

Central Asia-Caucasus Analyst

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*Central Asia- Caucasus Institute
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THE CENTRAL ASIA-CAUCASUS ANALYST

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

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

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

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

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

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

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

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SOUTH OSSETIA: KGB BACKYARD IN THE CAUCASUS

Konstantin Preobrazhensky

South Ossetia has been exposed to an extensive KGB presence. Russia is, according to its friendship treaty with South Ossetia, entitled to deploy its Border Guards there. These are part of the KGB's successor, the FSB (the Federal Security Service). They will not only be guarding the South Ossetian border but are also intended to conduct espionage against Georgia. Such intelligence capacities would be quite sufficient for a small country. Beyond this, however, South Ossetia has established its own KGB and even its own Foreign Intelligence Service, staffed also with Russian personnel, but which provide Moscow with deniability

BACKGROUND: The Russian Border Guards are subordinated to the FSB, having maintained their own Intelligence Directorate. It is eligible to gather intelligence on Georgian territory, not only by visual monitoring, but also by recruiting its citizens.

The Intelligence Directorate of the Border Guards is part of the little-known FSB Intelligence Service. It is the third Russian intelligence service besides the SVR (Foreign Intelligence Service, formerly the First Chief Directorate of the KGB) and the GRU (the Chief Intelligence Directorate of the Russian Army). The FSB intelligence Service was organized in the early 1990s on the basis of the First Departments of the provincial directorates of the Soviet KGB. The First Departments were managing foreign intelligence mostly by recruiting foreigners visiting their regions. Nowadays, the FSB



Intelligence Service mainly targets the republics of the former Soviet Union.

Since breaking away from Georgia de facto in the early 1990s with Russian help, South Ossetia also established its own KGB (keeping this unreformed name), headed and run by Russian citizens.

Indeed, a number of South Ossetia's leaders have an explicit KGB background. Its current Prime Minister, Aslanbek Bulantsev, is an ethnic Ossetian but a citizen of Russia. He is a typical official of the Putin era: a former officer of the KGB Financial Department, who was appointed a minister. In 1986-2006, Bulantsev served as Head of the Financial Department of the KGB/FSB in the Russian republic of North Ossetia. South Ossetia's Defense Minister for many years, Vasily Lunev, used to be a military commissar in Perm Oblast, and the Secretary of South Ossetia's Security Council, Anatoly Barankevich, is a former deputy military commissar of Stavropol Krai and previously served in rebellious Chechnya. Neither is an ethnic Ossetian.

Barankevich served as a Deputy Head of the military commissariat of Chechnya during the war there.

Russian military commissariats are managing drafts in the Russian Army, but hold few similarities with U.S. Army recruitment centers. Firstly, the Russian military commissariats are sending conscripts not only to the Army, but also to the FSB and police. Secondly, Russian men are subject to a total military conscription. That is why the military commissariats possess a database of all Russian men and many women, which they are supposed to share with the FSB and police. The FSB can use military commissariats as a cover, for example when it plans secret home searches without a warrant and needs a key to open the door, it orders the local military commissariat to call the home owner for a medical

check. During this procedure, a KGB officer dressed in a white lab coat would steal a key from his pocket, mould and return it. The next day, in the absence of the homeowner, the FSB team would visit his house secretly.

During his time in Chechnya, Barankevich's main occupation was most probably to register all the male population of Chechnya to disclose terrorists and their family members, a task otherwise performed by the FSB. Barankevich could thus well have been covering for FSB searches on behalf of the military commissariat.

The advancement of former KGB financial department officers has received some attention since President Putin's ascendance to power. South Ossetian Prime Minister Bulantsev follows the example of Andrei Belyaminov, the Head of the Russian Federal Custom Service, which is notoriously corrupt. But in the KGB First Chief Directorate (Intelligence), he was only a cashier. Every month, he gave out monthly salaries to the intelligence officers, including the present author, who personally recalls standing in line to receive a stack of rubles from Belyaminov, sometimes at the side of Sergei Ivanov, the future Russian Defense Minister and Deputy Prime Minister. In the late 1980s, Belyaminov was posted at the KGB station in East Germany and made friends with Putin there, undoubtedly his path to promotion.

IMPLICATIONS: The fact that the South Ossetia counter-intelligence service, headed by Russian citizens, has been named in the Soviet manner as the KGB (and not the FSB like in contemporary Russia) merits attention. This is ironic, because the abbreviation KGB initially had a somewhat disparaging connotation. In 1954, Soviet leader Nikita Khrushchev deprived the powerful Ministry of State Security (MGB) of its ministerial status, and lowered it to the status of Committee: a term reserved for less important governmental bodies, such as the Committee for

Sports. This was intended as a punishment for its participation in the massive repressions under Stalin. But later, the KGB became notoriously known as the symbol of the Soviet era, and its originally humiliating implication has been forgotten. The abbreviation "KGB" has come to be pronounced with great respect in Putin's Russia. But this name cannot be used openly inside Russia, given the negative Soviet connotations, not least internationally. However, this does not apply to South Ossetia, where the acronym symbolizes the nostalgia for the USSR prevalent not only among the South Ossetian leadership but among the Russian officers tasked to administer the enclave.

In the Soviet period, the KGB managed both counter-intelligence and intelligence operations. But the KGB of South Ossetia is not allowed to manage espionage. In October 2008, following Russia's recognition, South Ossetia obtained its own Foreign Intelligence Service. Given that there has never been a single professional spy in this tiny provincial republic, it is obvious that this service will be manned by intelligence professionals coming from Russia. But given that the territory of Georgia is already covered by the FSB, the question of this agency's rationale remains unanswered. It appears likely that the "South Ossetian" foreign intelligence service has been created to spy on the American interests in Georgia, just as its "big brother", the Russian Foreign Intelligence Service, is spying on American interests all over the world. Crucially, the South Ossetian service will remain formally independent, indeed, in Russian parlance the service of an independent state. That will allow Moscow the ability to disclaim responsibility should its activities be uncovered.

Russian journalist Yulia Latynina has noted that "South Ossetia is not a territory, nor a country,

nor a regime. It is joint venture of siloviki generals and Ossetian bandits for making money in a conflict with Georgia." The promotion of a KGB financial specialist to the post of Prime Minister of South Ossetia in October 2008, in this context, could have two reasons. Firstly, his professional knowledge of the governmental financial system made him an expert in money-laundering. Secondly, his belonging to the privileged KGB elite could provide him with impunity.

CONCLUSIONS: South Ossetia is independent only on paper, and is now incorporated in Russia's budgetary system. 80% of its population are Russian citizens, and it is for all practical purposes a KGB-governed territory. It is run by an elite motivated by the revision of the borders redefined by the break-up of the USSR. Their nostalgia for the USSR has manifested itself not only in the invasion of Georgia in August 2008, but also in giving the South Ossetia security ministry the Soviet name, KGB. In Russia, the KGB has been involved not only in espionage but also in massive corruption. This Russian pattern of managing state affairs has been exported to South Ossetia. This dirt-poor territory is effectively being transformed into an arena of both anti-American espionage and money-laundering, managed simultaneously by one and the same organization: Putin's KGB.

AUTHOR'S BIO: Konstantin Preobrazhensky served in the KGB from 1976 to 1991, when he resigned from the service and began to work as an intelligence expert and columnist for the Moscow Times. He now lives in the United States. His latest book is *KGB/FSB's New Trojan Horse: Americans of Russian Descent*.

MOSCOW FACES TOUGH CHOICES REGARDING IRAN

Richard Weitz

International security experts warn that Iran is about to obtain sufficient enriched uranium through its indigenous nuclear program to be able to manufacture at least one nuclear weapon, giving it “nuclear breakout capability.” The Obama administration is now seeking to gain greater Russian assistance to avert such an outcome, offering the prospect of concessions regarding the planned deployments of U.S. missile defense in Europe in return. Yet, Moscow’s willingness and ability to “deliver” Iran is dubious.

BACKGROUND: Although the Obama administration is still finalizing its new approach toward Tehran, its members have already made clear their desire to negotiate directly with Iran on key issues of concern to both countries. These topics include Iraq, Afghanistan, other regional security issues in South Asia and the Middle East, and above all Iran’s nuclear program.

Russian officials have expressed support for the Obama administration’s efforts to improve relations with Tehran. Shortly after Obama’s inauguration on January 20, Russian Deputy Prime Minister Sergei Ivanov said Moscow would be prepared “to help establish direct dialogue” between Washington and Tehran. Ivanov explained that he hoped such discussions could help “resolve lingering questions about the Iranian nuclear program and other troublesome aspects of Iranian-US relations.” A few days later, Foreign Minister Sergei Lavrov said that, “We expect that the United States, considering the fresh approach that seems noticeable in regard to Iran, will be able to make a more effective contribution in resolving these questions than in recent years.”

