BLACK SEA NEWS UPDATE

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I. ALBANIA
1. Albanian opposition stages anti-government rally
09.05.2010, New Europe
READ MORE: http://www.neurope.eu/articles/100778.php
Thousands of opposition Socialist activists have rallied in Tirana, demanding transparency in last
year's general election. Tens of thousands of opposition supporters gathered in the boulevard in front of the office building of the Albanian government, waving party flags and chanting anti-government slogans, AENews reported. The Socialist Party, led by Edi Rama, has accused the ruling Democratic Party led by Prime Minister Sali Berisha of vote-rigging and called for a thorough probe into the fraud, which was denied by Berisha. The EU's Enlargement Commissioner, Stefan Fule, says the political turmoil is threatening Albania's bid to join the European Union. Rama, also Tirana Mayor called for sweeping public sector reforms. He said, the government has stolen the election. They should open the boxes and allow transparency. Otherwise they should go. The Socialist leader denies his party's actions are to blame for the political instability.

2. Albania seeks way out from political stalemate
06.05.2010, EurActiv

The Albanian government is doing everything it can to find a way out of the country's unprecedented political crisis, which sees the opposition boycotting parliament and prevents Tirana from advancing towards EU membership, Albania's Deputy Prime Minister and Minister of Foreign Affairs Ilir Meta told EurActiv in an exclusive interview. The Albanian government is fiercely committed to resolving the crisis, said Meta, who is also leader of the Socialist Movement for Integration, a small party which won five seats in the June 2009 elections and became a coalition partner of the Democratic Party led by Prime Minister Sali Berisha. Ever since the June poll, the ruling Democratic Party and the Socialist Party of opposition leader Edi Rama have kept accusing each other of fraud (EurActiv 30/06/09). Albania's opposition Socialist Party, which controls nearly half the seats in parliament, boycotted the assembly for months, holding up the passage of laws including many that are needed to align the country with EU legislation.

3. Albania, Bosnia closer to EU visa-free travel
02.05.2010, New Europe
READ MORE: http://www.neurope.eu/articles/100626.php

The latest assessment of European Commission experts shows that Albania and Bosnia and Herzegovina, two more countries of the Western Balkans will be added in the "White Schengen list" in the upcoming months, AENews reported. This would allow the citizens of both Balkan regions to most of the European Union without visas. The EU experts acknowledged that both states have met most of the criteria for visa-free travel but still have work to do, which means that the decision to waive Schengen visas for their citizens may be conditional upon the fulfillment of remaining benchmarks by Tirana and Sarajevo. EU diplomats expect conditional approval to be granted to both countries, although Bosnia is performing well compared to Albania in meeting the criteria. The recommendation to lift the visa requirements is to be made by the commission after another assessment later in the year. Final approval will depend on the EU's interior ministers and on endorsement by the European Parliament.

II. ARMENIA
1. EDB investments in Armenia may total $500mln
12.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/economy/news/48475/

The Eurasian Development Bank’s (EDB) investments in Armenia may total $500mln. “Energy and transport infrastructure are priority industries for us,” Chairman of the EDB Executive Board Igor
Finogenov said in an interview with RBC daily. “A memorandum of cooperation was signed with the Ministry of Energy and Natural Resources. Besides, a number of agreements were signed with local major companies, including ArmRosGazprom and South Caucasus Railways. Armbusiness bank was provided a $20-million credit, the funds to be spent to facilitate development of small and medium-sized businesses,” he said.

2.

Edward Nalbandian talks about Madrid updated document
12.05.2010, Armenia. Az
READ MORE: http://www.news.az/articles/15293

‘Armenia is decisive to continue efforts towards the resolution of the conflict.’ 'If we reveal what points have been agreed and disagreed by Azerbaijan, we’ll see that most are exceptions, and the principal propositions are arbitrary presented,' Armenian FM Edward Nalbandian releasing speech at CE ministerial summit talked about the Madrid updated document. Armenian MFA PR department reported FM as saying Azerbaijan not only distorts the conflict reasons and consequences, but the essence of negotiations, they use any chance to make armed related statements. Armenian FM stated Madrid principles exclude force and usage of force, the determination right of nations, territorial integrity. That document has been long rejected by Azerbaijan. 'Looking at the experience it’s obvious that Azerbaijani efforts are deconstructive. Armenia is decisive to continue efforts towards the resolution of the conflict,' E. Nalbandian said.

