

Central Asia-Caucasus Analyst

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*Central Asia- Caucasus Institute
Silk Road Studies Program*

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THE CENTRAL ASIA-CAUCASUS ANALYST

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Submission Guidelines:

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

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

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

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

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

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

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

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MOSCOW AND ASHGABAT FAIL TO AGREE OVER THE CASPIAN COASTAL PIPELINE

Robert M. Cutler

The leaders of Russia and Turkmenistan have been unable to agree on terms for the (re)construction of a Soviet-era gas pipeline in western Turkmenistan. While subsequent negotiations are not excluded, Ashgabat has declared its intent to allow companies other than Gazprom, including Western companies, to bid for the work. In the context of recent developments, a pattern begins to form that may signify the breaking of what is left of Russia's hold on Central Asian gas transport, to which its relationship with Turkmenistan has been central in the post-Soviet era.

BACKGROUND: The Caspian Coastal Pipeline (CCP, also called by its Russian name the “PriKaspii” and sometimes, by erroneous translation, the “pre-Caspian”) is part of the western branch of the Central Asia-Center (CAC) pipeline, a spidery network inherited from the Soviet era of which the earliest branches date back to the late 1960s. The CAC’s eastern branch consists of four lines that run to various gas fields in southeast Turkmenistan. They pass northward through western Uzbekistan and then western Kazakhstan before crossing into European Russia. (Another spur originating in Uzbekistan proper shoots more directly northward through west-central Kazakhstan, crossing into European Russia’s southeastern extremity.) The CCP, which runs along the Caspian Sea coast in Turkmenistan and southwest Kazakhstan, is connected to gas fields in eastern Turkmenistan through a pipeline running from east to west across the southern expanse of the country. After reaching the eastern coast of the Caspian Sea, it turns north-northwest and traces the coastline passing west of the Garabogazköl Gulf, an inlet of the Caspian Sea in northwest Turkmenistan, then northward into Kazakhstan before turning northeast to rejoin the CAC’s Russia-bound main trunk.

Constructed over a third of a century ago, the CCP is in such disrepair that it has reportedly carried only 2 billion cubic meters per year (bcm/y) since being re-opened in the middle of the current decade. Nearly all gas exported from Turkmenistan and Uzbekistan to Russia has taken the CAC’s eastern-branch route. In 2003, Turkmenistan’s then-president Saparmurat Niyazov proposed to Russia’s then-president Vladimir Putin that the CCP be refurbished and its volume expanded. Agreement was not reached until mid-May 2007, when Niyazov’s successor Gurbanguly Berdimuhamedow agreed with Putin and Kazakhstani president Nursultan Nazarbaev, and a declaration was signed to this effect. Kazakhstan’s participation was necessary because of the CCP’s transit through that country after leaving Turkmenistani territory before entering Russia. At the time, Putin foresaw the final agreement being signed in July 2007, with work beginning in the first half of 2008 and increasing the route’s capacity by at least 12 bcm/y by 2012.

IMPLICATIONS: It was only seven months later, in mid-December 2007, that a draft agreement for the CCP was signed among state officials of Russia, Turkmenistan, and Kazakhstan. According to it, the three main national trusts (respectively Gazprom,



would be tasked to coordinate and execute the lion's share of the work concerned. But that was all before world energy prices crashed, followed by world stock exchanges in the ongoing global financial crisis that has severely restricted the availability of investment capital even for such asset-laden firms as Gazprom, the stock price of which had dropped in Moscow from 14 in early July 2008 to just

Turkmengaz, and KazMunaiGaz) would construct a pipeline to carry 30 bcm/y along the land route, of which the first stage of the project would foresee at least 10 bcm/y that Russia would commit to purchase. This would include an upgrade of the existing CCP where feasible and appropriate but joining the main CAC trunk at the Kazakhstan-Russia border rather than further south, as does the present line, and moreover construction of an offshore pipeline to carry an additional 10 bcm/y (which latter the Russian media have taken to calling the "trans-Caspian" gas pipeline in their English publications, as if to confuse it in readers' minds with the undersea Turkmenistan-Azerbaijan pipeline project long under discussion but not yet agreed).

With the December 2007 agreement, the construction that Putin foresaw beginning in the first half of 2008 had already been pushed back to the second half of 2009. It was with a view toward agreeing terms for that construction to start, that planned meetings took place between the Russian and Turkmenistani sides at the end of March. It was expected, in line with previous agreements to agree, and especially given an early July 2008 Memorandum of Understanding over bilateral energy relations more generally, that Gazprom

below 3 last week. Gas sales to Europe are off by between one-quarter and one-third. Russia's energy ministry, which was reportedly projecting sales of gas to Europe at US\$280 per thousand cubic meters (tcm) has revised that figure down by almost 10%, and this following an average price of over US\$ 400/tcm in 2008. An effect of this would be that Russia is less dependent upon Turkmenistan's gas than in the past and may have offered a lower price for it than Turkmenistan expected.

A contract from the Niyazov era gives Gazprom the right to buy up specified quantities out until 2028, although prices must always be negotiated. The last agreement, signed in September 2006, covered only the years 2007-2009, during which Russia's entitlement had been set at 50 bcm at \$100/tcm. By last year, the prices demanded by Ashgabat and paid by Moscow had exceeded \$300/tcm, and the figure must now be renegotiated to take effect from as from 2010. It is this price that Moscow apparently sought to lower in the most recent unsuccessful talks held in Moscow at the end of March. Those talks were expected by observers in Moscow to end with agreement on the so-called East-West gas pipeline that runs

across southern Turkmenistan from the eastern gas fields to the beginning of the CCP. Berdimuhamedow would have had good reason to doubt Gazprom's ability to finish the original grand project as first conceived: the cost of the East-West pipeline alone was originally estimated to run to US\$ 1.5 billion, and when Putin finally signed the authorizing Russian draft legislation over to the Duma late last year, the terms included only the construction of a 20 bcm/y refurbished overland CCP and omitted mention of the offshore parallel segment.

CONCLUSIONS: The original tripartite agreement among Turkmenistan, Kazakhstan, and Russia provided that each party would be responsible for conducting the work for the CCP on its own national territory. It was in this context, and taking into account Turkmenistan's longstanding ties with Gazprom, that it was anticipated that Gazprom would get the nod from Ashgabat to execute the work planned. However, now that terms have not been agreed as anticipated (and it is possible that Gazprom was the party that declined), Turkmenistan now indicates that it will seek other bids for the pipeline work. Of course it is possible that this is

merely a negotiating tactic designed to extract better conditions from the Russian side. But reports from Moscow suggest that Berdimuhamedow had begun to doubt Gazprom's ability to complete the work in its new financial situation, and had therefore hesitated to allow Gazprom monopsonistic control of volumes of gas to be transported through the CCP; and the move presents Western companies the opportunity to bid for the work.

Already in November 2007 Berdimuhamedow visited Brussels on a three-day state visit during which he engaged the highest-level EU officials in intensive discussions over a wide range of issues. A year later, the German energy giant RWE embarked on a joint venture with Austria's OMV to pursue projects for bringing Caspian Sea region energy resources to Europe and began working with Turkmenistan in other energy-related industries such as the electricity sector. Ashgabat signed an agreement to begin supplying 10 bcm/y to Europe through interconnecting its sources to Azerbaijani offshore rigs. Together with the ground-breaking for construction of an agreed pipeline to from Turkmenistan to China and Berdimuhamedow's continuing evocation of interest in a Turkmenistan-Afghanistan-Pakistan pipeline, a pattern is forming for Russia's grip on Central Asian gas to be at least significantly weakened. Such a development would naturally increase the quantities available for export to Europe through an eventual Trans-Caspian Gas Pipeline as part of the Nabucco project, or else through the White Stream project from Azerbaijan to Ukraine under the Black Sea, whence further westward also on to Europe.

AUTHOR'S BIO: Robert M. Cutler (<http://www.robertcutler.org>) is senior research fellow in the Institute of European, Russian and Eurasian Studies, Carleton University, Canada.



FIRE OVER WATER IN CENTRAL ASIA

Umida Hashimova

The common Soviet plan for regional water and energy sharing, exchange and management disappeared with the independence of individual republics. The break up of the Soviet Union divided the Central Asian countries into those controlling water upstream and those that depended on them downstream. So far, failure to agree on the distribution of water among these states has resulted in exerting political and economic pressure on one another, sometimes to situations almost escalating into interstate armed conflict. Unless the countries will become equally open for negotiations, ready to compromise and to manage the issue through a regional perspective rather from those of individual countries, water issues will not be solved by either third countries or by international interventions.