Perhaps the most important benefit to Moscow from a relaxation of the American-Iranian confrontation would be a shelving of U.S. plans

to deploy missile defenses in Poland and the Czech Republic. Perhaps for this reason, President Obama sent a letter to President Medvedev pointing out the obvious connection between the two issues. Although denying news reports that he had offered an explicit quid pro quo – the United States would cancel the deployments if Russia would end the Iranian threat – he apparently made clear that if the threat of an Iranian nuclear attack against NATO countries or other U.S. allies ended, then so might the need for U.S. missile defenses in Europe. The President later explained that, “What I said in the letter was that obviously to the extent that we are lessening Iran’s commitment to nuclear weapons, then that reduces the pressure for or the need for a missile defense system.” Members of the Bush administration had also made this connection, offering in principle to delay activating the missile interceptors in Poland until Iran had demonstrated a capability to strike Europe with ballistic missiles.

Thus far, however, the Obama administration has not described Moscow as a possible mediator between Washington and Tehran. Rather, the new administration has characterized Russia as a possible partner with the United States and other countries in solving the problems arising from Iran’s nuclear

problem. Secretary of State Hillary Clinton, for instance, has said that the administration would use “smart diplomacy” to address “concerns regarding Iran's pursuit of nuclear weapons.” This effort would include “Russia as a cooperative partner because we intend to forge a more constructive relationship.”

Yet, the Obama administration seems ready to adopt a more confrontational policy than preferred by Russia. At her joint March 6 press conference in Geneva with Russian Foreign Minister Lavrov, Clinton said that the Obama administration was undertaking “a very broad-based policy review,” but she defined its task as to determine “potential steps that can be taken to try to dissuade or prevent Iran from acquiring nuclear weapons, work for the end of Iran’s support of terrorism directly and through proxies, like Hamas and Hezbollah.” Although Clinton encouraged Russia to offer suggestions regarding how best to achieve these goals, she added that, “Obviously, along with any new approaches are ones that we think are important to continue, namely sanctions, both unilateral and multilateral.”

Even before the Geneva meeting, an unnamed senior U.S. official said that Russia would actually have to take concrete actions that helped diminish the threat Iran might present to the United States and its allies for the new Obama administration to abandon the missile defenses planned for Poland and the Czech Republic. “It’s not that the Russians get to say, ‘We’ll try and therefore you have to suspend.’ It says the threat has to go away.” He described the purpose of Obama’s letter to Medvedev as “almost saying to them, put up or shut up.”

IMPLICATIONS: Although Russian officials have indicated that they share the goal of averting a nuclear-armed Iran, they object to using additional sanctions or other coercive

measures to alter Iran’s behavior, claiming these would be counterproductive and harden the Iranian regime against making further concessions regarding its nuclear weapons program. Instead, they call for enhanced dialogue between Washington and Tehran as other cooperative measures to moderate Iranian behavior. In addition, Russian policy makers reject the idea of linking Russian policy toward Iran to American concessions regarding missile defense. Instead, they want the United States and its Atlantic allies to agree to alter what they describe as their anti-Russian positions regarding missile defense, NATO enlargement, and European security in general in return for a relaxation of NATO-Russian tensions and Russian support for Western efforts to stabilize Afghanistan. Moscow’s resistance to linking progress on these issues to the Iranian nuclear question derives from Russia’s countervailing interests in Iran, especially a desire to remain the Islamic Republic’s most important foreign partner, recognition that Moscow’s leverage in Tehran is embarrassingly low, and the mistaken perception that the Obama administration will yield on many current Russian-American disputes without Moscow having to make major concessions.

Russian officials and commentators have tended to ignore or dismiss the notion that Russia should abandon its security ties with Iran to halt the U.S. missile deployments. When asked about the issue during a visit to Spain in early March, President Dmitry Medvedev replied that, while Moscow was interested in discussing Iran’s nuclear program and other security issues with Washington, “talk about some bargain or exchange” would be “counterproductive.” Medvedev added that he was awaiting specific proposals from the Obama administration on how to reshape U.S.

missile defense plans into a cooperative endeavor with Russia and other countries that would advance European security.

The opinions offered by RIA Novosti commentator Ilya Kramnik, if representative of the views of the Russian national security community, underscore the great difficulties any American effort to link missile defense concessions to Russia's policies towards Iran might encounter. Kramnik insists that "the two issues can and must be discussed between Russia and the U.S., but each in the framework of its range of problems. Iran, as part of the overall range of issues in the Middle East and Central Asia, and missile defense as part of the issues of European and world security." He argues that Moscow has no choice but to work with Tehran regarding such important regional security concerns as the Caspian Sea, Central Asia, Afghanistan, and Iraq. He also warns that, "by directly supporting the U.S., Russia risks to lose much of its political clout built up in recent years in the relations with the Middle East and Central Asian countries." Rather, Kramnik describes Moscow's task as inducing the United States to alter its own policies towards Iran and its neighbors so that they align more with Russia's regional objectives. In the case of the BMD systems in Poland and the Czech Republic, Kramnik argues that these cannot be separated from "the whole range of security issues in Europe." He includes in this category NATO expansion, the possible establishment of American military bases in the new alliance members, and the need to discuss restructuring the entire European security system in line with Medvedev's previously announced proposals. Finally, Kramnik advises the Kremlin that the recent financial crisis might compel the United States to abandon its

costly BMD programs unilaterally without any concessions by Russia.

CONCLUSIONS: The cross pressures affecting Russia's policies towards Iran also complicate Moscow's attitude towards the rest of Eurasia. On the one hand, Russian leaders want to secure Western assistance in curbing Islamist extremism and narcoterrorism in Afghanistan and containing their spread into neighboring states, including Russia. For this reason, Lavrov and Clinton both mentioned a desire for bilateral collaboration regarding Afghanistan in their joint press conference at Geneva. Yet, Russian policy makers are eager to limit NATO's influence in Eurasia as well as increase Moscow's leverage over the alliance. Russian policy makers have therefore encouraged their allies in Kyrgyzstan to reduce Western governments' access to the Manas Air Base at the same time that the Russian government has allowed the United States and other NATO countries to transship non-lethal goods through its territory in support of their military contingents in Afghanistan. Whereas American officials want Russia to adopt a harder line toward Iran in return for U.S. concessions on European missile defense, Russian policymakers expect that NATO's need for Moscow's support in Afghanistan will compel the alliance to yield to Russia on diverse Eurasian security issues.

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THE GROWING TRADE STAKES OF THE CHINESE-KYRGYZ-UZBEK RAILWAY PROJECT

Sébastien Peyrouse

For nearly fifteen years, the idea of building a railway line linking China to the Uzbek part of the Fergana Valley via Kyrgyz territory has run up against multiple problems, divergences of opinion, and technical difficulties. Since 2008, however, things seem to be taking a more positive shape, now that there has been a change of scale in the economic stakes: opening up the Uzbek market would facilitate a boom in trade with China, while Bishkek also hopes to hold off the competition coming from Kazakhstan and Tajikistan and to shore up its status as the foremost platform in Central Asia for the re-export of Chinese products.

BACKGROUND: This railway project was launched in 1996 by Tashkent, and a first tripartite commission met the following year. The Uzbek and Kyrgyz authorities were opposed to the route from the outset: the former wanted to open up Fergana by having the line go through the Irkeshtam border post in the south of Kyrgyzstan, while the latter wanted it to run through the Torugart pass. Such a line could potentially have been stretched as far as

Bishkek, enabling the capital to escape the quagmire in which it finds itself as regards Central Asian communication paths. In 2001, China and Kyrgyzstan seemed decided to give their preference to the northern route, while the Uzbeks made a show of their neutrality. After years of beating around the bush aggravated by bad relations between Tashkent and Bishkek, a compromise solution was formed around 2007. In a new meeting held in the summer of 2008,



the tripartite Commission in fact agreed to a 270 km, rather winding, route to start in Kashgar and extend to Torugart, the Naryn region, and then branch off through the Arpa valley and the Fergana mountains on the way to Uzgen and Karasuu in the Osh region, before finally reaching the Uzbek border to get to Andijan.

The difficulties are not slight, however. Apart from the installation of stations for changing wheels required because of the difference in track width between China and the former USSR, the route of the railway track is severely

mana offered by China by passing through as few intermediaries as possible. Since the authorities' implementation of drastic protectionist measures in 2002, the Uzbek population has lacked the basic goods they were used to get from Shymkent, the main centre of commercial redistribution between Kazakhstan and Uzbekistan.

Lastly, advantages are also multiple for Kyrgyzstan. First of all, the construction site itself will provide work for local populations and thereby help to curb, at least for a certain period, the large rural exodus of seasonal



mountainous, attaining a pass at an altitude as high as 3,600 m. In addition, nearly ten tunnels must be drilled and around twenty bridges built. This indicates the high cost of the project, which, at a minimum of US\$ 2 billion, will be mostly shouldered by China, especially given the state of Kyrgyzstan's finances. But for the three countries involved, the effort is worth the risk. Beijing wants very much to access the market of 25 million potential consumers that is represented by Uzbekistan. Tashkent's aim is to take greater advantage of the commercial

workers. Bishkek can also be pleased that it was able to block the version on the project that had it running through Irkeshtam: this latter path would only have crossed a very small section of Kyrgyz territory and would have heightened north-south tensions by giving to the Osh elites a matrix of economic development that the capital would have found difficult to oversee. Above all, the adopted route guarantees the bleakest regions of the country – that of Naryn and of Jalalabad – a possibility to open up. The railway will cross through mountainous zones

that have no other prospects for development than to become points of transit. Moreover, China has promised to invest in the iron and coal deposits situated along the route; and since the railway itself will reduce the costs of extraction, it ought to result in lower export prices.

