus, Deputy Foreign Minister Sergei Razov said at a meeting with Slovakia's Ambassador Augustin Cisar on Friday. The Foreign Ministry said that Cisar "turned to the Russian authorities for assistance in searching for a Slovak national working for a Czech humanitarian organization who went missing on the way from Pyatigorsk to Ingushetia." "Razov assured [the ambassador] that all essential measures are being taken to find the possible whereabouts of the missing woman. During the conversation, the ambassador's attention was drawn to the necessity for foreign citizens to observe security precautions when visiting the region in question," the ministry said. (Interfax)

KAZAKH OPPOSITION PARTIES HOLD RALLY 12 June

Opposition parties Ak Zhol, Democratic Choice of Kazakhstan, and the Communist Party held an authorized rally in Almaty on 12 June that organizers said drew approximately 5,000 people. Ak Zhol initiated the demonstration, under the slogan of "Changes for a Dignified Life." "We call on the government and the authorities to have an open dialogue with us," Ak Zhol coChairman Bulat Abilov said. "We say that the time has come for negotiations.... We need open and honest dialogue." (Interfax-Kazakhstan)

RUSSIAN MILITARY DENY TRANSFER OF TROOPS TO SOUTH OSSETIA 12 June

The Russian Defense Ministry did not confirm that military hardware was brought to South Ossetia from Russia. "The Defense Ministry's press service does not confirm the information that weapons and military hardware have been transferred to Georgian territory from Russia," a Defense Ministry spokesman told Interfax on Saturday. As was reported earlier, Chairman of the Georgian parliamentary defense and national security committee Givi Targamadze told the press in Tbilisi on Saturday that about 150 vehicles carrying military personnel, weapons, and ammunition had entered South Ossetia from Russia overnight. "Military hardware, particularly several armored vehicles and anti- aircraft guns, were also brought to South Ossetia, and some of them were deployed to the area where the Russian peacekeeping forces are stationed," Targamadze said. Meanwhile, South Ossetian leader Eduard Kokoity categorically denied the reports on the transfer of military forces to the republic. "There has been no transfer or regrouping of troops," Kokoity said at a press conference at the Interfax main office on Saturday. "This was a humanitarian convoy, because South Ossetia has actually been blockaded for three months," he said. Aide to the commander of the 58th army of the Russian North Caucasus military district Lt. Col. Alexander Koval told Interfax on Saturday that food, fuel, spare parts for the maintenance of hardware, and also coal and firewood were sent to the Russian peacekeeping unit in South Ossetia "to ensure proper living conditions for them." (Interfax)

GEORGIAN OFFICIALS ACCUSE RUSSIA OF SENDING ARMOR TO SOUTH OSSETIA 12 June

Georgian parliament Defense and Security Committee Chairman Givi Targamadze and Prime Minister Zurab Zhvania both claimed on 12 June that Moscow dispatched a convoy of some 150 military vehicles transporting artillery, ammunition and 120 troops from North Ossetia to the breakaway Republic of South Ossetia during the night of 11-12 June. President Mikheil Saakashvili denounced that deployment on 12 June as an "unfriendly act" on Russia's part and said he plans to raise the issue with his Russian counterpart Vladimir Putin. Saakashvili denied that any Georgian military intervention in South Ossetia is planned, stressing that "we love the Ossetians and no one will prevent us from living together." Saakashvili also said that Tbilisi will pay compensation to Ossetians whose property was destroyed during the fighting in 1990-92. (Caucasus Press)

SIX FORMER OFFICIALS ARRESTED IN ADJARA 14 June

Police in Batumi detained four former senior Adjar officials on 11 June and two more on 13 June. Former parliament speaker Giorgi Tsintskhladze, former Customs Department Chairman Djumber Gogitidze, Batumi Customs Department head Amiran Makharadze, and Industry Minister Revaz Rusia were charged with abuse of office and large-scale embezzlement. Former Election Commission Chairman Ednar Shamilishvili was likewise charged with abuse of office, while former Tax Police head Tamaz Bladadze is accused of creating illegal armed units and using force to disperse demonstrators. (Caucasus Press)