BACKGROUND: With independence in 1991 came the issue of water allocation in Central Asia, which was earlier strictly regulated by Moscow. The glacial water sources in the region are located geographically in Kyrgyzstan and Tajikistan while the other three countries (Uzbekistan, Kazakhstan and Turkmenistan) are downstream. Abundant arable lands in downstream countries compared to abundant mountainous areas in upstream countries (93 percent of Tajik territory and 65 percent of Kyrgyz territory comprise of the Pamirs and Tien Shan mountains) defined these countries as agrarian societies, in particular Uzbekistan. Therefore, the Soviet command economy would order the upstream countries to collect water in their dams to be released downstream in spring and summer during irrigation periods. In return, the downstream countries rich in fossil fuels (especially gas, oil and coal) were ordered to provide the upstream countries with these natural resources and electricity, which they did not possess. Soviet managers, not foreseeing the future break-up of the Soviet Union, also saw no need to alter the status quo.

From the year 2000, disputes started taking place between the upstream and downstream countries almost every year. The upstream

countries complain that the price for gas and electricity that they used to receive free of charge is now too high. Moreover, they say that the payment for the maintenance of the dams by the downstream countries is not covering the work that has to be done every year. The downstream countries, in their turn, complain that the amount of irrigation water released from the dams of the upstream countries is decreasing year by year and does not reach some fields, resulting in lost crops. Besides, due to unpaid fuel and electricity debts by the upstream countries, the downstream countries stop supplying fossil fuels to upstream countries, leaving Tajikistan and Kyrgyzstan without electricity and gas from time to time during winter, the period of greatest need for them. To produce their own electricity the upstream countries have to release water from their dams which results in winter flooding of some Uzbek farms and less water for irrigation in spring-summer.

To escape from the annual disputes and to have an independent energy infrastructure, Tajikistan and Kyrgyzstan are planning to build more dams to produce electricity both to meet their own energy demands and sell it to Pakistan, Iran, and India. The three

downstream countries are opposed to this idea, because their economies heavily rely on cotton, wheat and rice, which without the water coming from the upstream countries will be impossible to grow. Thus, at the moment the Central Asian countries are locked in seemingly endless disagreement. Attempts to resolve the issue since 1991 so far failed. In the framework of regional water management four intergovernmental treaties were signed and one draft agreement was prepared. The provisions of the treaties have failed to resolve the real issues or remained paper agreements only.

IMPLICATIONS: Although no major conflict has broken out in the region over the water issue, the possibility that it could escalate into an armed conflict cannot be neglected. In particular, conflicts on a smaller level have already been registered. Thus, in 2000, Uzbekistan carried out military exercises at the border with Kyrgyzstan, with the seeming objective of practicing for capturing the Toktogul Reservoir, located on Kyrgyz territory but used by Uzbekistan to irrigate fields in Fergana valley. This action was a response by Uzbekistan to Kyrgyzstan's flooding of farm fields, while opening the dam to produce additional electricity for its population. In March 2008, 150 Tajik residents of Isfara crossed the border into Kyrgyz territory to try to destroy a dam that cut them off from water sources. The dam was reopened later, after the Tajik side had to retreat due to armed threats by Kyrgyz border guards.

These cases demonstrate how armed conflicts in the region over the water issue are a real possibility. In addition, the human and natural causes in combination with population growth in the region could further contribute to tensions. First, water deficiency will grow year by year due to inefficient and wasteful

management of water resources and high natural evaporation because of abundant arid and semi-arid lands. Second, scientists from the region report that the mountains in Kyrgyzstan and Tajikistan will lose most of their glaciers by 2020 due to global warming. Third, the WTO reports that under the conditions of global climate change, by 2030 the Central Asian countries will need additional water resources.

The situation developing over the water issue since the beginning of 2009 has not shown any improvement, especially in Uzbek-Kyrgyz relations. Kyrgyzstan is about to receive a US\$1.7 billion project from Russia to build the Kambar-Ata 1 hydroelectric power station. The station will be located upstream from the Toktogul reservoir and will leave the Uzbek part of Fergana valley without water. According to some analysts, this project will give Russia political weight to control water in the region. The Uzbek President has already expressed his discontent over the involvement of third parties and called for resolving the issue among the Central Asian countries themselves.

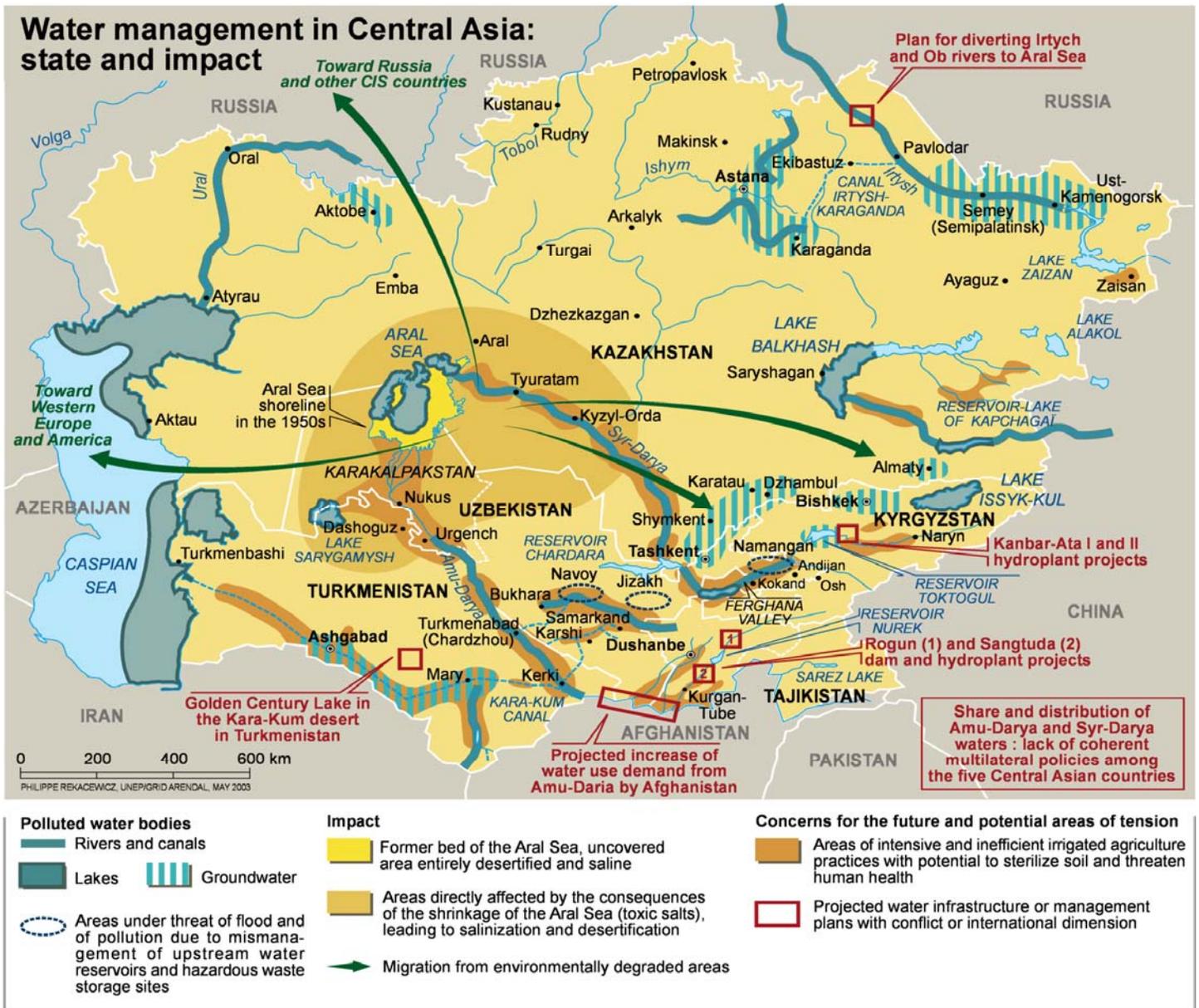
Tajikistan also has a plan to build a hydroelectric power station (Rogun) that possibly will affect the northern territories of Uzbekistan. Nevertheless, the relationship between Uzbekistan and Tajikistan, which was the most complicated in the region due to border controversies, has begun to improve. On February 19, 2009, at the culmination point of Tajik-Uzbek energy disputes, the Uzbek side resumed the supply of electricity. A high-level delegation from Uzbekistan flew to Dushanbe to agree on the delimitation and demarcation of 97 percent of the two countries' 1,200 kilometer shared border. Regular air flights between the capitals of the two countries, which were suspended 17 years ago, are now planned to

resume. It is hoped that resolution of these issues will also lead to a peaceful resolution of the water issues between these two neighboring countries.

CONCLUSIONS: Until now, the failure of the Central Asian countries to compromise with one another on the water issue plus other territorial disagreements and political competition have not allowed them to escape from the vicious cycle of disagreements. Only when all the countries in the region will have a unified agenda regarding water use, which will

take into account the plans and needs of their neighbors, will the tensions be defused. The words of Uri Shamir, a hydrologist from Israel, are very much applicable to the Central Asian situation: "If there is a political will for peace, water is not an obstacle. If someone wants to find a reason to fight, water gives you a lot of opportunities". His words in the Central Asian context should be taken as a warning and an incentive to prevent such outcomes.