IMPLICATIONS: The progress of negotiations depends on several developments. First of all, the growing competition between the three states bordering China for the control of Chinese products. Kazakhstan was discretely opposed to this railway project and has done everything in its power to improve its own network in order to maintain control over railway transit between China and Central Asia. The new route will rival an already existing one between Almaty and Urumqi that goes through the Dostyk/Alatau post, and which controls more than two-thirds of all China-Central Asian trade. The Kazakhstani authorities have planned to increase its passenger and freight traffic to a total transport capacity of 40 million tons per year and to implement simplified customs procedures to reduce transit time. Above all, the new line will provide more competition for a second railway line which is still under construction, and which is going to link Almaty and Urumqi, this time passing through Khorgos. When finished at the end of 2009, this line will run parallel to the existing highway with a maximum carrying capacity of 25 million tonnes per year.

However, despite Astana's resistance to the project, the Kyrgyz authorities held out. Trade with China, it ought to be noted, is actually this national economy's main source of revenues, which exceed those from gold extraction at the Kumtor mine. In 2007, more than 210,000 tons of commodities passed into Kyrgyzstan from China via Torugart and more than 240,000 via

Irkeshdam. Kyrgyzstan currently re-exports approximately 75 percent of the Chinese commodities that transit through its territory to other countries: chiefly Uzbekistan, Kazakhstan, Tajikistan, but also to Russia and Afghanistan. This trade has provided new employment opportunities for thousands of people living in border zones, but also for an entire generation of traders and service providers. The Kyrgyz authorities therefore hope that the railway line will enable them to attract some of the Kazakhstani traffic, but also that it will put them in a better position to withstand Tajikistan's unexpected competition. Indeed, since 2007 and the strengthening of Sino-Tajik cooperation, Dushanbe dreams of itself as the new *eldorado* of Chinese commodities. The Tajik authorities even hope to construct a railway section from either Andijan or Karasuu from which to link with their northern regional capital, Hojent.

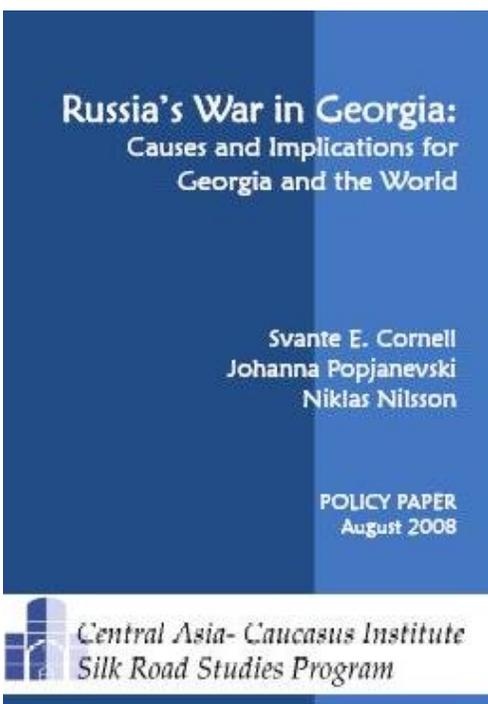
Tajikistan actually has one major geopolitical card up its sleeve that Kyrgyzstan does not: its proximity to Afghanistan. The Tajik authorities have therefore put a three-pronged, long-term strategy into place: first, to provide Chinese bazaars with better, more secure conditions for developing than those that currently exist in Kyrgyzstan, so that they can hive off some of the manna crossing through Irkeshdam; second, to become one of the transit points for products heading to Uzbekistan, in particular to the regions of Samarkand, Bukhara and Karshi; and third, to acquire special partnership status with China via the transformation of the country into the obligatory point of passage for Chinese commodities headed for the north of Afghanistan. Lastly, as far as Uzbekistan is concerned, it is hoping not only to be able to avoid being charged commissions for the transit

of commodities by the Kyrgyz businessmen, but also to develop ways to open the country up through routes avoiding Russia. This will enable a more effective distribution of its own industrial products, in particular cars constructed in the small village of Asaka near Andijan by the Daewoo Uzbek-South Korean joint venture.

CONCLUSIONS: The extremely rapid development of China's commercial presence in Central Asia opens new perspectives for even the least competitive of the Central Asian economies, namely those of Kyrgyzstan and Tajikistan. It gives the local authorities the opportunity to change the status quo: Bishkek and Dushanbe hope that by playing their Chinese cards they will be able to shatter the

regional ambitions of their greater Kazakh and Uzbek neighbors. Should the railway line successfully go ahead, it will not profoundly modify China-Russia or China-Europe trade flows, but will enable central and southern Kyrgyzstan, not to mention the Uzbek and Tajik parts of the overpopulated Fergana valley, to benefit a little from the "Chinese miracle".

AUTHOR'S BIO: Sebastien Peyrouse is a Senior Research Fellow with the Central Asia-Caucasus Institute & Silk Road Studies Program Joint Center. He is the author of *The Economic Aspects of the Chinese-Central-Asia Rapprochement* (*Silk Road Papers*, September 2007) and the author, co-author or editor of seven books on Central Asia (in French).



New Policy Paper:

Russia's War in Georgia

By Svante E. Cornell, Johanna Popjanevski, and Niklas Nilsson

This Policy Paper provides a detailed chronology of the time leading up to the war in Georgia, as well as to the war itself, while providing an analysis of its implications for Georgia and beyond.

The Paper can be downloaded free at www.silkroadstudies.org. Hardcopy requests should be addressed to Katarina Lesandric at caciz@jhu.edu.

NATO CONFRONTS ITS EURASIAN RIVALS

Stephen Blank

Even before its 60th birthday summit in Strasbourg on April 3-4, NATO must decide how it wishes to relate to its Eurasian rivals, the Collective Security Treaty Organization (CSTO) and the Shanghai Cooperation Organization (SCO). NATO Secretary-General Jaap de Hoop Scheffer has been invited to an SCO summit in Moscow that will discuss Afghanistan on March 27. At the same time, Moscow and its emissaries are incessantly importuning NATO to recognize the CSTO as a legitimate and viable security organization and deal with it accordingly. Thus, NATO must now confront the choice of answering these related summits.



BACKGROUND: These two organizations are hardly ordinary security providers. The CSTO is a Moscow-dominated defense organization that formally encompasses almost all the members of the CIS. Moscow has recently been pushing its development and has steadily been acquiring foreign military bases throughout the CIS at which these forces can be stationed or deployed. It contributes the bulk of the forces and the command and control of this organization, and it clearly dominates it. In the recent past, Moscow has assigned a division and a brigade to it, beefed up its power projection

capabilities and secured bases for its own and presumably CSTO forces throughout Central Asia. Moscow claims that these forces are as good as NATO's when it comes to defending against terrorism, although this is hardly likely to be the case given Moscow's own recent and unsparing remarks

about the quality of the Russian army, which it admitted was not fit for contemporary war despite its victory over Georgia in 2008.

But many questions surround the CSTO and call into doubt its utility for genuine combat missions. Its supreme command remains quite undefined. Indeed, we are told that it will be a secretariat, not a true military command organization. Second, its missions, at least formally, also remain undefined. Sources tell us it will not be used to quell domestic unrest among members and that it will be used against

foreign or terrorist threats. But it is clear that the Russian army, not to mention other member armies, is in no condition to fight insurgents. They certainly are not going into Afghanistan, and Belarus has already exempted its forces from foreign missions. So again it remains unclear exactly what those forces will do when deployed. While the CSTO leadership wants to cooperate with NATO against the drug trade, and this is certainly a worthy endeavor in principle, there is no public elaboration of how this cooperation would be accomplished and under what organizational formula. Absent any details, these calls for cooperation amount to mere propaganda, not serious military-political policy. Meanwhile, as the CSTO clearly is controlled and directed by Russia, it is likely to be used largely as an instrument of Russian policy.

Moreover, Russia's motives vis-à-vis NATO are quite transparent. Russia wants NATO to recognize this institution as a legitimate security provider because it is not ready to fully accept that Central Asian states can relate independently to NATO, and it wants to forestall and/or curtail their participation in NATO's Partnership for Peace or their bilateral military relations with the United States. It is a cardinal and fundamental point of Russian policy that no other foreign military be present in any form whatsoever in Central Asia or the Caucasus, whether it be naval, air, or land forces and, as the recent episode involving the U.S. air base at Manas confirms, Moscow is determined to oust America from the region even at the risk of obstructing effective military prosecution of the war against the Taliban.

IMPLICATIONS: Abundant evidence – such as Moscow's official statements that Central Asian states are not allowed to organize regionally without Russian participation –

testifies to Moscow's belief that the Central Asian states are not fully sovereign, and thus are incapable of effectively making their own defense decisions. Therefore, they will inevitably fall under the sway of one or another great power or bloc, and would be either pro-Russian or pro-Western but not independent if left to their own devices. Since Moscow defines pro-Western states as intrinsically hostile to it, clearly there is no alternative but to subsume these "independent" states under its leadership in a large military-political bloc of Russia's own. Consequently, Moscow wants the CSTO to be the intermediary between them and NATO so that NATO must go through Moscow for any substantive security discussions with Central Asia.