3.

Azerbaijani FM: OSCE Minsk group must achieve Armenia’s consent with updated Madrid principles
08.05.2010, Trend News

Azerbaijani Foreign Minister Elmar Mammadyarov does not plan to meet with the OSCE Minsk group co-chairmen in Brussels May 11-12, the Foreign Ministry spokesman Elkhan Polukhov told Trend. "At this stage, co-chairmen of the Minsk Group must work more with the Armenian side, since, as opposed to official Baku, Yerevan has not expressed its attitude to the updated Madrid principles," Polukhov said. Armenian Foreign Minister Edward Nalbandian met with the OSCE Minsk group co-chairmen in Brussels, the foreign ministry told "News-Armenia" agency. At the meeting of Azerbaijani and Armenian Presidents Ilham Aliyev and Serzh Sargsyan in January in Sochi, the OSCE Minsk Group presented the parties an updated version of the Madrid document, which is the basis for negotiations. Official Baku, adopting the Madrid principles, has not yet received the information from the OSCE Minsk Group co-chairmen on Yerevan’s position on an updated version of the Madrid principles proposed by the mediators to Armenia.

4.

Around 93,000 tourists visited Armenia in first quarter of 2010
04.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/economy/news/48114/

The RA National Statistical Service reported that the number of tourists visiting Armenia totaled 92,955 in January-March 2010 that is 9.4% higher as compared with the same period of last year. Meanwhile, 90,950 people left Armenia for travel purposes during the first quarter of 2010 that is 7.1% higher as compared with same period of last year.

5.

OSCE helps promote trial and criminal justice reform in Armenia
04.05.2010, OSCE
READ MORE: http://www.osce.org/item/43741.html

The Head of the OSCE Office in Yerevan, Ambassador Sergey Kapinos, met Armenia's Prosecutor General Aghavn Hovsepyan today to discuss justice sector reforms, including implementation of
recommendations contained in the trial monitoring report recently released by the OSCE Office for Democratic Institutions and Human Rights (ODIHR). A workshop on ODIHR's trial monitoring recommendations, as they relate to pre-trial proceedings, was also held on 27 April. In March, ODIHR published a report on the trials that took place in the aftermath of the March 2008 post-election violence in Yerevan. Kapinos noted the Prosecutor General's constructive approach to the recommendations. "We were glad to learn that some of ODIHR's recommendations were immediately accepted, and we understand that certain recommendations will need time for implementation. The OSCE Office stands ready to assist and support the endeavours of the Prosecutor's Office, the Ministry of Justice and the Court of Cassation," he said.

6. 'Armenia ready to establish relations with all neighbors'
04.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14812
The 23rd European regional session of Parliamentary Assembly of Francophonie started in Yerevan. In his welcoming speech Armenian Parliament Speaker Hovik Abrahamyan said that language skills enrich people, noting that French can be considered a native tongue for many descendents of 'genocide' victims who found their second motherland in French-speaking countries. According to Abrahamyan, Armenia’s associative membership in PA Francophonie incites the process of integration to Europe. He added that our country is ready to fulfill commitments, but not at the expense of the impairment of state and national interests. RA Speaker also touched upon topical political processes in Armenia, underlining that the country is ready to establish relations with all neighbors and had already made such a move seeking to hold dialogue with Turkey without preconditions. “However, Ankara did not appraise Yerevan’s stance and torpedoed the dialogue. As a result Armenia suspended ratification process of the Protocols. Though, it does not mean we walked out of the process, and expect Turkey to display constructivism,” he noted.