AUTHOR'S BIO: Umida Hashimova is an independent analyst in Tashkent, Uzbekistan.



(Philippe Rekacewicz, UNEP/GRID-Arendal, http://maps.grida.no/go/graphic/water_management_in_central_asia_state_and_impact)

PUTIN-KADYROV SPAT OVERSHADOWS GROZNY'S CONFLICT WITH RUSSIA'S ECONOMIC MINISTRIES

Kevin Daniel Leahy

A recent well-publicized exchange between Vladimir Putin and Ramzan Kadyrov has given rise to speculation as to whether the Chechen president has finally exhausted the Russian premier's patience with him. But in their haste to identify fissures in the Putin-Kadyrov relationship, observers are overlooking more obvious tensions elsewhere in the Moscow-Grozny relationship, tensions that are becoming increasingly apparent amid the worsening economic situation in Russia.

BACKGROUND: On March 20, Ramzan Kadyrov arrived at Novo Ogarevo for an audience with Vladimir Putin. Given the worsening economic situation in Russia, Putin has naturally been eager to get as clear a picture as possible of economic difficulties in the regions. Not surprisingly, therefore, the entire conversation between Putin and Kadyrov was devoted to economic matters: foreign investment, wage arrears, unemployment, and the restoration of public services in Chechnya.

What struck some observers about the meeting, however, was the unusually inquisitorial, almost schoolmasterly, tone Putin adopted throughout the encounter. In previous meetings between the two, Putin has invariably excused Kadyrov's less-than-commanding grasp of his brief by accepting the latter's bland replies to his questions and by keeping the audience brief and amicable. On March 20, however, Putin seemed in no mood for either brevity or amicability. Putin began by asking Kadyrov if his discussions with the finance ministry were finished. 'Everything is great with the finance ministry now,' Kadyrov responded. 'Friends?' prompted Putin, indicating there had been some disagreement between the two parties. 'Friends thanks to you, Vladimir Vladimirovich,' the

Chechen president insisted. At this point, clearly irritated by Kadyrov's perfunctory attempts to ingratiate himself, Putin abruptly corrected his interlocutor: 'No, [friends] because of your joint cooperation with the Ministry of Finance.'

Quarrelling between Russia's economic ministries and the Kadyrov clan was an enduring feature of the relationship between Grozny and Moscow during the tenure of Ramzan's father, Akhmed Kadyrov, pro-Moscow president of Chechnya until his assassination in 2004. Unlike his father, Ramzan has demurred from arguing publicly with this bloc, although he has persistently (and with some success) prevailed upon the federal government to increase its subsidization of public services and restoration projects in Chechnya. The Kadyrov clan's use, or perhaps misuse, of federal funds has been subjected to particular scrutiny by Russia's Federal Audit Chamber. Over the past nine years, this agency has periodically published reports alleging massive misuse and misappropriation of federal subsidies by the Chechen government. In 2007 the Chechen branch of the Audit Chamber announced that an estimated R1.9 billion

(US\$71.7million) had been either embezzled or misspent by pro-Moscow Chechen officials.

In contrast to his father, who would doubtless have hastened to the nearest microphone to express his indignation at such an unwelcome demarche, Ramzan did not rise to the bait and is not in the habit of commenting publicly on reports of this nature. However, while the current Chechen president may prefer to keep any disputes with Russia's economic ministries as private as possible, the subtext of his March 20 conversation with Prime Minister Putin serves as a reminder that certain tensions still exist between these parties.

IMPLICATIONS: It is possible to read altogether too much into the March 20 exchange between Putin and Kadyrov. Putin certainly permitted himself an air of distracted annoyance during the meeting, and unquestionably subjected the Chechen president to a more demanding audience than on any previous occasion. However, one should not form the impression from a single, mildly intemperate audience that Putin has become disillusioned with the Chechen leader.

Instead, one might ascribe the prime minister's somewhat irascible disposition to the fact that as the man tasked with steering Russia's economy amid the current global economic crisis, Putin is now under greater sustained professional strain than at any point thus far in his political career. Quite possibly, Putin was simply too tired or too busy to humor his poorly briefed visitor from Grozny. Kadyrov, whose credentials for overseeing Chechnya's economy are highly suspect, was surely of limited use to Putin in painting an informative, detailed picture of the economic situation in Chechnya. Alternatively, conscious that this was the 'in camera' portion of the meeting, the prime minister may have concluded that it was

politically opportune for him to demonstrate to the Russian public that he is demanding of regional managers that they redouble their efforts in light of current economic difficulties. How better to do so than by subjecting a public figure, widely regarded as one of his most loyal political supporters, to a choreographed public inquisition on the economic conditions in his sphere of responsibility?

The most important part of the Novo Ogarevo encounter took place behind closed doors. A mere five days after this meeting, on March 25, Kadyrov announced that the 'counter-terrorist operation' in Chechnya would be completed by the end of March. This announcement, which was almost certainly coordinated with Putin at the March 20 meeting, paves the way for a sharp reduction in the number of federal personnel currently deployed in Chechnya – a welcome vista for the Russian government given the fiscal challenges it is currently facing. Of course, many such announcements made by Grozny and Moscow in recent years have been confounded by regional realities; nevertheless, this announcement inadvertently raised the question as to how viable a leader Kadyrov would prove under peacetime conditions.

If, as Kadyrov claims, the Chechen rebel movement has been virtually annihilated, the most pressing challenges now facing Chechnya's government are of an economic nature. There have been reports of factories in Chechnya closing down; signal construction projects have been suspended due to lack of federal funding; workers throughout Chechnya have seen their salaries reduced. In a word, Chechnya is experiencing the same economic difficulties as every other constituent part of the Russian Federation. For Kadyrov, who must realize that federal funding for Chechnya will very likely be reduced in light of current global

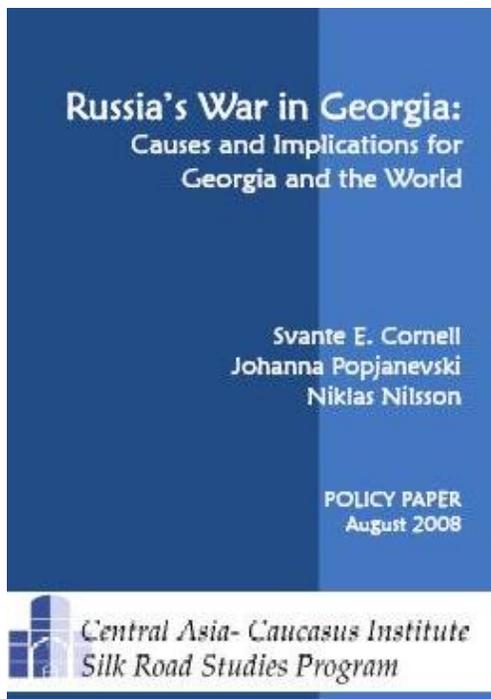
economic trends, the political and economic priority at this juncture must be to persuade the Russian government to reduce its investment in Chechnya's economy by as little as fiscally possible.

CONCLUSIONS: The relationship between Vladimir Putin and Ramzan Kadyrov is in no way based on comradeship or ideological fellowship. In reality, it is a relationship of mutual political convenience: Kadyrov receives massive subsidization from the Russian exchequer in exchange for subduing the insurgency in Chechnya, while Putin gets to tell the world that the rebel movement is a paper tiger and that any interested international parties should look to deal with the 'elected' Kadyrov government instead. The Machiavellian nature of this strategic bargain does not preclude the possibility of interpersonal tensions existing between the two principals; Putin and Kadyrov do not have to

like one another for this political arrangement to bear fruit.

A more immediate source of conflict is to be found in the ever-fraught relationship between Kadyrov and the federal government's economic bloc, those responsible for drafting the federal budget and regulating the federal exchequer. With government economists seemingly intent on reducing federal aid for regional and local budgets, Kadyrov, like other regional leaders, must be seriously worried. The recent disagreement between the Chechen president and the Ministry of Finance, alluded to by Putin at the outset of the March 20 meeting, may well presage a fresh round of none-too-civilised centre-periphery bargaining between the Kadyrov clan and the economic bloc in Moscow.

AUTHOR'S BIO: Kevin Daniel Leahy holds a postgraduate degree from University College Cork, Ireland.



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.

OBSTACLES TO A SUCCESSFUL CIVILIAN SURGE IN AFGHANISTAN

Richard Weitz

The Obama administration's newly announced strategy for winning the war in Afghanistan aims to strengthen the American and, ideally, international efforts in that country along three dimensions: defense, diplomacy, and development. The defense component includes a major increase in the number of American combat troops operating in Afghanistan, whereas the diplomatic thrust employs a regional security approach that engages Pakistan, Iran, and other countries more deeply in resolving Afghanistan's problems. The development dimension entails new personnel and resource commitments. As with the other two dimensions, however, considerable impediments remain to a successful foreign assistance campaign in Afghanistan.