The idea that East and West are competing blocs that must be divided along lines of regional bipolarity is Moscow's real foreign policy objective, and that it is what it means by multipolarity. This idea is a fixture in Russian foreign policy thinking. This author first heard it in Moscow in 1996 when participants at the biennial conference of European security institutions postulated that the U.S. should head the West and interact with Russia who led the former Soviet union, a posture that was properly and bitterly rejected by both Western and Eastern analysts there. Again in 2006, Defense Minister Sergei Ivanov publicly advocated delimiting Eurasia between NATO and the Russian-sponsored Collective Security Treaty Organization (CSTO). At the December 1, 2006, meeting of the CIS and Baltic States Media Forum, Ivanov argued that "the next logical step on the path of reinforcing international security may be to develop a cooperation mechanism between NATO and the CSTO, followed by a clear division of spheres of responsibility. This approach offers

the prospect of enabling us to possess a sufficiently reliable and effective leverage for taking joint action in crisis situations in various regions of the world.” Not only is this a frank call for spheres of influence and for Russia to create a security system akin to a solar system in which smaller states revolve around Russia, it also returns us to the strategic bipolarity of the Cold War.

Russian efforts to have NATO bless the SCO are also contrary to NATO’s interests and values, as well as the interests of Central Asian states. Although the SCO has conducted large-scale anti-terrorist exercises for several years, it is Russia, rather than other members, who is most intent on converting it into a primarily defense-oriented organization. It also has tried to use the SCO to gain support for such insupportable initiatives like the recognition of Abkhazia and South Ossetia. Although Central Asian Governments value the SCO for its benefits allowing them to collaborate to impress their views upon Russia and China and for the benefits they receive from those two larger states, they have shown no inclination to convert the SCO into a fundamentally military organization as Russia apparently wants.

CONCLUSIONS: Under the circumstances, for NATO to sanction the SCO as a defense organization on a par with it when it has done nothing to contribute to the war effort in Afghanistan - and Russia has, on the contrary, striven to hamper it - makes little sense. For NATO to decide to approve the SCO or the CSTO as legitimate defenders of Central Asia on a par with it in view of Russia’s contempt for Central Asian sovereignty and obstructive demands concerning cooperation with NATO

in Afghanistan, would not only prevent NATO and the Central Asian states from working together according to their own calculations, but it would also be a serious mistake. Such a decision would only subordinate the necessity of genuine cooperation against the Taliban to the requirements of Russia’s overall political agenda that is decidedly out of sync with the deepest and most vital interests of Central Asian states.

Thus it is clear that Russia, for all its opposition to the Taliban, is not prepared to subordinate its interests to the common threat. Indeed, in view of its earlier hints of a desire for a sphere of influence in Afghanistan, it is by no means clear if it is really committed to the serious conduct of the war that is necessary to defeat the Taliban threat. Neither can NATO legitimately accept the CSTO and SCO as authoritative security providers without denying the sovereign right of Central Asian states to make their own defense arrangements as they see fit. That is a clearly unacceptable position. While the severity and the urgency of the Afghan crisis is obvious to all; there are several good reasons why it would be a mistake to attend the SCO meeting and to recognize the CSTO. These are no ordinary security organizations.

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FIELD REPORTS

NATO CONSIDERS ALTERNATIVE SUPPLY ROUTES FOR AFGHANISTAN

Marianna Gurtovnik

Kyrgyzstan's decision on February 20 to shut down the Manas airbase left the NATO coalition scrambling to find alternative routes to deliver supplies and fuel to its forces in Afghanistan. The closure of the airbase—scheduled for late August 2009—comes at a critical point in NATO's operations in Afghanistan. In February, President Obama pledged to boost the level of the U.S. troops there from slightly over 30,000 to 47,000 by the end of the year.

Built by American engineers in December 2001, the airbase, located at the Manas international airport, has been crucial for NATO's International Security Assistance Force (ISAF) fighting the Taliban in Afghanistan. It gained added prominence after 2005, when Uzbekistan closed an airbase used by ISAF and, most recently, after the Taliban stepped up the raids on NATO logistic terminals near the Afghan-Pakistani border. According to the Afghan Press agency, last December alone, Taliban insurgents torched over 300 containers and trucks in Peshawar, Pakistan, containing food and oil for ISAF. The total damage to NATO was estimated at billions of dollars.

Kyrgyz President Kurmanbek Bakiyev, cited Washington's unwillingness to increase the rent payment as a primary reason for his government's decision to close the base at Manas. He also noted lingering public discontent with the unresolved case of a Kyrgyz truck driver shot and killed by an American serviceman in 2006.

Ironically, there may be an upside to NATO's setback in Kyrgyzstan as the alliance's leadership

began considering alternative supply routes available in Central Asia and beyond. More options may mean greater flexibility, less dependence on political moods in each particular country and, ultimately, higher effectiveness of NATO's anti-Taliban operations.

Some of the suggested transit nations, such as Iran, appear untenable due to the political controversy involved. Others, including NATO's Baltic members Latvia and Estonia, are eager to help but may involve complex logistics due to their distance from the battlefield. Yet other options, such as those involving Russia, may require political fine-tuning in Washington. At the NATO summit in Bucharest, Romania in April 2008, Russia's permanent representative to the alliance, Dmitri Rogozin, offered to have American non-military equipment and non-lethal supplies flown over Russian territory. (Russia already provides this service for German and French troops stationed in Afghanistan.) In an interview with the Moscow daily, *Kommersant*, on December 3, 2008, Rogozin noted that NATO's six-month negotiations with Uzbekistan and Kazakhstan were successfully completed the day before, and the so-called "northern route" involving the three countries could become operational in early 2009. Kazakh and Uzbek authorities have also reportedly agreed to provide railway transportation through their territories.

The Russian offer is viewed with suspicion in Washington given Moscow's regional ambitions. Pro-western analysts in both Russia and Kyrgyzstan blamed Moscow for invoking financial aid to the

Kyrgyz government to pressure it into closing the base. The Kremlin has denied any connection to the decision on Manas, although it has repeatedly voiced concern about NATO's growing influence in ex-Soviet republics. Russia continues to maintain what it calls a "permanent" military base at Kant, Kyrgyzstan, as part of Russia's Collective Security Treaty with Kyrgyzstan and five other CIS nations. The base underwent significant infrastructural improvements and was reinforced with more advanced military equipment between 2006 and 2008.

Likewise, Washington's past record with President Karimov of Uzbekistan has been spotty. On February 17, Karimov met with the Commander of the U.S. Central Command, General David Petraeus, during the latter's scarcely covered visit to Uzbekistan. IWPR speculates that Petraeus might have sought Karimov's permission for the American ISAF contingent to use the Termez airport in southern Uzbekistan, currently utilized by German troops en route to Afghanistan.

Karimov may now be willing to accommodate the U.S. for a hefty compensation but his promises should be taken with a grain of salt. In 2005, the Uzbek leader evicted American forces from the airbase in Karshi-Khanabad following the State Department's criticism of Karimov's brutal suppression of riots in Andijan. Future military cooperation with Karimov's regime, if it occurs, will require careful diplomacy on Washington's part, and discussions about human rights abuses are likely to jeopardize such cooperation once again. Washington may have to offer Uzbekistan some carefully crafted economic and political incentives to push it to improve its human rights practices.

Another route currently contemplated at NATO circumvents Russia entirely and is valued for that very reason. It originates at the Georgian Black Sea ports with subsequent ground transportation across

Azerbaijan to the Caspian Sea and, over Turkmenistan's border, into Afghanistan.

Interestingly, Russian officials may already be positioning themselves to influence the negotiations between the North Atlantic alliance and Azerbaijan. On February 26, Baku was visited by the chief of Russian President's administration, Sergey Naryshkin who, among his other functions, is in charge of enhancing economic ties between the two countries. The Azerbaijani news agency AzerTaj also reported on February 26 that Russian foreign minister Sergey Lavrov would make a trip to Baku on March 11-12 to discuss a broad range of unspecified regional issues. Considering the importance Russia attaches to the security of its southernmost frontiers, Azerbaijan's possible role alongside the NATO troops in fighting Taliban narco-trafficking, religious extremism and terrorism is likely to be discussed.

Analysts speculate that, outside the Central Asia region, the U.S. may approach Turkey where the NATO forces have maintained the Incirlik airbase near the Mediterranean Sea since 1954. In 2001-2003, NATO used Incirlik as a main hub to refuel aircraft and transport troops and humanitarian relief during the early stages of Operation Enduring Freedom in Afghanistan.

Each of these routes raises a plethora of logistical, security, and political issues. As negotiations with potential host and transit countries are quietly underway, it is not easy to predict which options NATO will ultimately pursue, as most of them will entail tough decisions and political maneuvering on all sides. Washington and NATO, specifically, will need to give a renewed thought to the pros and cons and the gives and takes of a military cooperation with the nations of this volatile region.