7. Ameria CJSC to facilitate enterprise development strategy in Armenia
04.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/economy/news/48095/
Attraction of investments and export promotion is one of the trends of Armenian Government’s 2008-2012 Economic Policy. For this purpose the World Bank extended a grant to the Government of Armenia to finance a project for technical capacity building and strengthening of proficiency of Armenian Development Agency (ADA) staff. Ameria CJSC is contracted as an ADA consultant under the project to specify the strategy for export promotion and enterprise development in Armenia. While developing export promotion strategy, Ameria will review the existing export potential of Armenia, competitiveness of players, as well as suggest possible solutions for the export development in light of the overall impact of the world financial crisis, Ameriabank CJSC said in a press release. The implementation of the task will require a period of one year and will be completed through several phases. The phases will comprise selection of target sectors and identification of barriers and constraints to exporting in the selected sectors.

8. New German loan to boost Armenian mortgage market
02.05.2010, New Europe
READ MORE: http://www.neurope.eu/articles/100660.php
The government of Germany recently provided a fresh €20 million loan to Armenia to encourage the development of the local mortgage market, Armenia Liberty.org reported. An agreement to this effect was inked in Yerevan by leading representatives of the German state-run development bank KfW and the Central Bank of Armenia (CBA). The loan will be disbursed among over a dozen
Armenian commercial banks and mortgage firms to be selected by the CBA. The banks and firms will then re-lend the funds to Armenians seeking to buy new apartments and houses or to remodel their existing homes. According to the German-Armenian Fund, a CBA-controlled structure managing KfW-funded projects, such mortgage loans will be repayable in at least 10 years and carry an annual interest rate of 12-16%. The fund expects them to be fully utilized by local families in the next three years. It should be recalled that the German government and KfW has already lent €12 million to Armenia for similar purpose in 2006 and 2007, yielding results. Armenian banks have cut back on mortgage lending at the start of the global financial crisis in late 2008.

III. AZERBAIJAN

1. 'Azerbaijan not to play negotiation games with Armenia', analyst

11.05.2010, Armenia.Az

READ MORE: http://www.news.az/articles/15244

'Azerbaijan is not going to play the negotiation games with Armenia which is correct', said political analyst. The negotiations between Defense Ministers of Azerbaijan and Russia Safar Abiyev and Anatoli Serdjukov held in Baku today, as well as the upcoming meeting of Russian and Turkish Presidents Dmitry Medvedev and Abdullah Gul are aimed at de-blocking the deadlocked situation in the Karabakh process, hampering the development of the Russian-Turkish relations, political scientist Rasim Musabeyov considers. Russian Defense Minister Safar Abiyev arrived in Baku Tuesday where he met his Azerbaijani counterpart Safar Abiyev and was received by the country's president. At the meeting with Abiyev the sides discussed prospects of development of the military and technical cooperation and the military and political situation in the region.

2. SOCAR: Azerbaijan and Turkey develop intergovernmental agreement on gas issues

10.05.2010, Trend News

READ MORE: http://en.trend.az/capital/pengineering/1684709.html

The State Oil Company of the Azerbaijan Republic (SOCAR) and representatives of the Turkish national pipeline company Botas are working to prepare an intergovernmental agreement on gas issues in Baku, SOCAR head Rovnag Abdullayev said at the opening of a bust of late national leader Heydar Aliyev at the gas-processing plant today. The sides are discussing the details of the principle agreement on gas prices in the first and second stages of the Shah Deniz Field and the transit of Azerbaijani gas through Turkey, which was reached between Azerbaijan and Turkey earlier, Abdullayev said. Azerbaijani gas is supplied to Turkey at $120 per 1,000 cubic meters. However, the cost of gas for consumers on Turkey's domestic market is over $300 per 1,000 cubic meters. As stated in the contract with Turkey, gas transit prices from Shah Deniz can be reviewed after one year, which means a new price can be introduced April 15.

3. ADB to fund 5 banks in Azerbaijan

09.05.2010, New Europe

READ MORE: http://www.neurope.eu/articles/100803.php

Asian Development Bank has announced expansion of funding of five Azerbaijani banks within framework of program of assistance to trade financing. In this regard, ADB inked trade finance pacts with the five banks in Azerbaijan. The fund will help the local companies conduct more international trade and become more closely integrated into regional and global business networks, ADB told Trend news agency. The ADB in collaboration with international banks and ADB's developing member country banks offers loans and guarantees to support international trade transactions. Ronald Antonio Q. Butiong, head of the CAREC Unit of ADB's Central and West Asia
Department said that the trade finance agreements will bolster important links between Azerbaijani firms and their business partners in Central Asia and beyond. These will complement efforts by the Central Asia Regional Economic Cooperation (CAREC) program to boost regional economic growth through better transport, energy and trade ties, he added.