BACKGROUND: At NATO's 60th anniversary summit last weekend, the NATO allies agreed to contribute 3,000 additional combat troops and 2,000 more military and police trainers to help strengthen security in Afghanistan through this summer's election. The increase helps round up President Obama's commitment to send another 17,000 U.S. combat troops (increasing the total American military contingent to 62,000) and 4,000 American security force trainers to Afghanistan. The U.S. military has requested at least 10,000 more combat troops, but the administration plans to delay any further increase until the results of the current surge become clearer.

The new administration's diplomatic strategy is most evident in the announced plans to dramatically increase the level of American foreign military and economic assistance to Pakistan. In addition, administration officials are now speaking of an "Afghan-Pak" conflict, underscoring how they consider Afghanistan and Pakistan an integrated theater of operations against a common Islamist threat from al-Qaeda and its Taliban allies. An official from the Iranian Foreign Ministry did participate in

The Hague Conference on Afghanistan, but Tehran still remains wary of endorsing the American military enterprise in Afghanistan.

For several weeks, both U.S. and other NATO officials have stressed the need to complement this elevated military commitment and the expanded regional approach with an increase in foreign civilian development efforts in Afghanistan. In explaining the new Afghan-Pakistani strategy to reporters at the end of March, the chairman of the U.S. Joint Chiefs of Staff, Admiral Mike Mullen, said that, "It won't make any difference how many troops we send if we don't get the civilian piece right." The "center of gravity," Mullen argued, is winning the support of "the Afghan people."

The expectation is that, without balanced progress regarding economic and political development as well as regarding defense and diplomacy, achieving sustainable security in Afghanistan will likely prove impossible. In the past, the absence of effective economic and political progress has prevented the U.S. and NATO militaries from consolidating important battlefield victories in Afghanistan.

The Obama administration plans to increase the number of American civilians deployed in Afghanistan. Some of these diplomats, agriculture specialists, justice officials, and other non-military personnel employed by the Departments of State and other U.S. government agencies, often on temporary contracts, would work at the U.S. Embassy in Kabul, in partnership with Afghanistan's national government agencies. Others would work primarily in the field, often as part of the civilian-military provincial reconstruction teams and other institutions that partner with provincial and local Afghan government institutions.

Supported by what the Obama administration anticipates will be enhanced security due to the surge of American combat troops, the enhanced U.S. civilian contingent will seek to improve governance and the rule of law throughout the

country as well as provide Afghans with alternative livelihood opportunities to the

currently widespread practice of cultivating opium poppies. An important priority will be in building Afghan government capacity to provide security (through a much larger and better trained national army and police) as well as to design and implement its own development projects.

The enhanced American civilian contingent would collaborate with the expanded European contingent pledged at the April 4 NATO summit meeting. Despite recurring appeals by former President George W. Bush, NATO Secretary-General Jaap de Hoop Scheffer, and other international leaders, European governments have found it difficult to deploy many additional combat troops to Afghanistan.



They also constrain these contributions through “caveats” that limit the permissible military activities of these forces. The Obama administration has now refocused its NATO diplomacy on inducing European countries to provide more people and money to support non-military development programs in Afghanistan, ranging from economic development to police and justice training.

The Obama administration also seeks to bolster the role of the United Nations in enhancing non-military coordination among the often confusing cacophony of international actors engaged in development projects in Afghanistan. In addition to the UN, NATO, the European Union, and many nongovernmental organizations are heavily engaged in promoting post-conflict stability and reconstruction in the country. These groups often have contrasting, sometimes clashing, goals and operating procedures. The White House has appointed Peter W. Galbraith, an American diplomat with extensive experience in the Balkans and other conflict regions, as deputy to Kai Eide, who heads the U.N. mission in Afghanistan, to help integrate all these non-military efforts.

IMPLICATIONS: To succeed, the Obama administration must overcome many obstacles in all three dimensions. The Afghan National Army, though still improving, remains unable to defend itself. The diplomatic outreach to Pakistan, Iran, and Europe will require overcoming several barriers limiting these governments’ support for U.S.-led initiatives in Afghanistan. And at home, the American political system is structurally imbalanced, regularly providing more resources for defense than for diplomacy and development. American civilian efforts are further dissipated by the limited integration among the diverse U.S.

government agencies that undertake international development activities.

Despite these changes, some developmental experts worry that the new approach might prove insufficient given the magnitude of Afghanistan’s challenges. For example, the Center for American Progress, which has contributed ideas and personnel to the Obama administration, has concluded that U.S. assistance to transitional countries like Afghanistan will require a complete overhaul in how the United States delivers development aid. The Center’s development experts recommend a major restructuring to improve the planning and programming processes in Washington and in the field, especially by making them more flexible and better resourced. Similarly, they conclude that American development assistance needs to harmonize better with the counterinsurgency effort. In particular, development strategies should initially prioritize aiding the most militarily secure regions of Afghanistan to generate successes that could impart momentum to development efforts in other areas experiencing greater security problems. They also believe that the United States and its allies need to hire more development professionals and deploy them throughout the country. Above all, U.S. assistance efforts should concentrate on building local capacity and sparking “catalytic” development by the Afghan public and private sectors rather than promoting solutions that will make recipients indefinitely dependent on continued foreign support.

Other experts fear that an increase in Western development programs in Afghanistan could prove counterproductive. They agree with the general presumption that a substantial improvement in Afghans’ socioeconomic



circumstances would make them less likely to support Islamist militants and narco-trafficking, the main security threats to Afghanistan and its Eurasian neighbors. Yet, they fear two negative consequences from NATO's "civilian surge."

One possibility is that the increased aid will simply make Afghans increasingly dependent on foreign assistance in the future. The fear is that the inflow of foreign money and personnel will displace indigenous developmental efforts, which lack a lavish resource base. The U.S. Army Corps of Engineers has already become the second largest employer in Afghanistan, behind only the national government. In addition, any major increase in Afghan government development programs or security forces will become unsustainable without continued foreign support since Afghanistan does not possess sufficient domestic resources to sustain large development projects or military and police forces.

Another concern is that many Afghans will not easily distinguish between NATO military and

civilian personnel, especially since the alliance's Provisional Reconstruction Team structure presumes an integrated civilian-military team. Independent Western non-governmental organizations operating in Afghanistan fear that the resulting "militarization" of aid will complicate their ability to undertake their own development efforts because they too might be seen as an extension of NATO's post-conflict reconstruction activities in the country.

CONCLUSIONS: Although heartfelt, these fears may be overblown. Despite the best efforts of the Obama administration and its NATO allies, it is probable that these governments will at best mobilize sufficient will and capacity for a "mini" civilian surge in Afghanistan. Whereas the U.S. military is planning to order tens of thousands of more troops into the country, the State Department is seeking to hire only a few hundred more development experts for Afghanistan. European governments seem averse to substantially increasing their foreign assistance programs in Afghanistan in the midst of a world recession as they are to contributing more combat troops to NATO's beleaguered International Security Assistance Force.

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FIELD REPORTS

AGRICULTURAL BANKS IN UZBEKISTAN: WHY AND FOR WHOM?

Erkin Akhmadov

As part of the annual state program agenda, the year 2009 was announced as “The Year of Improvement and Development of the Agricultural Sector” in Uzbekistan. Therefore, a number of legislative acts, projects and initiatives were directed at improving working and living conditions for people in rural areas. As was highlighted by President Karimov, issues of paramount importance include those related to further development of infrastructure in the countryside: “housing construction, supply of natural gas, drinking water, energy, reparation of the roads, transport and communication services...”. In line with the agenda of the current year, on 30 March 2009 President Islam Karimov signed two resolutions: “On the establishment of the joint stock credit bank “Qishloq Qurilish Bank” (Bank of Agricultural Construction)” and “On the foundation of the joint stock credit bank ‘Agrobank’”. The two banks are organized on the basis of the already existing “Galla-bank” and “Pakhta bank”. The transformations are expected to help improving the development of the agricultural sector. However, besides change in organizational arrangements, the new banks do not seem to bring that many changes to the lives of countryside inhabitants.

As the text of the resolution suggests, the purpose of the present bank transformations is “further sustainable development of the agricultural sector of the economy, consecutive deepening of the economic reforms in the agriculture, support of the farmers’ movement and strengthening of its economic and financial basis, offering agricultural producers a wide range of bank services directed at

advanced establishment of modern enterprises of processing agricultural produce, implementation of modern technologies and equipment that would generate high-quality, competitive production and saturation of the internal market with the domestic foodstuffs.” Thus, the intentions of establishing new banks seem to be in line with this year’s state program.