SWAT DEAL IN PAKISTAN CONCEALS VICTORY FOR ISLAMIC RADICALISM

Roman Muzalevsky

Following a conflict between militants and the Pakistani Army, the authorities struck an agreement on February 16 with Maulana Sufi Muhammad, reportedly a non-violent leader, to introduce Sharia law in the Swat Valley pending an end of fighting by the militants. Muhammad is expected to convince Maulana Fazlullah, his son-in-law and leader of the militants terrorizing local secular officials, to lay down their arms. The deal will reportedly lead to more speedy Sharia-based justice, a ban on movies and education for women, and above all, peace and stability.

Ever after the secular Awami National Party won the 2007 elections in the valley, it has been losing ground to the local militants who continuously destroyed property and assassinated politicians. 300,000 people fled their homes since then from the area that has been the battleground for 12,000 Pakistani troops and 3,000 militants for more than a year. The conflict resulted in 1,200 casualties and the destruction of 181 schools, with overall damage to property estimated at 3 billion Rupees.

The Swat Deal underlines the limitations of Asif Ali Zardari's Pakistan in providing a viable alternative of political development, undermining the state's legitimacy and capacity to govern as it fails to provide basic security needs and justice to its people. That Sharia principles have already been present in the valley since 1994 should not, therefore, come as a surprise. It was Muhammad himself who introduced them in the 1990s; he also later fought U.S. forces in Afghanistan.

The U.S. Predator strikes further complicate the picture: while aiding the faltering Pakistani counter-insurgency strategy to restore order within its own borders, the attacks also undermine public support for the fight against jihadism and radicalism. The government believes the deal will help ostracize jihadists from local militants and gain public

support, something U.S. General Petraeus is considered to have successfully accomplished in Iraq. Fawaz Gerges, a Sarah Lawrence College scholar, insists, however, that "we are still unwilling to make the distinction." David Kilcullen, a counterinsurgency expert, sheds more light on the complexity: "...tribal leaders and Afghan government officials... [say] that 90% of the people we call the Taliban are actually tribal fighters or Pashtun nationalists."

Experts fear the agreement may embolden the militants to push for similar deals elsewhere. Responding to how the militants secured control in the area, President Zardari replied: "...it's happened out of denial. Everybody was in denial that they're weak and they won't be able to take over..." The US White House spokesman, Tommy Vietor, issued a statement saying: "We have seen the press reports and are in touch with the government of Pakistan about the ongoing situation in Swat." Richard C. Holbrooke, the U.S. envoy to the region, stressed that Pakistan, India, and the U.S. faced an "enemy which poses direct threats to our leadership, our capitals, and our people." Following the army withdrawal, the created vacuum can enable Taliban elements, increasingly pushed into Pakistan by the U.S. operations, to undermine NATO supply routes into Afghanistan.

A professor at Bahria University, Khadim Hussain, believes the truce arrangement signifies the government's capitulation as the militants now "are running a parallel state." In 2008, the Government concluded a similar agreement with militants who then regrouped and reasserted themselves, says Major General Athar Abbas, who nevertheless expressed optimism with the recent deal. Sherry Rehman, Information Minister, is adamant that the deal is "in no way a sign of the state's weakness," assuring that the President will implement Sharia law only "after the restoration of peace in the

region." The government claims the militants are not the Taliban harboring al-Qaeda and that the Sharia system will have "nothing in common" with the formerly Taliban-imposed rule in Afghanistan. "The people of Swat have made it very clear that they want Sharia law as they believe it would make their area peaceful and facilitate quick and affordable delivery of justice," said journalist Rahimullah Yousafzai.

"When Sharia is implemented, there will be peace, not only in Malakand but all over the world," vouched local Sharia movement member Mohammed Iqbal after the agreement. Most likely, he was hinting at such a deal with the rest of the world. But not all are equally relieved with the

arrangement or the prospects, even on the ground: "Every Friday, the Taliban hold summary trials after which they not only pass judgments but also carry out whippings and death sentences," shopkeeper Muhammad Abdullah retells life with the militants. Human rights groups are still concerned that parallel justice practices will lead to social polarization and negatively impact civil society. Moreover, the militants still occupy strategic positions and employ terrorism, with killings and kidnappings continuing in the region.

The Swat deal, controversial as it is, has certainly played into the hands of Islamic militants and radicals in Pakistan.

KYRGYZSTAN'S NEW TAX CODE: A MIXED BLESSING?

Anvar Rahmetov

On October 20, 2008, Kyrgyz President Kurmanbek Bakiyev approved the Tax Code to become effective the following year. The new document was certainly a necessary and long-awaited piece of legislation. Businesses, social organizations and economists were said to have participated in the drafting, alongside public officials. Coupled with declarations of efforts aimed at placing the country within the top 50 of the World Bank's list of countries in which to "Do Business", the Tax Code is expected to radically simplify the running of businesses in Kyrgyzstan.

The resulting piece caused mixed reactions in society, with opponents of the legislative act being much more vocal in their criticism of the new regulations.

Officials and fiscal experts have been quick to highlight the "progressive" changes brought by the new version. One such change is a two-fold decrease in the number of taxes, from 16 to 8. Another is a significant cut in the value-added tax (from 20% to 12%), making it the lowest in Central Asia. A three-year tax break for companies processing local

agricultural goods, a tax deduction for employee training expenses, and a system for simplified reporting and payment procedures, including electronic submission of tax reports, are also introduced.

Notwithstanding apparent gains, the document has a number of vital shortcomings very unwelcome in a business community struck by the financial crisis in their main export destinations - Russia and Kazakhstan. Among the biggest blunders are a return of formal bookkeeping and a steep increase in permit ("patent") costs for the smallest businesses. Larger businesses in their turn are hit by the introduction of real estate and land taxes, while companies in the free economic zones are stripped off tax privileges.

The majority of the business community has responded negatively, connecting the new Code with higher taxes and complaining of the untimely nature of the changes. Higher taxes for local businesses might mean higher product prices and job cuts.

Most of the criticism of the new regulations comes from small enterprises. A number of business activities, which used to be managed within the so-called “patent” system, will now be excluded and patent costs for the remaining businesses will increase several times. Businesses run under the patent system were freed from bookkeeping and cash-registering and paid a single lump-sum tax instead of income and sales taxes.

The patent system was very successful with individual entrepreneurs who would gladly pay reasonable amounts for patents and run their businesses legally. On the other hand, they were also a way for bigger businesses to avoid paying “fair” taxes. For examples, all Bishkek casinos operated under the patent system, which means they had to pay “patent” taxes far incommensurable with the profits they were reaping. Since no bookkeeping was required under the patent system, officials did not know the real income of such businesses.

“Patenting” businesses also made it impossible to collect value-added taxes (VAT). VAT is one of the most burdensome taxes for Kyrgyz entrepreneurs. The government has set an annual income threshold of approximately US\$100,000 for VAT payers – all firms receiving less than the threshold amount were VAT-exempt. Under the patent system, it was impossible to determine which firms had to pay VAT and this, according to official statement by the Government, caused considerable losses for the state budget.

While small businesses have been unambiguous in their attitude towards the Code, big companies haven’t stated their position clearly. A. Mokenov,

Deputy Minister for Industry and Trade, declared that big businesses accept the new Code, while the Deputy Director of the Bishkek Free Economic Zone, B. Saliev, has criticized the new regulations for incompatibility with the concept of a free economic zone and for undermining the investment climate in the country.

The situation would certainly be less absurd if it were not for the widespread corruption in Kyrgyz public administration, including tax inspectorates, and a gross tendency of businesses towards working in the “shadow.” The risk is that most businesses might just go underground, concealing their incomes or the entire existence of their businesses. Another troublesome, but very probable scenario is that tax inspectors would come out gross beneficiaries of the change: with taxes increasing, so do their bribes, with money going into the pockets of unscrupulous inspectors and not into the treasury.

The executive so far has admitted that several articles of the Code are to be amended. On February 25 President Bakiyev ordered the Government to review the three most controversial innovations brought by the Code: property tax, sales tax and patent system. The earliest occasion for amending unsustainable articles would be the end of April. The President and the Prime Minister seem to agree that the document should be around for at least one quarter before any changes are discussed. Businesses, on their part, fear that the necessary momentum might be lost by then, and that current delays will lead to huge losses to firms and the “formal” economy.

UNOMIG PROLONGED – BUT WILL IT BE EFFECTIVE?

Przemyslaw Ozierski

On 13 February 2009, the UN Security Council adopted Resolution 1866 (2009) on extending the mandate of the United Nations Observer Mission in Georgia for a new period terminating on 15 June 2009. The document recalled previous resolutions on this issue from April and October 2008. The four-month extension period accentuated the provisional character of the mission; before the August war, the mission was renewed in six-month cycles. While the shortened period and the discussions held on the eve of expiration are not allowing for long-term period planning, keeping UNOMIG in Abkhazia can still be considered a success.

Obviously, the mission helps to maintain the conflict on the international community's agenda. It must be remembered that UNOMIG is the only mission that is allowed to function inside the borders of the internationally unrecognized Republic of Abkhazia and is, from a humanitarian perspective, playing role of a watchdog. The presence of military observers is helping to provide security for the local Georgian population, which would be even more vulnerable without UNOMIG's eyes on the ground, while also reducing tension between the conflicting sides.