4. Azerbaijan commits gas to Nabucco
07.05.2010, UPI

Despite growing Russian interest in Azeri gas, Baku is ready to deliver half of its natural gas reserves to the Nabucco pipeline for Europe, officials said. Azerbaijan is a gas supplier to Russia, Iran, Turkey and Georgia. Its total recoverable natural gas reserves pass 70 trillion cubic feet. Russian energy giant Gazprom starting in 2010 agreed to buy 35 billion cubic feet of gas from Azerbaijan and around 70 billion cubic feet of gas in 2011, Russia's state news agency RIA Novosti reports. Ali Gazanov, the head of social and political developments for the Azeri government, added that his country was slated to deliver gas to Nabucco. "Azerbaijan attaches great importance to Nabucco," he said. "We are ready to supply 50 percent of Azerbaijani gas via the pipeline. The $10.5 billion Nabucco pipeline aims to move gas from Azerbaijan, Turkmenistan and possible Middle East suppliers to Europe. Supplier nations, however, have been slow to commit to the 2,000-mile pipeline.

5. SOCAR opens its first petrol stations in Azerbaijan
07.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/15079

Azerbaijan's State Oil Company, SOCAR, has opened three petrol stations in Baku. SOCAR commissioned the first three petrol stations in Baku on the main road into Baku from Heydar Aliyev Airport, on the Zikh highway and Bibi Heybat highways today. In 2010, SOCAR will invest AZN 20m in the construction of petrol stations under its brand, according to company president Rovnag Abdullayev. 'Seven more stations will open by September 2010 and the overall number of stations will be 20 by mid 2011. For these purposes the company will allot AZN 20m this year', Abdullayev said. He said the company paid great attention to fuel quality. 'We will sell the output of local oil refiners. It currently meets Euro-2 standards' he said.