The banks that existed initially – the “Galla bank” and the “Pakhta bank”, were founded in 1994 and 1995 respectively. The activity of the former was related to financing the grain-producing enterprises, and the latter sought to provide credits for the agrarian sector of the republic. Therefore, the banks have already been operating in the designated areas. For instance, owing to the 100 million soms credit obtained from the “Pakhta bank”, the “Golden Bird” Co Ltd. of the Andijan region was able to purchase modern technology and to set the growth of thoroughbred chicken last year. Last year, however, the shareholders of the banks decided to increase the authorized capital of the banks and issued more stocks. Thus, for instance the authorized capital of the “Qishlok qurilish bank” will constitute 150 billion soms (\$105 millions).

The “Qishlok qurilish bank” will operate crediting for the improvement of the outlook in the villages and of the housing conditions of people living in the countryside, advance the development of industrial and social infrastructure in the rural areas and introduce the system of long-term preferential crediting of housing construction. The main purpose of the “Agrobank” is to provide a range of banking services to assist development in the

agrarian sector. Therefore, the activity of the newly established banks could well have been performed by the banks at place with just an extension of their functions.

Interestingly enough, the biggest changes seem to take place in the organizational part of the banks. While the new banks are legal successors to the previous banks on property, financing and other liabilities, both of them will take the form of public corporations. Moreover, the “Qishlok qurilish bank” will be exempted from income and property taxes until January 1, 2012.

The Cabinet of Ministers will confirm the appointment of the “Agrobank” Council members and the Ministry of External Economic Relations, Investments and Trade together with the Ministry of Finance and the Central Bank are charged with

assisting the “Agrobank” in attracting the preferential credits, investments and grants of international financial institutions and foreign financial-crediting structures for strengthening the bank’s resource base.

In general, the intentions behind the establishment of the banks designated for providing credits to farmers for building houses or improving conditions are good. However, banks are merely financial institutions that provide resources and expect their return together with interest. Thus, even though the establishment of special agricultural banks is part of the state program, it is unclear how exactly it will improve the situation of the farmers that sometimes simply do not have enough funds to take credits from banks.

ELECTION OF YEREVAN MAYOR MAY BRING NEW TENSIONS IN ARMENIA

Haroutiun Khachatryan

A political sensation occurred in Armenia last month: Armenia’s first President, Levon Ter-Petrosian, who leads the radical opposition to the current administration, announced he was going to run in the Yerevan mayor elections scheduled for May 31.

This is extraordinary as Yerevan, the capital of Armenia, houses almost 40 percent of the country’s population and more than half of its economic potential. The May elections of Yerevan’s mayor will be the first in 15 years. According to the first Constitution of independent Armenia adopted in 1995, the city of Yerevan had the status of a region (marz) and its mayor, like the governors of the other 10 regions of the country, were appointed by the President or by the Prime Minister. In this way, Levon Ter-Petrosian, who was the President in 1995, hoped to avoid the emergence of a strong competitor to the national government (a “second president”) in the mayor’s office.

Yerevan was given the status of a community after the amendments to the Constitution made in November 2005, bringing with it the necessity of electing a mayor. To avoid the emergence of a “second President,” the current ruling elite of Armenia agreed on the following indirect mechanism for the mayoral election. First, the Municipal Council (named Council of Elders), is elected, and this body is to elect the mayor. The 65-seat Council of Elders is to be elected through vote by party lists (proportional vote), and the number one candidate on each list will be the candidate for mayor from that particular party. The ruling Republican Party of Armenia (RPA) led by current President Serzh Sargsyan believed that this mechanism would enable it to place the desired person in the mayor’s office, given the overwhelming majority it has in the National Assembly and in the government. The RPA thus announced in advance its intention to run in the

elections on an individual list, without cooperating with the members of the current four-party government coalition. Moreover, on March 4, Sargsyan appointed a RPA member, Gagik Beglarian, Yerevan mayor, who will be the last mayor to take office this way, and a few days later Beglarian was announced the number one candidate on the RPA's electoral list. Thus Beglarian was given the opportunity to use "administrative resources" in his favor well before the official campaign starts in May.

In this situation, the Armenian National Congress (ANC), the alliance of 18 radical opposition parties led by Ter-Petrosian, announced that its electoral list would be headed by the former President, thus turning the municipal elections into, effectively, a second round of last year's presidential vote. During the vote of February 19, 2008, Sargsyan officially received 52% of votes while Ter-Petrosian, whose official votes were 22%, also claimed victory, a conflict which eventually led to the deadly clashes on March 1, 2008.

By presenting a list headed by the former President, the ANC managed to turn the Yerevan Council of Elders vote from a community event into one on a national scale. The public tension caused by last

year's events is still high and moreover, the support enjoyed by Ter-Petrosian in the capital is stronger than in the countryside. According to preliminary estimates, the lists of the RPA and the ANC could win 40% of votes each during the ballot. If this happens, the Mayor will be elected through deals with smaller party factions (a total of six parties are running for the May 31 elections).

What is more important, the May election campaign offers the ANC a legal opportunity to continue its political campaigning against the current regime, and the authorities will have no grounds to ban ANC rallies and block it from TV, as they have done constantly since March 2008. On the other hand, the authorities will do their best to downplay the strength of the ANC and, especially, prevent its candidate from winning, as it is obvious that a political figure of Ter-Petrosian's significance enters the campaign not for a desire to improve Yerevan's garbage disposal but in order to use the Mayoral elections as a launching pad for reaching the political goals he declared last year. The former President keeps promising that he strives to destroy the current "robbery" system, as he characterizes it. These events make likely the emergence of new tension in Armenia's political life of in May.

TAJIKISTAN: RESTRICTION OF RELIGIOUS FREEDOMS OR SECULAR STATE?

Suhrob Majidov

On March 26, the President of the Republic of Tajikistan, Emomalii Rahmon, signed several legislative acts which had already been passed by both chambers of the Tajik Parliament. Among them was a new Law on Freedom of Conscience and Religious Association. The Law stipulates certain restrictions on the registration of small religious communities; it allows for state censorship of religious literature and for a number of other restrictions, such as prohibiting prayer in hospitals and prisons without special permission from the

authorities. Tajikistan already banned the activity of certain Protestant missionary organizations (e.g. Jehovah's Witnesses), as well as the wearing of hijabs in schools and universities.

Out of the population of Tajikistan, amounting to 7 million, 95% profess Sunni Islam of the Hanafi School, 3% are of the Ismaili School, and 2% are representatives of other confessions, including Christianity. In total, 85 different confessions are registered in Tajikistan. The new law allocates a "special role" to the Hanafi School, while it does not

even mention the 250,000 Muslims of the Ismaili school, living mainly in the Gorno-Badakhshan Autonomous Province. At the same time, the Law imposes a ban on the Salafi religious movement in Tajikistan.

The Law was signed by the President despite a number of concerns raised by experts, public and religious figures and the U.S. Commission on International Religious Freedom (USCIRF). Experts claim that the law restricts the freedom of religious organization in the country, while the executive authorities justify the law by pointing out the fact that Tajikistan is a secular state according to the Constitution.

The U.S. Commission on International Religious Freedom (USCIRF) has criticized it as highly restrictive: "The law will legalize restrictive policies already applied by the Tajik Government against its majority Muslim population, including the banning of hundreds of mosques and limiting religious education of children. Furthermore, the law will impose state censorship on religious literature, restrict the conduct of religious rites to officially-approved places of worship, and allow the state to control the activities of religious associations", says the statement of the USCIRF, released on March 20. Akbar Turajonzoda, a member of the Upper House of the Parliament, says: "This Law contradicts the Constitution of Tajikistan and international norms. We use the word "secular" a lot, but we can see that other secular states do not restrict activities of religious organizations."

Khikmatullo Saifullozoda, the head of the political council of the Islamic Revival Party, also criticized the Law: "it will be fairer to say that the new Law is not about freedom of conscience, but about restrictions on freedom". Members of the Protestant community also emphasize the severe restrictions on the registration of non-Muslim religious organizations. The members of the Protestant and other small religious communities are mostly concerned with the restriction imposed on religious literature. The new law will allow the authorities to decide on the quantity of religious literature

produced and imported, which raises the question of how the appropriateness of quantity is to be determined.

Nevertheless, as the news agency Asia-Plus reported, the Lower House of the Parliament passed the draft of the new Law "without any essential debates". The authorities claim that the law aims to restrict only the extreme and illegal religious radicalism. Asia-Plus quoted Minister of Culture Mirzoshokhrukh Asrori, one of the co-authors of the draft: "Religious radicalism, nihilism and some Islamic movements are foreign to our people and make the adoption of the new Law necessary".

On March 30, despite the fact that the Law was already passed by both Chambers of the Parliament and signed by the President, the President's Executive Office organized a roundtable meeting to discuss the new law on freedom of conscience and religious associations which caused so many concerns. The roundtable, titled "Mass media and the law on freedom of conscience and religious associations", brought together journalists, representatives of the Ministry of Culture, the Center for Islamic Studies and of different religious organizations. Speeches by the Minister of Culture and other high officials triggered a heated debate among the participants.