UNOMIG was originally established in August 1993 to monitor the July 1993 ceasefire agreement between the Government of Georgia and the Abkhaz authorities. However, after fighting resumed, the Mission was given an interim mandate. The actual shape of the Mission is based on the Agreement on Ceasefire and Separation of Forces signed in Moscow on 14 May 1994. The February mandate reduplicates these commitments.

In accordance with the mandate, the Mission is going to monitor the 12-kilometer security zone and the 12-kilometer restricted weapons zone (RWZ) on both sides of the administrative borders. Heavy military equipment like artillery, tanks and armored transport vehicles are not allowed in the RWZ, however, the zones really only exist on paper

because they are not respected by the Abkhazian and Russian forces. In August, Russia brought heavy weaponry into the area and is maintaining a strong presence there. Respect for the zones is thus dependent on Russia's goodwill.

Another issue is the status of Russian soldiers in Abkhazia. The Moscow Agreement allowed for deploying the Collective Peace Keeping Forces (CPKF) of the Commonwealth of Independent States in the area. The CPKF in Abkhazia were always purely Russian, and all tasks performed by Russian peacekeepers were undertaken under the authority of this organization. In line with its mandate, UNOMIG was closely cooperating with the CIS peacekeeping forces and recognized these as a legitimate partner. However, even before the August war, the mandate of the Russian peacekeepers was disputable. In October 2005, the Georgian Parliament passed a resolution calling Russian peacekeepers to operate in line with their mandate and international standards. Tbilisi asked Moscow to demonstrate such an approach by June 2006. However, in the beginning of 2006, in spite of Georgian protests, Russia decided to keep Sergey Chaban as commander of the CPKF. On 18 July, the Georgian Parliament passed a resolution on the withdrawal of Russian forces from Abkhazia (as well as from South Ossetia). On 25 July, Tbilisi sent troops to Abkhazia's Kodori Gorge and established an alternative Abkhaz administration there, severely complicating the dialogue between the CPKF and UNOMIG. Finally, in October 2007 Georgia withdrew its support for the PKF mandate and then withdrew from the CIS after the August war.

August 2009 was a turning point for the status of the Russian forces in Abkhazia. After the invasion, the Kremlin has sought acceptance for the Russian military presence and a change of UNOMIG's status in order to bring about international recognition of Abkhazia. In every previous

resolution on UNOMIG's extension, the UN Security Council (UNSC) has praised the role of the CPKF. This has become the price for avoiding a veto on UNOMIG and a legitimization of the Russian peacekeeping mission. However, in October 2008, the UNSC passed a resolution on extending UNOMIG without legitimating the Russian presence in the area. In the same month the CIS Council of Foreign Ministers took a formal decision on the termination of the CPKF in Abkhazia. Russian troops in Abkhazia are thus no longer present there as peacekeepers. Kremlin officials stated that the armed forces of the Russian Federation are stationed in Abkhazia on the basis of an agreement with the Russian-recognized Abkhaz authorities.

Without the presence of the CPKF, UNOMIG lost its legitimate cooperation partner. The CPKF HQ

in Sukhumi was closed down, and formal communication with Russian forces became impossible. A chance to overcome the problem came with the Geneva talks. The visible result of the talks is an agreement on a joint incident prevention and response mechanism. If all parties agree on detailed terms of such cooperation, such a mechanism could be established within the next two months. The participants of the Geneva talks also agreed on the need to establish a working communication platform. Agreements made in Geneva gave UNOMIG a chance to establish formal communications on the ground with the Russian forces. If both the mechanism and the line are established, chances for respecting the ceasefire in the area will be improved.

NEWS DIGEST

THREE BRITISH TROOPS KILLED IN SOUTH AFGHANISTAN

26 February

An explosion killed three British soldiers in Afghanistan's southern Helmand Province, a spokesman for NATO-led forces has said, where U.S. troops are due to be sent to try to turn the tide against Taliban insurgents. President Barack Obama last week ordered 17,000 more U.S. troops to southern Afghanistan and many of them will be sent to Helmand, the world's biggest opium-producing region, where British troops clashes daily with Taliban insurgents. The blast happened while the troops were on an escort operation in the Girishk district of Helmand Province on February 25, the British Defense Ministry said. A helicopter was called in to evacuate the soldiers, but a doctor pronounced the men dead on the helicopter before they could reach hospital. Military commanders predict violence will rise further from last year's record levels as the extra U.S. troops enter the south and attempt to clear insurgent strongholds. (Reuters)

AFGHANS PROTEST AGAINST FOREIGN TROOPS, SIX HURT

27 February

Six people were hurt when Afghan police opened fire on demonstrators who claimed U.S. troops had desecrated a Koran during a raid on a mosque. The incident took place in Deh Khodaidad village in Ghazni, southwest of the capital, Kabul. Police said a government team had been sent to investigate claims that foreign troops had raided the mosque, rounded up worshippers, and tore apart copies of the Koran on the night of February 26. A spokesman for the U.S. military said he was aware of a "peaceful protest." Afghan police said any injuries had been caused by "saboteurs" in the crowd. Afghanistan has seen a series of violent protests in recent years over reports of insults to Islam. More than 74,000 foreign troops operate under NATO and U.S. military's command in Afghanistan, fighting the Al-Qaeda-backed Taliban. (Reuters)

GEORGIAN REBEL REGION DENIES EXPELLING VILLAGERS

27 February

Georgia has said separatist forces in the Russian-backed breakaway region of Abkhazia had expelled dozens of Georgian families overnight, but the Abkhaz authorities dismissed the accusation. The Georgian Interior Ministry said around 50 families were forced from the village of Otobaia by Abkhaz forces searching for a resident of the village. "They went house-to-house and told them to leave and not to come back until they hand him over," Interior Ministry spokesman Shota Utiashvili said. Otobaia lies in Abkhazia's eastern Gali region, home to a large ethnic-Georgian community that complains of discrimination. Tensions over Georgia's breakaway, pro-Russian regions erupted in a five-day war last August in which Russian forces smashed a Georgian assault on another rebel province, South Ossetia. Russia has recognized Abkhazia and South Ossetia as independent states, and has thousands of troops in both regions. Utiashvili said the Georgian villagers had crossed the de facto border from Abkhazia and were unsure when they would be able to return. He said the man being searched for was in hospital in Georgia after being shot by Abkhaz forces. Asked about the accusations, the Abkhaz government's Gali representative Ruslan Kishmaria told Reuters: "It's rubbish. Nothing happened there." Unarmed European Union observers are monitoring a fragile cease-fire, but are denied access to both rebel regions. A spokeswoman for the mission said monitors were checking the reports. The Georgian Interior Ministry also accused Russian forces of sending heavy armor to the Gali region. Russia's Interfax news agency quoted an Abkhaz security official as saying a regular rotation of Russian forces was under way near the boundary line. (Reuters)

TAJIK OFFICERS KILLED ON BORDER WITH AFGHANISTAN

2 March

Two Tajik antidrug officers have been killed and three Tajik border guards injured near the Tajik-Afghan border. Local officials told RFE/RL's Tajik Service

that some 30 gunmen attacked the border crossing at Sari Ghor in the Dashti Jam area of the southern Khatlon Province bordering Afghanistan on the night of February 27, killing the officers and injuring the Tajik border guards. Officials say the murders may have been a retribution attack by drug smugglers. Tajik border guards killed six Afghan drug smugglers and confiscated a large amount of drugs several weeks ago. But local officials said they have no idea who the attackers were because they left nothing behind and returned to Afghan side of the border. (RFE/RL)

TAJIK DCA RELEASES REPORT ON DRUG CAMPAIGN

3 March

The Tajikistan Drug Control Agency is being praised for its release Tuesday of a report on efforts to combat the illicit trafficking of narcotics. Gen. Rustam Nazarov, head of the Tajik Drug Control Agency, released the report Tuesday detailing the ongoing campaign targeting transnational criminal groups trafficking drugs in Central Asia and the cooperation between Tajikistan and Afghanistan. The head of the Organization for Security and Cooperation in Europe's Tajikistan office, Ambassador Vladimir Pryakhin, praised the report and called Tajikistan's efforts to target illicit drug-trafficking networks in Central Asia critical for the region, the OSCE reported. "The OSCE office in Tajikistan has repeatedly emphasized the importance of cooperation to combat the security challenges posed by the illegal drug trade," Pryakhin said in a statement. "We must make every effort in activities aimed at enhancing cooperation and intelligence-sharing in fighting illicit drug trafficking." (UPI)