6. Official: visa regime between Turkey-Azerbaijan to be abolished soon
06.05.2010, Trend News

The visa regime between Turkey and Azerbaijan will be abolished soon, Presidential Administration Department head Ali Hasanov said, Turkish news agency Cihan reported. He added that Baku values Turkey's and Azerbaijan's rapprochement in abolishing their visa regime. All of these issues will be resolved soon, he said. "The foreign ministries of both countries work in this direction. I believe that in the nearest future the issue will be resolved," Hasanov said. He added that military strategic cooperation is also under discussion. "If there is military strategic cooperation between Armenia and Russia, why shouldn't there be such cooperation between Azerbaijan and Turkey?" Hasanov said. Hasanov also stressed that Ankara will pay attention to resolving the Armenian-Azerbaijani Nagorno-Karabakh conflict. He said Turkey recently raised the issue on the international arena, claiming that Baku expected this from Ankara.
| 7. | Azerbaijan achieved progress in institutionalization of cooperation with EU  
05.05.2010, Armenia.Az | READ MORE: http://www.news.az/articles/14915 |
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<td>European Commission issues mandate to subcommittee on cooperation with Azerbaijan in sphere of security, democracy and freedom. The Azerbaijani government achieved progress in institutionalization of cooperation with the European Union (EU), carried out within the framework of the European Neighbourhood Policy (ENP) and the Eastern Partnership initiative (EaP). According to Azerbaijani Deputy Foreign Minister Mahmud Mammadguliyev, the European Commission has already issued a mandate to subcommittee of cooperation Azerbaijan – EU for Security, Democratization, Civil Freedom. “Availability of the mandate allows to prepare its first meeting, which is possible till the end of 2010,” M. Mammadguliyev said. Azerbaijan was required about three years to persuade EU that it was necessary to establish new subcommittees of cooperation.</td>
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| 8. | Azerbaijan’s position in international community ‘growing’  
05.05.2010, Armenia.Az | READ MORE: http://www.news.az/articles/14874 |
| | Azerbaijan’s representative in PACE has indicated the growing role of Azerbaijan in the region. ‘Azerbaijan’s position in the international community is strengthening with development. Today our country is leading in the South Caucasus and it plays an important role in the ongoing processes’, said head of the Azerbaijani delegation in the Parliamentary Assembly of the Council of Europe, Samad Seyidov, according to the news service for the ruling party of Azerbaijan. According to Seyidov, President Ilham Aliyev holds a successful external policy laid by national leader of Azerbaijan Ilham Aliyev. ‘Azerbaijan’s position regarding the recent processes in the region proves the correctness of the conducted policy’, he said. Speaking about Azerbaijan’s relations with the Council of Europe, Seyidov noted that Azerbaijan is interested in the constructive cooperation with this organization. ‘The objectivity in the report prepared by the co-rapporteurs of the organization on Azerbaijan will be preserved’, he said. |
| 9. | Railway between Azerbaijan and Turkey to be built  
04.05.2010, Armenia.Az | READ MORE: http://www.news.az/articles/14802 |
| | Turkey will start exploration in the area where Kars-Igdir-Nakhchivan railway will be, Ministry of Transport said. According to ministry, Kars-Igdir-Nakhchivan railway will be launched in near times. The railway will be in 7 km distance. According to Sadreddin Mammadov, chief of department for transport policy and economy of Azerbaijan’s Ministry of Transport, a tender for selection of a company to hold geological works in the territory has already been declared: “The road that will be a continuation of the Baku-Tbilisi-Kars (BTK) railway will ensure connection between the blocked Autonomous Republic and Azerbaijan’. ‘The Baku-Nakhchivan railroad will be restored after the deoccupation of lands. Thus, Nakhchivan will become one of the biggest transport units in the region’, Mammadov said. The document about the construction of BTK between Azerbaijan and Turkey was signed on February 8, 2007, in Tbilisi. |
| 10. | Bank of Baku, ADB sign agreement to support trade financing  
04.05.2010, Trend News | READ MORE: http://en.trend.az/capital/banks/1680934.html |
| | Bank of Baku of Azerbaijan and Asian Development Bank (ADB) have signed an additional |
agreement for one million dollars for a revolving credit line to support trade financing, the bank said. The loan will be spent for the bank's clients in their post-import and pre-export operations. Bank of Baku and the ADB have also updated the agreement on trade financing for the provision of documentary transactions. In total, beginning from 2007, Bank of Baku has received from the ADB four million dollars of long-term credit for lending to small and medium businesses, two million manat to medium-term loans, two million dollars for trade financing and one million dollars in revolving credit line. Currently, Bank of Baku works with ADB in the field of small and medium-sized businesses, as well as in trade financing.

11.

Baku backs Ankara on opening of borders
03.05.2010, Armenia.Az

READ MORE: http://www.news.az/articles/14683

The Azerbaijani Foreign Ministry has commented on remarks by the Turkish foreign minister that Ankara is keen to see all borders open. 'Azerbaijan is also in favour of opening and unblocking all the borders in the region,' Foreign Ministry spokesman Elkhan Polukhov said today. 'However, for Azerbaijan to open its border with Armenia the Armenian armed forces must withdraw from the occupied territories and Azerbaijani displaced persons must return there. This is the basic condition for Azerbaijan to open borders with Armenia. In addition, these steps are consistent with resolving the Armenian-Azerbaijani conflict over Karabakh and establishing peace and stability in the region,' Polukhov said. On 1 May, Turkish Foreign Minister Ahmet Davutoglu addressed a conference at Oxford University on 'Turkey's foreign policy in a changing world'. 'Of course we want to open our border because we want full integration with our neighbours,' Davutoglu said in his keynote speech. 'However, it would not be enough to open the Turkish-Armenian border. We also want the Armenian-Azerbaijani border to be opened so that regional stability can be restored.'

12.