In sum, there are a number of restrictions on free religious denomination in the new Law on the Freedom of Conscience and Religious Associations which contradict international norms. The new law threatens the existence of various small religious communities and it was adopted without broad consultations with representatives of civil society and religious associations. Furthermore, an alternative draft of the law, proposed by the Islamic Revival Party and which is considered more liberal and less restrictive by experts, was not taken into consideration. The roundtable, aiming to discuss the law with representatives of different religious organizations and the media, was organized after the adoption of the law. The law will come into force soon after its official publication.

PREVAILING LAW AND ORDER SITUATION IN FATA AND NWFP OF PAKISTAN

Zahid Anwar

On February 25, 2009, the University of Peshawar and the think-tank Citizens' Voice jointly organized a seminar on the prevailing law and order situation in the FATA (Federally Administered Tribal Areas) and the NWFP (North-West Frontier Province).

Atif Hanif, Secretary General of the Citizens' Voice, explained that the forum seeks to educate people on contemporary national issues. Omer Khan Afridi, Chairman of the Citizens' Voice, said in his address that the country is facing the most serious situation since its independence and that if good people will do nothing, the criminals will succeed. Law and order in the FATA and NWFP is in a dismal state and other provinces are ignorant about the state of affairs in these areas. Pakistan has been a frontline state for the last three decades, has received 3 million refugees and, as a frontline state in the "war on terror", another 1.5 million IDPs. There is no writ of Government in the FATA and the Swat valley is on fire. Criminal activities have increased and there is a drift from the previously honored values of Pukhtoonwali (Pukhtoon code of life) and religion.

Lt. Gen. Mumtaz Gul highlighted in his keynote address that law and order is turning from bad to worse. He analyzed the issue in a historical context, stating that the FATA was a base for jihad during the Soviet occupation of Afghanistan and that in the confrontation between the Taliban and the Northern Alliance, Pakistan supported the Taliban. After the events of 9/11, the U.S. supported the Northern Alliance and defeated the Taliban. Pakistan's army moved into the FATA in support of NATO and captured many people who were handed over to the U.S. and also took action against the Madaris (Religious seminaries). He said that Pakistan should define its national interests in the

light of ground realities and that the government lacks the capability to deliver, while demands from allies have increased the suffering of the people. He considered the primary source of the problem to originate in Afghanistan.

Law abiding citizens are insecure and have left the troubled area, while Taliban influence is increasing and even extending to settled districts of the NWFP. The government is ineffective and reactive, lacking strategic thinking, while government forces are slow and rely on destruction. It is a mistake to consider Al Qaeda and the Taliban as one and the policy of confrontation with local Taliban is not likely to succeed. The role of the Directorate for Inter-Services Intelligence (ISI) is reduced and foreign agencies have successfully infiltrated the area. The existing local government system, which was introduced in haste, further harmed law and order. The ISI, the Frontier Corps and the police should be strengthened to cope with the crime threat.

He further added that a unified vision is needed and stressed the need for cooperation between the private and public sectors. Development projects particularly in physical infrastructure, hydro power, minerals, and small scale industries should be launched. Raising local tribal lashkar (civilian tribal force) to counter the Taliban is risky and lashkars lack competent leadership. The insurgency cannot survive without local support and the way out is reconciliation. In order to approach a viable solution, an immediate ceasefire is needed, meetings of tribal loya Jirga (tribal leaders) must be convened and the planned withdrawal of Pakistan's army from FATA must be implemented. If Shari'a (Islamic religious law) brings peace, then we should not hesitate to implement it and allies should be convinced of this.

Dr Azmat Hayat Khan, Vice Chancellor of the University of Peshawar who was the main Guest argued that the people of Malakand want justice, honesty and efficiency. He stated that the Maulana Sufi Muhammad movement is a reaction to rampant corruption and pervasive inefficiency and reiterated that the Taliban is a misunderstood phenomenon. There is a common perception here that there will be no peace in FATA and Afghanistan until the withdrawal of foreign troops from Afghanistan.

In the question & answer session, it was highlighted that the FATA system was corrupt and in the past

progress was possible for a handful of people, while the majority remained backward. Many Maliks (local tribal leaders) of FATA have left the area and in their absence Mullahs (local religious leaders) are calling the shots. State and non-state actors are posing threats to the sovereignty of the country and in the drone attacks collateral damage was small and the targets were mostly foreigners. It was also said that the government should seek to destroy FM radio stations. Participants underscored that the people of Pakistan have amazing resilience to solve their problems.

NEWS DIGEST

RUSSIA OPEN TO MODERATE TALIBAN CONTACTS

25 March

Russia backs the idea of talks between Afghanistan's government and moderate elements of the Taliban, a senior Russian diplomat has told Interfax news agency. U.S. President Barack Obama said in a newspaper interview published on March 7 that he was open to the idea of reaching out to moderate elements of the Taliban in Afghanistan, where insurgent violence is at its highest since U.S.-led forces ousted the militant Islamist movement in late 2001. "If the leadership of Afghanistan considers the establishment of contacts with the moderate wing of the Taliban movement necessary, the Russian side would not object to this on condition that they lay down their arms, recognize the constitution and the government of Afghanistan and renounce ties with Al-Qaeda," Deputy Foreign Minister Aleksei Borodavkin told Interfax. The United States is expected to release a review of its own policy toward Afghanistan on March 27. Analysts familiar with the region believe the United States must engage in dialogue with Taliban-led insurgents, if it is to succeed in Afghanistan. The country has been governed by a U.S.-backed administration since the Taliban was overthrown following the September 11, 2001, attacks in the United States, but has faced a resurgent Taliban ahead of presidential elections due this August. (Reuters)

PRESIDENTS OF TURKMENISTAN AND RUSSIA DID NOT COORDINATE POSITIONS ON GAS PIPELINE EAST - WEST

26 March

The Presidents of Turkmenistan, Gurbanguly Berdimuhamedov, and Russia, Dmitry Medvedev, did not coordinate the position on the gas pipeline the East - the West, which will connect the northeast areas of Turkmenistan with the Caspian Sea. The Assistant to the President of the Russian Federation, Sergey Prihodko, informed after the end of the negotiations of the leaders of two countries, the agency reports.

The parties planned to sign the agreement on this gas pipeline. According to S. Prihodko, the agreement will be modified and signed at the next meeting of the Presidents. "The Presidents of Russia and Turkmenistan plan to sign the agreement on construction of the gas pipeline the East - the West during the next meeting," S. Prihodko informed. He emphasized that there no disagreements on this project. The question has remained open due to the financial crisis," the Assistant to the President of the Russian Federation informed. (Kazakhstan Today)

AT LEAST NINE KILLED IN KANDAHAR SUICIDE ATTACK

30 March

At least nine people were killed when a suicide bomber blew himself up at a community meeting in southern Afghanistan, the Afghan Interior Ministry said. A government security official who did not want to be named said five Canadians along with some civilians were trapped under the rubble of a collapsed section of the community building, which has been closed off by Canadian troops. The attack occurred in Dand district in southern Kandahar Province. The suicide bomber walked into the building and exploded his device, said Zalmay Ayubi, a spokesman for the provincial governor. A police officer named Ahmadullah told Reuters NATO-led troops were attending the meeting. A spokesman for the alliance said it was aware of a bomb attack in Kandahar, but its forces were not involved. The Afghan Interior Ministry said four civilians and five policemen were killed in the attack. Some 70,000 foreign troops are struggling to crush an escalating Taliban-led insurgency and a further 21,000 U.S. troops are scheduled to be deployed in south and east Afghanistan ahead of presidential elections in August. The attack comes a day before the United Nations hosts a summit in The Hague on Afghanistan's future which will be attended by Afghan President Hamid Karzai and representatives from the United States, NATO countries and Iran. Elsewhere, five insurgents killed

themselves and wounded two others as they were planting roadside bombs in Sabri district in eastern Khost Province, the Interior Ministry said in a statement. In Paktia Province, neighboring Khost, three policemen were killed when their vehicle hit a roadside bomb in Wazi Zadran district, the Interior Ministry said in a separate statement. (Reuters)

TAJIK DRUG AGENCY REJECTS RUSSIAN CORRUPTION CHARGES

1 April

The Tajik drug agency has rejected a Russian charge that half of the 300 trucks that cross the Tajik-Afghan border every day are used trafficking drugs and that corruption is high among Tajik agencies. The charges were made last week by a Russian drug-enforcement chief. Fakhridin Jonmahmadov, the chief of staff of the Tajik drug agency, told RFE/RL's Tajik Service on March 31 that the accusations are baseless. He added that in the last four years, the Tajik and Afghan drug agencies have seized more than 6 tons of drugs, destroyed 19 heroin laboratories, and arrested more than 100 people involved in the drug trade. Jonmahmadov said the level of corruption among Tajik agencies is no worse than in similar institutions in other former Soviet countries. He accused journalists of making false accusations against Tajik institutions. Tajik journalist Nurali Davlatov partly agrees, telling RFE/RL that some Tajik journalists are not qualified to cover such complicated issues as drug trafficking, but he added that government structures should also learn to better cooperate with the media. (RFE/RL)