ENERGY A FOCUS OF ECONOMIC COOPERATION ORGANIZATION MEETING IN IRAN

4 March

The Tehran meetings of the Economic Cooperation Organization represent a critical mass of decision makers, and as the development of the region's energy potential tops the meetings' agendas, the discussion on the Caspian seabed undoubtedly will be, to use diplomatic parlance, "frank and candid." Summit organizers nonetheless already are informing the media that the ECO sessions are expected to conclude by passing a "Tehran Declaration" delineating the progress achieved by the organization in various areas and enumerating potential future projects. Whether the Tehran Declaration will embody some genuine accomplishments or represent simply another photo-op at this point remains to be seen. The ECO was founded in 1985 by Iran, Pakistan and Turkey to

promote economic, technical and cultural cooperation. Since then the ECO has grown to 10 members, as Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan joined the organization in 1992. The ECO is notable for the fact that all its member states are Muslim nations. The states range from major energy exporters Azerbaijan, Iran and Kazakhstan through the rising natural gas states of Turkmenistan and Uzbekistan to the consumer states of Afghanistan, Kyrgyzstan, Pakistan, Tajikistan and Turkey. Religious solidarity aside, the economic disparity between the energy "haves" and "have nots" ranges from Kazakhstan and Azerbaijan, whose economies have flourished on a rising tide of petrodollars, to Afghanistan, still enmeshed in civil war after 30 years of conflict. Significant tensions exist beneath the veneer of cordiality, including rising energy rates from the former Soviet republics causing friction with their neighbors, varying approaches on foreign investment, and squabbles over transit routes and rights between producers and consumers. The global economic recession has affected all industries, including energy. Western hopes remain high, however, for staying a major player in the Caspian basin, the most intensively developed hydrocarbon region since the 1991 collapse of the Soviet Union, which unexpectedly opened the area to foreign development. (UPI)

AZERBAIJAN'S SOCAR BOOSTS OIL PRODUCT EXPORTS 19% IN JAN-FEB

4 March

The State Oil Company of the Azerbaijani Republic (SOCAR) exported 401,499 tonnes of petroleum products to world markets in January-February 2009, up 18.9% from the first two months of 2008, the company told Interfax. SOCAR exported 283,336 tonnes of diesel fuel in January-February, 33,609 tonnes of gasoline, 83,972 tonnes of jet fuel and 582 tonnes of fuel oil. The company exported 210,082 tonnes of petroleum products in February, including 17,703 tonnes of gasoline, 154,574 tonnes of diesel, 37,223 tonnes of jet fuel and 582 tonnes of fuel oil. SOCAR reduced petroleum product exports 10.8% to 2.581 million tonnes in 2008. Azerbaijan's two oil refineries, Azorneftiyag and Baku Oil Refinery, have capacity to refine 22 million tonnes of oil per year. Both are owned by SOCAR. (Interfax)

CHECHNYA TO DECLARE BIRTHDAY OF PROPHET MUHAMMAD HOLIDAY

4 March

Chechnya has completed preparations for large-scale celebrations of the Prophet Muhammad birthday due on March 8 - 9, the 12 day of Rabi al-awwal, the third

month of the Islamic calendar, the Chechen presidential press service told Interfax. "The organization committee approved the final schedule of preparations for the Prophet Muhammad birthday. Chechnya's Council of Alims scrutinized the schedule and backed it," the press service said. Grozny will see a many-thousand youth march symbolizing the unity of the Chechen people on the day. Chechen students will march from People's Friendship square to the central mosque, while Madrasah pupils will march there from the opposite direction, Minutka square, it said. The central mosque will then see a service at which famous theologians from other regions of the Southern Federal District will deliver sermons. Fifteen minutes before the morning prayer Grozny and other Chechen cities will enjoy festive fireworks, it said. The Prophet Muhammad birthday will be decreed a day-off, the press service added. (Interfax)

SAAKASHVILI HAILS TIES WITH TURKEY **5 March**

President Saakashvili hailed Turkish PM Recep Tayyip Erdogan for his personal contribution in boosting ties between the two countries and called him "my brother." "We [Turkey and Georgia] have achieved much in recent years [in bilateral ties]; we have free trade agreement, [visa] free border movement, joint airport [in Batumi]," Saakashvili said. He was speaking at a ceremony of opening of a renovated border crossing point between Turkey and Georgia in Sarpi, Adjara Autonomous Republic, which was also attended by the Turkish PM Erdogan. The new border crossing point, renovated by the Turkish side, has three separate lanes – for vehicles, trucks and for foot-passengers. Saakashvili also said that Georgia wanted this border crossing point with Turkey "to be special" and offered a joint Turkish-Georgian administration that would reduce red tape while crossing the border by 70%. He said the joint administration would remove double border crossing and clearance procedures that passengers have to undergo now on the both sides of the border. He said that the decision has already been made on the matter and Turkey will also renovate the border crossing point on the Georgian side of the border and the crossing point will be jointly administered by the two sides. PM Erdogan welcomed the initiative and said "the border should not be an obstacle." President Saakashvili said that Turkey had turned into Georgia's major trade partner with "four-fold trade turnout increase in recent years." Georgia's trading volume with Turkey reached USD 1.2 billion in 2008, up by 33.7% over 2007, according to the Georgian Statistics Department. Trading volume with Turkey accounted

for 15.9% (rose by 1.9%) of the total foreign trade turnover. (Civil Georgia)

RUSSIA SAYS AFGHAN HEROIN HABIT **THREATENS SECURITY**

6 March

Russia has become the world's biggest heroin consumer and the flood of the drug from Afghanistan poses a threat to national security, Russia's drug enforcement chief has said. Viktor Ivanov said the international community's failure to uproot poppy plantations in Afghanistan, as envisaged by a 10-year U.N. plan adopted in 1998, had caused heroin to flood into Russia across Central Asia's porous borders. "In recent years Russia has not just become massively hooked on Afghan opiates, it has also become the world's absolute leader in the opiate trade and the number one heroin consumer," he said in a report made available to reporters. Ivanov, head of the Federal Drug Control Service, said 90 percent of Russian addicts now took Afghan heroin and the drug was partly to blame for rising crime and a fall in Russia's population. Russia would press for a tough action plan on Afghanistan at a high-level meeting of the U.N.-sponsored Commission on Narcotic Drugs to be held in Vienna on March 11-12, he said. "Our people are dying. Some 90 percent of drug addicts in Russia are on Afghan heroin," Ivanov said. "This is a threat to national security and to our country's society." "It is time the world community got serious about the Afghan drug problem," Ivanov said. Poppy crops should be sprayed with defoliants and farmers offered incentives to cease production. Ivanov, who did not say which country Russia had replaced as the top heroin user, estimated the addiction cost Russia 3 percent of its annual gross domestic product, which in 2008 totaled about \$1.7 trillion. He said it was impossible to control Russia's 7,000-km border with Kazakhstan, through which drugs arrive. Some 3.5 tons of heroin were intercepted last year, a 17.5 percent rise on 2007. But in the first two months of this year, 400 kilos were seized, a 70-percent increase on the same year-ago period, he said. "It is real luck, if 20 percent [of total trafficked volumes] are intercepted," he admitted. "Usually it's 10 percent." "Drug trafficking has become a key negative factor for demography and a blow to our nation's gene pool," said Ivanov. "This is why the issue of output and heroin smuggling from Afghanistan must be seen today as a challenge to Russia's civilization." "Today's situation with Russia's intoxication by Afghan heroin is unprecedented for the last 100 years," Ivanov said. "It can only be compared to the situation in China at the turn of the 19th and 20th centuries." (Reuters)

FLIGHTS BETWEEN TAJIK, UZBEK CAPITALS TO BE RESTORED

6 March

The state airlines of Tajikistan and Uzbekistan have agreed to restore flights between Dushanbe and Tashkent, which ended 17 years ago. Tajik Air spokeswoman Nazira Davlatova told RFE/RL's Tajik Service that flights are expected to begin this month. She added that in addition to Tashkent, the airlines want to restore flights to the Uzbek cities of Samarkand and Bukhara. Thousands of mixed Tajik-Uzbek families are hopeful for a cancellation of a strict visa regime introduced at the end of the 1990s when relations became tense after attacks by Islamists. The two countries agreed in 2000 to resume flights between Dushanbe and Tashkent, but Uzbekistan canceled the agreement after one flight. (RFE/RL)

FOUR KILLED AS VIOLENCE FLARES ON AFGHAN-PAKISTAN BORDER

9 March

Pakistani forces have killed four militants in a strategically important region on the Afghan border in the most serious incident in the area since militants declared a cease-fire two weeks ago. Pakistan is under international pressure to eliminate militant enclaves in lawless ethnic Pashtun areas on the Afghan border from where the Taliban orchestrate their insurgency in Afghanistan and Al-Qaeda plots violence. The heaviest fighting in recent months has been in the Bajaur region, opposite Afghanistan's Kunar Province. A Pakistani commander said late last month his forces had defeated militants in Bajaur after a six-month campaign. The hard-pressed militants led by an Al-Qaeda ally, Faqir Mohammad, declared a unilateral cease-fire in Bajaur on February 23. Although the military rejected a militant offer of talks, fighting petered out. But early on March 9, militants fired rocket-propelled grenades at a paramilitary force post near the town of Nawagai, a military official said. "Forces returned fire and killed four militants," the military official said. Residents of the area confirmed the clash. Bajaur has long been a major infiltration route into Afghanistan. (RFE/RL)