ABKHAZIA HOPES FOR RUSSIAN PROTECTORATE 14 June

Valery Arshba, vice president of the self-proclaimed republic of Abkhazia, said he hopes for Abkhazia to be under the Russian protectorate. "As in 1810, we again want to be under the Russian protectorate so that Russia can help preserve the Abkhaz people and avoid war," Arshba told Interfax on Monday. Abkhazia's authorities met with a Russian State Duma delegation led by Rodina faction leader Dmitry Rogozin earlier today. Arshba accused the Georgian authorities of making moves that threaten Abkhazia's independence, and called on Duma deputies to accelerate the debate on Abkhazia's request for associated relations with Russia. "The plans Georgia's new leadership has against Abkhazia are very revanchist," he said. "We view Russia as guarantor of our independence and of the free development of our republic's political sector and economy," Arshba said. (Interfax)

FORMER ARMENIAN DEFENSE MINISTER RELEASED FROM DETENTION 14 June

Vagharshak Harutiunian was released late on 11 June following a plea on his behalf by Vladimir Pryakhin, the head of the OSCE Office in Yerevan, but the criminal charges against him have not been dropped, RFE/RL's Armenian Service reported. Harutiunian, a senior member of the Artarutiun opposition alliance, was one of a dozen oppositionists arrested in mid-April following the violent dispersal by police in Yerevan of participants in a peaceful demonstration calling for the resignation of President Robert Kocharian. Harutiunian was charged with seeking to overthrow the country's leadership, but Pryakhin said on 11 June the criminal case against him is "weak." Both Pryakhin and Harutiunian's lawyer, Robert Grigorian, said that prosecutors have not yet specified the precise nature of Harutiunian's alleged offenses. (RFE/RL)

WORLD BANK ANNOUNCES NEW LOANS FOR ARMENIA

14 June

At a meeting in Washington on 11 June, the board of directors of the World Bank agreed on a new four-year "countryassistance strategy" for Armenia that aims to ensure that the impoverished rural population shares in the benefits from the country's ongoing "strong economic performance," RFE/RL's Armenian Service reported on 12 June, quoting a statement released by the bank's Yerevan office. The new program comprises \$220 million in additional credit to improve the business climate, promote better governance, improve public services, and create new jobs, plus three additional separate infrastructure loans totaling \$31 million. (RFE/RL)

FIFTY DRUG TRAFFICKING ROUTES CUT OFF IN 2004

15 June

The Moscow office of the Russian federal drug control service

has managed to shut down 50 large drug trafficking routes since the beginning of 2004, head of the service Major Police General Alexei Chuvayev told Interfax. "The majority of drugs come from countries in Central Asia - Tajikistan, Kyrgyzstan and Kazakhstan. There are several ethnic groups that distribute these drugs in Moscow. The Tajik-Afghan group is the largest, the Azerbaijani group is second, and gypsies are third. Gypsies however, are not involved in large shipments of drug, they sell small portions," Chuvayev said. He said that the size of these groups varies from 500 to 1500 people, 90% of whom are in Moscow without registration. "The money made in drug sales is transferred abroad, and most of the money is laundered there," Chuvayev said. He said that there are about 30,000 registered drug addicts in Moscow, but according to experts' estimates, the actual number of drug users is between 150,000 and 500,000. Approximately 1 million residents of Moscow have tried drugs at least once. Chuvayev said there are currently approximately 100 nightclubs in Moscow where drugs are sold. "Drugs are sold by students, DJs, and employees of nightclubs," he said. "In 2004, the drug control service opened about 80 criminal cases on the sale of drugs in nightclubs," Chuvayev said. (Interfax)

RUSSIA'S PUTIN GIVES NOD TO MINISTER TO REPLACE SLAIN CHECHNYA LEADER 15 June

Russian President Vladimir Putin gave his tacit endorsement to Chechnya's interior minister to succeed the war-torn republic's slain leader as he received the career policeman at the Kremlin. His meeting with Putin took up nearly three quarters of the 5:00 pm (1300 GMT) news on the state-controlled Rossia channel, which showed it for seven minutes during a 10-minute broadcast. Alkhanov, a tall soft-spoken man with a neatlytrimmed moustache, has spent his adult life working in the interior ministry, which in Russia includes both combat soldiers and police. In the Caucasus republic, he is best known for leading a Chechen interior ministry unit which defended Grozny's rail station from rebels advancing on the capital in August 1996. His unit withdrew when it became clear that the separatists were going to take the capital, at the end of the first Russo-Chechen war. Observers in Chechnya say that the man often described as decent but lacklustre was chosen to head the ruined republic because of his unwavering loyalty to Kadyrov. The strongest hints that Alkhanov would be advanced for Chechnya's top post came last week when Kadyrov's powerful son Ramzan, who at 27 is too young to run for president, backed him. Many in Chechnya, including those in Kadyrov's entourage, say that Ramzan – who heads a thousands-strong presidential security force -- would likely wield the real power in Chechnya under an Alkhanov presidency. On Tuesday news reports said that five people from Ramzan Kadyrov's presidential service were killed in a clash with rebels near the southern village of Avtury. Eight people have announced their intention of standing in the August 29 presidential elections and Chechnya's election commission is expected to announce the official list of candidates by the end of July. (AFP)