UNEMPLOYMENT RISING IN KYRGYZSTAN'S OSH REGION

2 April

Unemployment is rising in Kyrgyzstan's Osh region as thousands of labor migrants return from Russia. The chief of the Osh Regional State Committee on Migration, Nailya Zholdosheva, told RFE/RL's Kyrgyz Service that last year the number of officially registered unemployed citizens in the region was just 10,000. That number has risen to 17,500 now. Zholdosheva added that Russian companies officially invited more than 3,000 local workers last year. This year, Zholdosheva said, there were no invitations at all. Local experts say that social tensions might escalate in the region if the government is not able to set up new jobs in the near future. (RFE/RL)

AZERBAIJANI FM VISITS GEORGIA

2 April

Foreign Minister of Azerbaijan Elmar Mammadyarov and his accompanying delegation paid a two-day visit to Georgia on Wednesday. As part of the visit, Mammadyarov and his Georgian counterpart Grigol Vashadze signed a plan of consultations for 2009 between the two countries' Foreign Ministries. Then, the two ministers briefed journalists. Grigol Vashadze said during the meeting they discussed humanitarian issues between Azerbaijan and Georgia. According to him, there are no political problems between the two countries. He noted Azerbaijan had always supported Georgia during the difficult times. The Minister also informed that Georgian President and Prime Minister have to visit Azerbaijan. Elmar Mammadyarov, in turn, said the talks with his Georgian counterpart mainly focused on how to deepen economic and humanitarian cooperation between the two countries. He pointed out friendly relations between the two countries' presidents contribute to boosting bilateral ties. During the visit, the Azerbaijani Minister also met with Georgian President Mikheil Saakashvili and Prime Minister Nikoloz Gilauri. Azerbaijani ambassador to Georgia Namig Aliyev was present at the meetings. (AzerTAc)

EGYPT-BASED COMPANY PLANS FREE INDUSTRIAL ZONE IN KUTAISI

2 April

An Egypt-based home appliances producer company, Fresh Electric, intends to create a free industrial zone in Georgia's second largest town of Kutaisi, Lasha Zhvania, the Georgian economy minister, said on April 2. A memorandum of intent between Fresh Electric and the Georgian government, he said, would be signed on April 6, according to which the company will establish the free zone on a 27-hectare plot of land. The Minister said that the company would build about dozen of textile, ceramics and home appliances producing factories in the zone. Lasha Zhvania said that the company planned "unprecedented investments for Georgia." "Total of USD 1.28 billion will be invested this year and on the second stage, after year and half, a second stage of investment will be launched and over USD 2 billion will be invested. 2,500 people will be employed this year as a result of this project and on the next stage – after year and a half, from 12,500 to 15,000 people will be employed," Zhvania said. "No such investment has ever been

carried out in Georgia.” He also said that a New York-based Georgian businessman, Mikheil Tigishvili, would be a local partner of the Egyptian company. (Civil Georgia)

TURKISH RADIO STATION LAUNCHES ARMENIAN LANGUAGE PROGRAMS

2 April

A Turkish radio station has launched Armenian-language broadcasts, airing 30-minute programs every morning and evening, RFE/RL's correspondent in Istanbul reports. A spokesman for Turkey's TGRT TV and radio corporation, Mehmet Soyol, told journalists that the Armenian programs are intended to help to develop cultural dialogue between Turkey and Armenia, and will be available around the clock in the future. One of the initiators of the Armenian-language broadcasts was Hrant Dink, a well-known Turkish journalist of Armenian origin and the editor of the bi-lingual newspaper "Agos." Dink was killed by Turkish nationalists in 2007. (RFE/RL)

IRANIAN PRESIDENT SET FOR KAZAKHSTAN VISIT

3 April

Iranian President Mahmud Ahmadinejad is due to arrive in Kazakhstan on Monday for his first state visit to the neighbouring Central Asian nation, the Kazakh foreign ministry said. "It is expected that the President of Iran on Monday will arrive for an official visit in Kazakhstan," a ministry spokesman told AFP on Friday. The two-day visit will include talks with Kazakh President Nursultan Nazarbayev expected to touch on a range of issues including regional security cooperation and fishing rights in the Caspian Sea, which both states border. The plight of sturgeon populations in the Caspian Sea became an international environmental issue and cause for embarrassment after the fish were pushed to the brink of extinction for their lucrative black caviar. The two predominantly Muslim countries have extensive trade ties, and are currently cooperating on the construction of a massive rail link through Central Asia which will connect the Islamic Republic with Russia. (AFP)

UZBEKS SEEK FUNDING FOR MAJOR ROAD PROJECT

3 April

The authorities in Uzbekistan are planning major improvements to a highway linking Central Asia with China. Analysts see this infrastructure project

as a way of generating jobs and thus easing the economic difficulties – and possible social tensions – created by the fall-out from financial crisis. In late March, the state-run website Gazeta.uz reported that by 2015, a road route from Kazakhstan in the north through the Uzbek cities of Bukhara, Samarkand and Tashkent to Kyrgyzstan and then on to China will be completely refurbished. The 2.5 billion US dollar upgrade would transform the current road into a two-lane highway for its entire 1,400-kilometre length, adding 18 large bridges, 600 smaller ones, 300 flyovers, 180 filling stations, 12 camp sites and other items. It is estimated that the upgraded transport corridor will increase freight movement along the route by 50 per cent. A source close to the Uzbek government said the presidential office was drafting orders to start the work. The Asian Development Bank has indicated that it is prepared to part-finance the project, but the government will need to seek funds from other investors.

Infrastructure projects like this one form part of the anti-crisis strategy the Uzbek government launched late last year. Commentators say such projects will create large numbers of jobs as the country – like many others – struggles with economic problems and the risk of rising social tensions. According to official statistics, there are about 630,000 unemployed in Uzbekistan, although independent estimates suggest the real figure is closer to 1.5 million, out of a total population of 27 million. That aside, there are believed to be four or five million Uzbek nationals working abroad. As labour markets contract in the most popular destinations – Russia and Kazakhstan – some of the migrants may be forced to return. Viktor Ivonin, an independent economist in Tashkent, says the roadbuilding project could provide work to large numbers of people, including in rural areas, and will have the added benefit of using locally-made machinery and materials. Other commentators questioned how easy it will be to attract financing in an environment where money is tight and potential investors will view new projects with suspicion. "Given the global financial crisis, international financial institutions will tend to hold back, with the sole exception of the Asian Development Bank which already pledged support," said Dilmurod Kholmatov, an expert from Tashkent.

An economist in Uzbekistan said negotiations with potential funders were likely to be protracted, since they will demand feasibility studies. For example, it was only this March that Kazakhstan secured the 2.3

billion dollars in funding needed for its Western Europe-Western China road project, after three years of negotiations. He added, "Uzbekistan is only at the initial stage." (IWPR)

AZERI PARLIAMENT SPEAKER CONCERNED BY TURKISH-ARMENIAN RAPPROCHEMENT

3 April

Azerbaijani parliament speaker Ogtay Asadov said he is concerned about the possible opening of the Turkish-Armenian border, RFE/RL's Azerbaijani Service reports. Asadov said in parliament that opening the border is "against Azerbaijan's interests." Parliamentarian Iqbal Agazade, the chairman of the Umid party, suggested the holding of a closed-door hearing on the current state of affairs in the Nagorno-Karabakh talks on Turkish-Armenian rapprochement. His proposal was rejected by parliament. Asadov said the issue of Turkish-Armenian rapprochement will be discussed in meetings between Azerbaijani and Turkish deputies at both the Turkish parliament and in Baku. A group of Azerbaijani women's deputies is due to visit Ankara this month and deputies from both countries will discuss Turkish-Azerbaijani relations at a conference in Baku April 13-15. (RFE/RL)

ARMENIA AND IRAN PLAN RAIL LINK

4 April

Armenia and Iran have signed an agreement for a railway that would link Armenia to the Persian Gulf. The line would not become a reality for about five years, the Russian Interfax news agency reported. A working group is expected to take about 18 months to determine the best route and do a feasibility study and constructing the line would take three to four years, Iranian Roads and Transportation Minister Hamed Behbahani said. Armenia, a landlocked country, has no rail line that crosses its border. Rail lines to Azerbaijan and Turkey have been closed for years, and the rail link with Russia was cut by the Russian-Georgian conflict since it crosses Georgia. Behbahani said the line would be about 300 miles long, with most of that distance in Armenia. Gurgen Sarkisian, the Armenian minister of transportation and communications, described the rail line as "a continuation of the Silk Road," the historic trade route that connected China with the Middle East. (UPI)