PROTESTERS, POLICE SCUFFLE OUTSIDE GEORGIA ASSEMBLY

9 March

Dozens of antigovernment protesters in Georgia briefly have scuffled with police outside parliament in the capital, Tbilisi, and one person was detained. Protest organizers said three or four people were lightly injured when police moved in to push back demonstrators threatening to block traffic on Tbilisi's main Rustaveli Avenue. "They wanted to block the

road, so police stopped them," Interior Ministry spokesman Shota Utiashvili said. He said one person had been detained and would probably be fined and released. Several of Georgia's main opposition parties are set to protest on April 9 to demand President Mikheil Saakashvili to resign, in part over the country's five-day war with Russia in August 2008. Criticism of Saakashvili has sharpened since the conflict, when Russia sent in tanks and troops to repel a Georgian assault on breakaway South Ossetia. The pro-Western president was already under fire for a perceived authoritarian streak since coming to power on the back of the peaceful 2003 Rose Revolution. In November 2007, police used tear gas and water cannons to end days of opposition protests outside parliament in a crackdown criticized by Georgia's Western backers as heavy-handed. (Reuters)

U.S. TROOP SURGE TO AID AFGHAN POLICE TRAINERS

10 March

The arrival of thousands of new U.S. troops to Afghanistan this year will help meet a serious shortage of U.S. police trainers, who have so far coped with "less than ideal" circumstances, the U.S. military has said. The United States is to send 17,000 additional U.S. troops to the war-torn country to bolster some 70,000 foreign troops, including 38,000 U.S. soldiers, already on the ground battling a resurgent Taliban in the south and east. But military commanders have recognized any "surge" in foreign troops can ultimately only buy time to expand the Afghan National Army and police, which are seen as the long-term solution to Afghanistan's security. The United States, which took over as the primary trainer of the Afghan police in 2007, needs around 1,500 more soldiers to carry out its mentoring program, according to a U.S. Government Accountability Office (GAO) report released on March 9. "We expect a substantial portion of the shortage to be met [by the troop increase] so we will be able to continue our police mentoring mission," a spokesman for the force that trains the police (CSTC-A), U.S. Lieutenant Colonel Chris Kubik, said. Before Afghan and U.S.-led forces toppled the Taliban in late 2001, Afghanistan had little concept of police and while progress has been made in developing the fledgling force, it is usually seen as corrupt and lagging behind the more professional army. In many isolated outposts, the police are the only face of the Afghan government and are vulnerable to insurgent attacks, but they are also renowned for milking the populace for bribes. Kubik agreed that the U.S. military was 1,500 trainers short, but could not say exactly how many of these places would be filled by the incoming troops. To help meet the shortage, CSTC-A has had to shift some of

its soldiers training the Afghan Army to training the police, the GAO said, a move that can only be seen as a short-term solution as the demand for Afghan army trainers increases. Afghanistan's Interior Ministry, which runs the police, is also seen as endemically corrupt and because of the lack of an accurate tracking system, cannot give an exact figure for the amount of police in the country, the GAO said. Some police chiefs had also inflated their personnel rosters, creating "ghost policemen" in order to collect additional salary payments for themselves, it said. (Reuters)

IMF APPROVES MAJOR LOAN TO ARMENIA **10 March**

The International Monetary Fund (IMF) has officially approved a \$540 million loan to Armenia, RFE/RL's Armenian Service reports. The IMF will disburse \$237 million of the loan immediately, with the remainder being transferred in nine installments subject to reviews. IMF Managing Director Dominique Strauss-Kahn announced the package on March 3 after the Armenian government and the Central Bank allowed the country's currency, the dram, to be devalued by 20 percent. The IMF said Armenian officials will cut back on nonpriority spending, increase social spending by 0.3 percent of GDP, and enhance bank supervision. The loan is repayable in 28 months. The IMF anticipates the Armenian economy will contract by 1.5 percent in 2009 after more than a decade of robust growth. (RFE/RL)

RUSSIA RESPECTS DECISIONS ON NABUCCO **10 March**

Moscow respects decisions by Azerbaijan to back the planned Nabucco pipeline to relieve dependency on Russian gas, Russia's foreign minister said. "Azerbaijan's decision to participate in energy projects is its sovereign right," Sergei Lavrov told the Trend News Agency. "We respect this. That also goes for the Nabucco pipeline." Lavrov said ahead of a meeting in the Azeri capital, Baku, that energy diversity was vital on several fronts, including economic and environmental issues. "We are against excessive politicization," he added. The European Union put energy diversification at the top of its agenda in the wake of a January conflict between Moscow and Kiev that left Europe starved for gas as 80 percent of its Russian gas travels through Ukraine. Nabucco would travel 2,051 miles to link Caspian and Middle Eastern suppliers to European markets through a route that bypasses Russia. Lavrov said, however, that Moscow recognizes the need to diversify the transit routes for energy resources in the region. "Russia shares a common understanding of the need to diversify supply

routes to ensure European energy security," he said. (UPI)

IRAN URGES TRADE AS ECO SUMMIT OPENS **IN TEHRAN**

11 March

Iranian President Mahmud Ahmadinejad, speaking in Tehran at a one-day summit of the Economic Cooperation Organization (ECO), called on member nations to turn the looming global economic crisis into "opportunities." Ahmadinejad characterized the present Western-inspired economic order as "irresponsible" and said that by increasing trade among themselves, the 10-nation ECO could find economic safety. The group was founded in 1985 by Iran, Pakistan and Turkey, and now includes Afghanistan, Azerbaijan, Tajikistan, Turkmenistan, Kazakhstan, Kyrgyzstan, and Uzbekistan. He also said the region should think about developing a single currency. Although the summit's formal sessions are largely given over to economic themes, the real interest in the meeting lies in the rich mix of countries it brings together. Some of them are at the center of the world's political stage, such as Iran, with the international dispute over its nuclear intentions; Pakistan, with its struggle against Islamic extremism; and Afghanistan, with its long-running Taliban insurgency. The leaders of Iraq and Syria are also present as guests. With such a diverse cast, it would be surprising if the summit did not go beyond trade and economics. For instance, Turkish President Abdullah Gul has called on Iran to review its hard-line political stance toward the United States.

Speaking before flying to Tehran, Gul said the arrival of U.S. President Barack Obama in the White House has changed everything, and other countries now need to review their policies to take account of this. Reports have said that Gul is personally delivering a message to Ahmadinejad from Obama. These reports are unconfirmed, but it's clear that the Obama administration is trying to build a new atmosphere around the question of contacts with Iran. U.S. Secretary of State Hillary Clinton, who has just visited Ankara, indicated on March 6 that Iran would be invited to an international conference on Afghanistan to be held on March 31. Iranian Foreign Minister Manoucheher Mottaki says Iran is considering accepting the invitation. Pakistani Foreign Minister Shah Mehmood Qureshi said in Tehran that his country would add its voice to those urging Iran to attend the conference. And Ahmadinejad has had the opportunity to talk over the matter directly with Afghan President Hamid Karzai, who is also in Tehran for the ECO summit. (RFE/RL)

NAZARBAYEV SUGGESTS INTRODUCTION OF COMMON PAYMENT UNIT WITHIN EURASEC

11 March

Kazakh President Nursultan Nazarbayev has proposed the introduction of a common payment unit within the Eurasian Economic Community (EurAsEC). "The integration association (EurAsEC) could introduce its own common supranational cashless payment unit. Its exchange rate should not depend on fluctuations of world currencies," Nazarbayev said at the 2nd Astana Economic Forum dealing with Eurasia's economic security amid global risks on Wednesday. This payment unit "could be called Euras or Eurasia," Nazarbayev said. EurAsEC comprises Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. (Interfax)

GEORGIA WITHDRAWS FROM EUROVISION SONG CONTEST

11 March

Georgia has decided to pull out from the Moscow Eurovision Song Contest after the contest organizer, European Broadcasting Union, offered Georgia to either re-write its song lyrics, poking fun at Russia's PM Putin, or to submit another song. The Georgian public broadcaster said on March 11 the decision was made not to do either and hence not to go to Moscow. EBU said that the song 'We Don't Wanna Put In' violates the rule, which reads: "The lyrics and/or performance of the songs shall not bring the Shows or the Eurovision Song Contest as such into disrepute. No lyrics, speeches, gestures of a political or similar nature shall be permitted during the Eurovision Song Contest." (Civil Georgia)

YEREVAN UPSET OVER SAAKASHVILI'S ARMENIA REMARKS

11 March

President Saakashvili's statement that Armenia's "economy has crashed completely" is "groundless" and not in the line with "political correctness," Samvel Farmanyan, a spokesman for the Armenian President, said on March 10. "Description provided by the President of Georgia of the Armenia's economy during opening of an amusement center is groundless. I do not think that making such descriptions is the best option for distracting the attention of his own people from numerous problems existing in Georgia," Yerevan-based Novosti Armenia news agency quoted Farmanyan's statement. He said that Armenian President had been asked number of times to comment on economic situation in neighboring states, but he had never made remarks on these problems "regardless of how attractive" that could have been. "He always leaves such type of comments up to analysts and political figures of the respective countries. Political correctness requires it," Farmanyan added. President Saakashvili said on March 7: "You know that the Armenia's economy has crashed completely; why? Because Armenia has been totally depended on the Russian market; the Russian market has collapsed and the Armenia's economy has collapsed too. We are in the region where economies are experiencing difficulties; but Georgia will sustain, Georgia will survive even in the light of difficulties, in case of political stable situation," he said. (Civil Georgia)