EBRD invests $4 mln in Azerbaijani internet provider
01.05.2010, Armenia.Az

READ MORE: http://www.news.az/articles/14616

The European Bank of Reconstruction and Development has started the support of expansion of the use of internet services in Azerbaijan. According to sources in the EBRD, in this connection the bank intends to invest $ 4 mln to the stock capital of Datacell, functioning under the trade name of elcell. "Today elcell offers services of broadband wireless internet and it needs investments due to the plans to launch services in the country regions. EBRD investments in the stock capital of Datacell will help create opportunities to expand services by way of attracting new private and business clients to the capital and regions of Azerbaijan", the statement reads.

IV. BULGARIA

1.

Bulgaria, Romania least competitive EU economies - WEF study
10.05.2010, Sofia News Agency


Bulgaria remained the least competitive economy in the European Union, preceded by Romania and Italy, according to the World Economic Forum study. Bulgaria collected 3.77 points and kept the first place at the bottom of the list, while Romania slipped one spot from last year and ranked 26th. Sweden, Finland and Denmark topped the ranking above the Netherlands, Luxembourg and Germany in the analysis, which is based on indicators such as economic and productivity growth, research and development spending, and unemployment. Greece was fifth from last. Romania and Bulgaria, the two most recent members of the EU, round out the bottom of the ranking, with
weaknesses across most areas, most particularly innovation and R&D and liberalization, where they hold the bottom two places out of all countries, with low R&D spending, companies that are not aggressive in adopting new technologies, significant regulatory burdens and government policy-making that is considered among the least transparent in the world, says the analysis. The ranking shows a wide disparity in performances across the 27 member countries, with scores ranging from 3.77 out of a maximum of 7 for Bulgaria, up to 5.83 for Sweden. “While some progress has been made, much remains to be achieved in order to fully harness Europe’s economic potential,” Klaus Schwab, the WEF’s founder and chairman, said in a statement. “Accelerating the reform process across the EU “will be critical for ensuring that the region gets back to growth,” he said.

2.
EBRD extends EUR 30 M to Citygas Bulgaria
07.05.2010, Sofia News Agency
READ MORE: http://www.novinite.com/view_news.php?id=115971
The EBRD Board of Directors has approved a EUR 30 M loan to Citygas Bulgaria, to finance the development of a gas distribution network in the south of the Bulgaria. Majority-owned by the Italian gas distribution and supply utility Gruppo Societa’ Gas Rimini Spa, Citygas Bulgaria is the holder of a 35-year renewable concession to develop and operate the gas distribution network in Trakia region and the municipality of Karzhali, with a population of approximately 900,000. The gas distribution network in Bulgaria remains under-developed with large parts of the country not covered by the network. The EBRD loan will finance the construction of 833 kilometers of the gas distribution network and associated infrastructure in 27 municipalities in the Trakia region and in the municipality of Kardzhali by 2012. The project is part of Citygas Bulgaria’s investment program, which aims to provide gas connection to 1,000 industrial, 1,500 commercial and 96,000 domestic users by 2017.

3.
Macedonia, Bulgaria review friendship treaty
06.05.2010, Hurriyet Daily
Macedonia and Bulgaria should focus on the future, not the past, the countries' foreign ministers said in Skopje on Wednesday, the Balkan Insight website reported. Macedonia’s Foreign Minister Antonio Milososki and his Bulgarian counterpart, Nikolay Mladenov, told a joint press conference that their meeting aimed at discussing the signing of a mutually acceptable agreement on friendship and cooperation. “Priorities should be defined. Macedonia and Bulgaria need to determine whether the priority is to have a railroad line and more mutual investments or to give importance to smaller and sometimes insignificant historical issues,” said Milososki. Mladenov publicly assured Skopje that Sofia has no hidden agenda regarding the proposed friendship document and that for the Bulgarian state Macedonia is an independent and sovereign country, as well as a neighbor and friend. “Bulgaria has no territorial claims towards Macedonia and I believe that Macedonia has no territorial claims towards Bulgaria. We hope that Macedonia will join the EU and NATO in due time and these questions will be irrelevant,” Mladenov said.