CONTROVERSIAL AFGHAN SHI'A LAW ON HOLD FOR REVIEW

6 April

Afghanistan's Justice Ministry has said a law for the country's Shi'a minority, which has caused an international uproar because of controversial provisions on women's rights, is on hold and under review. The ministry said for now it would not publish the law in the country's official gazette, which would bring it into effect. "The justice ministry is working on the law, and on those articles which were problematic, and for the time being the law is not going to be published," a ministry spokesman said. Shi'ite Muslims account for some 15 percent of mainly Sunni Muslim Afghanistan and the wide-ranging Shi'ite Personal Status Law aims to enshrine differences between the two sects. Critics say the law legalises marital rape, and some lawmakers allege Karzai signed it hastily because he faces a crucial election on August 20 and wants to curry favor with Shi'ite voters, who can swing the contest. But supporters of the law say it is an important defence of minority rights and traditions that was debated on and off for two years before being signed by Karzai and approved by both chambers of parliament. After it drew criticism from Afghanistan's Western allies, President Hamid Karzai promised on April 4 that the Justice Minister would speak on it in detail, but he has not yet done so. A copy of the unpublished law seen by Reuters states "a wife is obliged to fulfill the sexual desires of her husband" when she is healthy and has to wear make-up if her husband demands it. Article 137 also says a woman cannot inherit any of her husband's wealth when he dies, a provision that already applies to Sunni Muslim women under Afghan law. Amendments made to the Shi'ite law show the marriage age for women was raised to 16 from nine and that a woman would be allowed to leave her home unaccompanied for medical treatment, to go to work, or for her education. (Reuters)

EU STILL HAS QUESTIONS ABOUT MANAS AIRBASE - SPECIAL REPRESENTATIVE

6 April

The European Union expects Bishkek to provide additional explanations concerning the repealed agreement on the deployment of the Manas airbase in Kyrgyzstan. Kyrgyzstan has said many times that it takes part in the anti-terrorist coalition in Afghanistan, which meets its national security interests, and the Manas airbase is the form of

participation in the coalition, EU Special Representative for Georgia and Central Asia Pierre Morel said in an interview, in the Monday issue of the *Vremya Novostei* newspaper.

Morel said he wondered what Kyrgyzstan would do now and said that coalition member countries operating in Afghanistan under the UN mandate were suffering losses for the sake of everyone, including Kyrgyzstan. The EU still has questions and hopes that Kyrgyzstan will give answers, Morel said. Kyrgyz President Kurmanbek Bakiyev expressed the readiness to continue negotiations with the United States but the vector of the negotiations was still unknown, he said. Kyrgyzstan says that its decision to close down the airbase will not affect relations with Europe, but this is not so, as Europe is linked to the United States, Morel said. Europe has to know details of the negotiations between the United States and Kyrgyzstan, he said. The decision to close down the Manas airbase was sudden, and no prior notifications were given, Morel said. Europe was aware of certain problems but there was no regular exchange of information and some issues remained unclear, he said. (Interfax)

SAAKASHVILI HAILS OBAMA'S GEORGIA REMARKS

6 April

President Saakashvili said on April 6, that the previous U.S. administration "has never made even one half of those statements," which were made by the present one to describe the Russia's moves against Georgia in August, 2008. "There have been speculations that Georgia was sold or traded off. The previous U.S. administration has never made even one half of those statements, which were made this time by President Obama. The previous [U.S.] administration was speaking about excessive use of force [apparently referring to the term "disproportionate use of force"]; while this man [President Obama] said: invasion, aggression, occupation. He gave correct names to everything," Saakashvili said. President Obama said on April 3: "I was a critic of the Russian invasion of Georgia." He then added. "I continue to believe that despite extraordinary efforts of President Sarkozy to broker ceasefire, we have not seen a stabilization of that situation." President Saakashvili, who was speaking in Kutaisi in a live televised meeting with workers from local machinery factory, also said that NATO's recent statements were also expression of support towards Georgia. "Of course, Georgia has

many challenges ahead. Of course, 20% of our territory is occupied and this is the greatest tragedy for me. But you have seen the recent NATO summit," Saakashvili said. "It is the support when the NATO Secretary General said Georgia would enter NATO with South Ossetia – said he used the term 'the so called South Ossetia', even we do not say it for a long time already - and Abkhazia. It is a result of hard work." "If we manage to maintain and save our economy, if these 12 plants are built here [as part of the planned free industrial zone in Kutaisi] and they will manage to build those skyscrapers about which I am dreaming in Kutaisi, Poti, Batumi, Tbilisi, Zugdidi, Telavi, if we manage to build this high-speed railway here... how can they occupy our territories? After seeing all these, the world will support us. When the country is successful, everybody wants to make friends with you and to support you," Saakashvili said. (Civil Georgia)

MULTI-AGENCY CONSORTIUM LAUNCHING CASPIAN ENVIRONMENTAL PROJECT

6 April

A consortium of the United Nations Office of Project Services (UNOPS), the United Nations Development Program (UNDP) and the Global Environment Facility (GEF) are about to start a new project called "The Caspian Sea: Restoring Depleted Fisheries and Consolidation of a Permanent Regional Environmental Governance Framework Project (CASPECO)," the UNDP office in Kazakhstan said on Monday. The agency explained the project with the increasing need to enhance the environmental protection of the Caspian Sea, whose status had not been defined by Kazakhstan, Iran, Turkmenistan, Azerbaijan or Russia. The consortium will promote the protection of Caspian biodiversity on the basis of the Tehran Convention for the Protection of the Marine Environment of the Caspian Sea, the agency said. The project aims for sustainable fisheries and bio resources and strengthened regional environmental governance. The monitoring system will be the core of early monitoring of environmental threats and sensitive areas of biodiversity, the agency said. (Interfax)

CHINESE VICE PRESIDENT VOWS TO ENHANCE RELATIONS WITH KYRGYZSTAN

7 April

Chinese Vice President Xi Jinping on Tuesday pledged to work with Kyrgyzstan to push forward bilateral relationship. Xi made the remarks when meeting with Kyrgyz Foreign Minister Kadyrbek Sarbaev.

To deepen bilateral cooperation and increase coordination under multilateral frameworks, such as the United Nations and the Shanghai Cooperation Organization (SCO), was of important significance for promoting peace and development in the two countries and the region at large, Xi said. "China is ready to work with Kyrgyzstan to cement the bilateral traditional friendship and advance it to achieve greater development," Xi noted. Sarbaev said his country valued the relationship with China, and gave priority to it in the country's foreign policy. Expressing satisfaction over the growth of relations in recent years, Sarbaev said the country hoped to work with China to maintain close high-level visits, expand cooperation, and jointly combat the "three evil forces" of terrorism, separatism and extremism. Sarbaev expected that the two countries would work together to safeguard regional peace and stability. The foreign minister was here on an official visit from April 5 to 7 at the invitation of his Chinese counterpart Yang Jiechi. (People's daily)

ARMENIAN MINISTER SAYS TURKEY IMPEDING PROGRESS

7 April

Armenian Foreign Minister Eduard Nalbandian has accused Turkey of jeopardizing talks between the two countries after Turkish Prime Minister Recep Tayyip Erdogan said that Nagorno-Karabakh remains an obstacle to a "healthy solution." Nalbandian stated on April 5 that Armenia is not obligated to resolve the Nagorno-Karabakh conflict before talking to Turkey, and that Erdogan's remarks "may be regarded as an attempt to impede

the progress reached in the negotiations," RFE/RL's Armenian Service reports. Nalbandian arrives in Istanbul on April 7 for the UN Alliance of Civilizations summit, where he is expected to meet his Turkish counterpart, Ali Babacan, to discuss establishing diplomatic relations and the reopening of the Turkish-Armenian border. Azerbaijani President Ilham Aliev reportedly pulled out of the UN summit to protest any improvement in Armenian-Turkish relations. (RFE/RL)

SOKHUMI SAYS REINFORCING BORDER WITH GEORGIA

8 April

Authorities in breakaway Abkhazia said on April 8 that Abkhaz troops together with the Russian forces in the region were reinforcing border with Georgia, Abkhaz news agency, Apsnipress, reported. The breakaway region's foreign ministry said in a statement that the move came in response "to increasing provocations by the Georgian side and attempts to carry out terrorist acts in the border areas." Apsnipress reported that the decision also comes after the Georgian coast guard seized a Turkish vessel en-route from Sokhumi to Istanbul. Georgia said on April 7 that the vessel was seized in the Georgian territorial waters for "illegal crossing of Georgian territorial waters" in Abkhazia. Also on April 8, authorities in breakaway Abkhazia said that its artillery forces had launched week-long exercises in lower part of Kodori Gorge with involvement of GRAD multiple rocket launchers. Meanwhile, MP Akaki Minashvili of the ruling party and chairman of parliamentary committee for foreign affairs, said on April 8: "Some movement, wakening up of the Russian forces is being observed related with [the developments] in these days [reference to planned protest rallies] and it is a source of our concern and it is a challenge which we all - the authorities, the opposition, the people - have to tackle through our unity in order not to allow our external enemy, the northern neighbor to invade us." (Civil Georgia)