CHECHEN INTERIOR MIN ISTER TAKES LEAVE FOR ELECTION CAMPAIGN 15 June

Chechen Interior Minister Alu Alkhanov has taken a leave of

absence to take part in the presidential election campaign in Chechnya and has asked Russian President Vladimir Putin to appoint Ruslan Alkhanov acting interior minister of Chechnya. Alu Alkhanov has characterized his successor as "a very reliable person, a former OMON special task police commander." Alu Alkhanov told Putin that representatives of many groups in Chechnya have asked him to run for the presidency. "People want the economic policy to continue, people want Kadyrov's cause to continue, people want further stabilization in society and in the republic," he said. He said he knows Chechnya and the cause that has been pursued there well enough to continue it. In response to Alkhanov's request to consider temporarily replacing him, Putin said Ruslan Alkhanov's candidacy will be discussed when Russian Interior Minister Rashid Nurgaliyev returns to Moscow from the meeting of CIS interior ministers currently underway in Chisinau. Putin also told Alu Alkhanov he is still responsible for creating a mechanism of public control over funds allocated for rebuilding Chechnya and compensation payments for lost housing. Putin added that Alu Alkhanov "has managed to bring order to the republic and at the same time care for the people." (Interfax)

KAZAKH NGOS DEMAND GREATER TRANSPARENCY IN OIL DEALS 15 June

Several non- government organizations in Kazakhstan have set up a coalition for public control over profits generated from oil deals. Representatives of the NGOs told a Monday news conference in Almaty they had adopted a declaration urging the government to join the Extractive Industrial Transparency Initiative. A spokesman for Soros-Kazakhstan, Anton Artemyev, said the initiative was announced by British Prime Minister Tony Blair in September 2002. The goal is to provide transparency of information on payments made by extraction companies and on government revenues in countries rich in natural resources, he said. "We are convinced that the problem described as 'the curse of resources' is rooted in the absence of proper transparency and due pubic control over decision-making on the distribution of revenues," he said. Giving his reasons for the initiative, Artemyev said that "the terms of the contracts the government has signed with extraction companies are closed even to parliament members." (Interfax-Kazakhstan)

ASIAN LEADERS TO COMBAT TERROR 16 June

The presidents of six countries stretching from Beijing to the Caspian Sea are meeting in Uzbekistan today to discuss their shared security concerns. The six, known as the Shanghai Cooperation Organisation, are China, Russia and four Central Asian states. Afghanistan and Mongolia will attend as guests. The focus of the summit will be the opening of a special centre set up to combat what the government has called terrorist groups. Armed police have been out on the streets of Tashkent since dawn, creating, they hope, a safe corridor for the presidents to travel into the city centre. They have blocked the main roads with army trucks and the city is at a virtual standstill. These extreme measures reflect the theme of the summit - the security of this wide range of nations spanning most of Asia. The Chinese have coined a special catchphrase: we must combat, they say, the three evils of terrorism, extremism and separatism. China's main concern is the Muslim Uighur people of Xinjiang in western China, many of whom resent the rule of Beijing, while the Uzbek authorities pitch their struggle against the antigovernment Islamic movement and the Russians against some Chechen groups. The summit will project all these and other dissenting peoples as somehow laced together, aspects to a global problem. To voice their common purpose, the Shanghai group is to open what it calls an anti-terrorism centre in Tashkent, where the various security forces will share information and strategies. But there are worries that some of the dissident voices have legitimate points of view that are being suppressed by powerful governments. There have been mass trials and executions of Uighur activists in China and human rights groups estimate that Uzbek jails contain perhaps 7,000 political prisoners. Police swept away a tiny demonstration against the summit. The protestors were trying to make the point that very few people in the Shanghai bloc have freedom of speech and assembly. (BBC)