4.
EC: Bulgaria economy to start recovery end 2010
05.05.2010, Sofia News Agency
READ MORE: http://www.novinite.com/view_news.php?id=115920
The global economic downturn had a severe effect on Bulgaria’s economy, but brought about a welcome adjustment in some of the imbalances, says an analysis of the European Commission. The document is part of the institution’s spring economic forecast, which was presented Wednesday
morning by EU Commissioner for Economic and Monetary Affairs Olli Rehn. “The economy is likely to start to recover towards the end of 2010 under the impact of the international cycle. Although the growth rate might be slightly higher than in other EU countries, in 2011 it should remain well below the pre-crisis average, thus temporarily slowing the catching-up process,” the document says. It points out that as a result of the downturn the budgetary balance swung from a surplus of 1.8% of GDP at the end of 2008 to a deficit of 3.9% of GDP, as the implemented measures to curb expenditures and improve tax compliance were not enough to offset the significant revenue shortfall.

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5. **Minister: Bulgaria ready to cut red tape for EU funds**

05.05.2010, Sofia News Agency


Tomislav Donchev, the new minister in Bulgaria's conservative government appointed to speed up the ability to use European Union funds, has prepared a package of measures to cut red tape in applying procedures. "We are doing our best to speed up European funds absorption," Donchev told the morning broadcast of private bTV channel, when asked about the result of his work since coming into office a month and a half ago. “The European Commission is placing no obstacles, on the contrary it is putting in efforts to assist us. The question is whether we can absorb the allocated money,” he pointed out. “The European Union wants Bulgaria to be a stable and well developed country.” According to Donchev non-governmental organizations and businesses continue to make attempts to embezzle EU funds. Bulgarians have pinned lots of hopes on the minister, who is expected to control the proper use of European Union subsidies, prevent fraud and clean up its record with the EU.

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6. **Bulgaria: poor not just by EU standards**

04.05.2010, EurActiv


After three years of EU membership, Bulgaria is still one of the poorest countries not only in the EU but in the Balkans as a whole. Dnevnik, EurActiv's partner in Bulgaria, reports. In 2009, the average salary in the country was €302 per month, according to data from the Vienna Institute for International Studies. On this indicator, Bulgaria only fares better than Albania and trails far behind Romania, the other country that acceded to the EU with Bulgaria in 2007. The negativity is aggravated by data from the Confederation of Independent Syndicates in Bulgaria (KNSB), according to which every fifth family lives below the lower limit of poverty: meaning €95 a month per person. This was also confirmed by the Bulgarian Ministry of Social Policy, which stated that in 2008, a fifth of the population in Bulgaria was living on the poverty line. Statistics show that the share for the whole EU is around 17%.

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7. **Bulgaria freezes 2nd nuclear power plant project, seeks investor**

04.05.2010, Ria Novosti


Bulgaria has put on hold construction of its second nuclear power plant until it finds a new investor to complete the project, Prime Minister Boyko Borisov said on Tuesday, the daily 24Casa reported. According to the DPA news agency, the government has earmarked $9.25 million to mothball the Belene site on the Danube, 180 kilometers northeast of the capital, Sofia. "The country has no money for a nuclear power plant," Borisov said. "We will build it when investors come." The plant was originally to be built by Russian company Atomstroyexport for 4 billion euros. The firm signed a contract with the previous, Socialist-led government, swept from power by Borisov's conservative
GERB party swept in July elections. Last week, Borisov turned down a 2 billion-euro offer from Moscow for a stake in the plant. He said Bulgaria is looking for a full investor to finish the project following the withdrawal of German energy company RWE in the fall of 2009.

8.

Council of Europe rebukes Bulgaria for mistreatment of Turkish minority
01.05.2010, Today’s Zaman
READ MORE: http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=208997
The leading intergovernmental human rights organization in Europe has reprimanded Bulgaria for mistreatment of its Turkish minority and criticized the country for not taking corrective measures to restore the minority’s full rights. In a post-monitoring report adopted by the Parliamentary Assembly of the Council of Europe (PACE) on Friday, the human rights watchdog asked Bulgarian authorities to "promptly investigate increasing racist and xenophobic acts in the form of verbal and physical attacks, desecrations of mosques, as well as hate speech and provocative campaigns by certain political parties.” PACE unanimously agreed on the resolution on Bulgaria during a morning session that witnessed traded amendments between Turkish and Bulgarian deputies with respect to wording on the ethnic Turkish minority in Bulgaria. Haluk Koç was the only Turkish deputy present at the proceedings.

