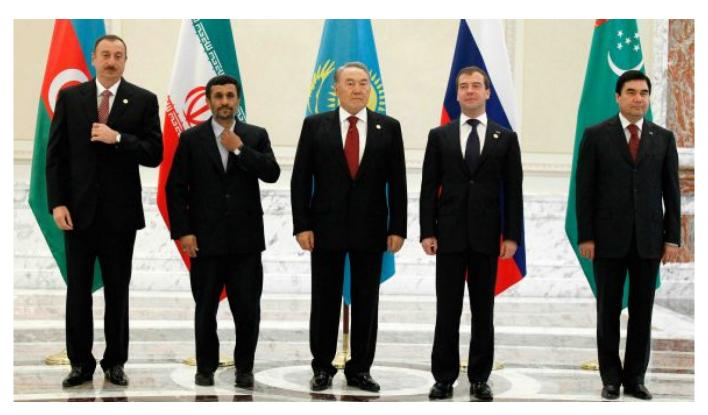


Pledges but No Breakthrough at Caspian Talks

By Howard Amos

November 18, 2010



From left, the presidents of Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan posing for a group picture at a Caspian summit in Baku on Thursday. **Dmitry Astakhov**

The third gathering since 2002 of the five presidents whose countries border the Caspian Sea failed to resolve outstanding territorial issues Thursday, amid assertions by analysts that continuing ambiguity is in the interests of Russia and Iran.

After meeting the leaders of Iran, Azerbaijan, Turkmenistan and Kazakhstan in Baku, President Dmitry Medvedev said the group was "absolutely united in its responsibility for the situation in the Caspian region," RIA-Novosti reported.

He said the summit would now become an annual event and announced that Moscow would host next year's meeting.

Medvedev also issued a warning about the temptation of others to meddle in this mineral-rich

and highly sensitive geo-political region.

"If at any moment we relax in our mutual cooperation, there is no doubt that other states will want to interfere with our concerns — states that lack a know-how of or a relationship with the Caspian but whose interest stems from economic interests and political goals" he said.

Azeri President Ilham Aliyev said the Caspian countries had "made the decision to discuss and agree on national zones on the sea in a stipulated short period" RIA-Novosti reported.

The five presidents also signed a joint agreement about cooperation on security issues.

The Caspian Sea, sometimes referred to as a salt lake, contains huge resources of oil and gas. Some estimates put its reserves at 75 billion barrels of oil and 6.9 trillion cubic meters of gas. It is also a fragile and unique ecological zone and contains 90 percent of the world's sturgeon.

Medvedev expressed his concern for the preservation of the Caspian's ecology. States around the Caspian should "observe a real balance between oil and gas extraction on the one hand and measures to preserve the environment on the other" he said. "We are now talking about ... our responsibilities for future generations."

Medvedev held private meetings with Aliyev, Iranian President Mahmoud Ahmadinejad and Kazakh President Nursultan Nazarbayev. Medvedev and Ahmadinejad spoke about Iran's nuclear ambitions and Russia's president underlined the importance of the continuation of Iran's peaceful nuclear program, the Kremlin said on its web site.

The Russian delegation to Baku was led by Medvedev and included Foreign Minister Sergei Lavrov, Natural Resources Minister Yury Trutnev, Energy Minister Sergei Shmatko, Federal Fisheries Agency head Andrei Krainy and Vladimir Pronichev, head of the Federal Border Service.

The territorial division of the Caspian has been unresolved since the Soviet collapse. Previously the inland sea had been regulated by a 1921 treaty between Persia and the Russian Soviet Federation of Soviet Republics and a 1940 treaty between Iran and Soviet Union. Since the emergence of Azerbaijan, Turkmenistan and Kazakhstan as Caspian littoral states in the 1990s, however, the ownership of the water basin has been in dispute.

This makes the Caspian a volatile area. Although there have been no military encounters since Iran deployed a warship and fighter planes to threaten two Azeri oil-research vessels in 2001, then-Turkmen President Saparmurat Niyazov said at the first Caspian summit in 2002 that the Caspian "smells of blood."

There is no ready-made international framework for the resolution of the territorial issues because the Caspian, as an enclosed body of salt water, conforms neither to the legal definition of a lake or a sea.

Previous summits between the leaders of Russia, Iran, Azerbaijan, Turkmenistan and Kazakhstan have failed to resolve the basic question of territorial rights. Neither have the related issues of fishing rights, mineral exploitation or ecology been fully addressed.

The first Caspian summit — in Ashgabat, Turkmenistan, in April 2002 — concluded with no

agreement. Iran offered to split the sea equally among the countries, with each getting 20 percent. Russia, Kazakhstan and Azerbaijan proposed a different arrangement, based upon a median line, that would divide the sea in proportion to the size of each country's shoreline. Under this proposal, Kazakhstan would emerge the biggest winner, with 27 percent, while Iran would get the smallest portion, just 13 percent. Russia would receive 19 percent, Turkmenistan 23 percent and Azerbaijan 18 percent.

In 2002 and 2003, Russia, Kazakhstan and Azerbaijan all signed bilateral agreements that regulated the northern part of the sea. The five Caspian presidents only convened again in Tehran in October 2007, resulting in a joint commitment toward establishing the legal status of the Caspian, but little else.

Analysts stressed, however, the significance of the Caspian in the transportation of energy supplies from Central Asia to the West. Any settling of the long-running territorial disputes would "lessen Russian influence in the region" said Chris Weafer, chief strategist at UralSib.

Ambiguity and a lack of resolution is exactly what Moscow and Tehran desire because neither want to lose control of energy supplies across the Caspian, said Mikhail Korchemkin, managing director of East European Gas Analysis. If there was an agreement about the Caspian, he said, the issue of a 200-kilometer trans-Caspian pipeline from Turkmenbashi, Turkmenistan, to Baku would become a "purely bilateral matter between Azerbaijan and Turkmenistan."

Such a pipeline would be the cheapest way to get gas to Europe, but neither Russia nor Iran would have any say in its construction, he said.

There would be no ecological or practical problems building a trans-Caspian pipeline of this length, Korchemkin added, pointing to the several undersea pipelines already functioning in the Caspian.

Weafer underlined the impact of a settlement in the Caspian, saying it "would be a significant boost to the Nabucco pipeline," a project supported by the United States and Western Europe as a way of accessing energy supplies without dependence on Russia or Iran.

"It's no surprise there wasn't a deal," Weafer said. "Russia's in no hurry to have this resolved."

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