V. GEORGIA

1. Deputy PM: Georgia not to start new war
11.05.2010, Trend News
Georgia will not start the war. There is a guarantee that this is the agreement of the six points where the Georgian position is fixed uniquely, deputy Prime-Minister, State Minister for Reintegration, Temur Yakobashvili said, responding to a statement by Abkhazian de facto Foreign Minister Maxim Gundjia. Abkhazians are ready to restore direct dialogue, if Georgia guarantees not to renew the war, Gundjia said. Yakobashvili said that if it is necessary to sign such a document with Russia, the Georgian side is ready for this, but only if there are international guarantees.

2. Georgia port gets Emirate investment
11.05.2010, Wall Street Journal
READ MORE: http://online.wsj.com/article/SB10001424052748703880304575236340309051162.html?mod=rss_europe_whats_news
The Ras Al Khaimah United Arab Emirate will invest up to $500 million in Georgia’s busiest Black Sea port of Poti over the next four to five years through its investment authority Rakia, senior executives in its Georgian subsidiaries said in interviews this week. Poti, which was briefly seized by Russia after August 2008’s war over the breakaway territory of South Ossetia, is a key transit route linking the Caucasus and Central Asia to Europe, and Georgia’s government has been working with Rakia to establish a free industrial zone on the territory which would allow companies to operate tax free and export goods. Rakia already fully owns Poti’s existing port, plans to finish construction of the zone by the end of May, and will start to build a second port adjacent to it next year at a cost of $300 million. "Rakia will hold a majority in the new port, we’re funding it but also looking for big international banks to become involved," said Khaled Chatila, Poti Sea Port’s general manager.
3. EU-Georgia easing visa regime

EU Commissioner for Enlargement and European Neighborhood Policy Tefan Füle, who reported to the EU Parliament's foreign affairs committee about his trip to South Caucasus countries and Ukraine earlier in April, said that adoption of the directives would pave the way for the EU to prepare for the launch of negotiations on Association Agreements with Armenia, Azerbaijan and Georgia. These Agreements will allow for close political association between each of the partners in the South Caucasus and the EU, building on common values and shared principles, he said. The visa facilitation will include, among other things, issuing multiple-entry visas with a long period of validity to certain categories of applicants including businesspeople, journalists and family members of Georgian citizens residing in the EU. He said that Georgians can soon benefit from lower fees and easier visa rules. The agreement would also cut visa fees to €35 and waive fees for specific categories such as children, family members of Georgian citizens residing in the EU, representatives of civil society organizations. The agreement will exempt holders of diplomatic passports from the visa obligation.

4. Poll shows decrease in support for NATO membership

Although majority of Georgians are in favor of NATO membership, the level of support seems to be reduced in last twenty months, according to the recent public opinion survey. 26% of respondents say that they fully support Georgia's NATO membership and 36% say somewhat support, according to the poll carried out by Caucasus Resource Research Centers (CRRC) for U.S. National Democratic Institute (NDI) in a period between April 11 and April 26. 10% responded that they equally support and do not support; 7% - somewhat not support and 9% - don't support at all. 9% said they do not know. In a poll by IPM for U.S. International Republican Institute (IRI) in September, 2008, 69% of respondents were fully supportive to Georgia's NATO membership, plus 17% saying that they somewhat support, with only 8% either strongly or somewhat opposing. In IRI's similar poll in October, 2009 54% of respondents were fully supportive to Georgia's NATO membership with 21% saying they somewhat support and 12% were either strongly or somewhat against.

5. Georgia should start talks with Abkhazia, S.Ossetia – opposition

Georgia should start direct talks with its former republics of Abkhazia and South Ossetia, the leader of the country's opposition movement For Just Georgia said on Friday. Russia recognized the independence of Abkhazia and South Ossetia in August 2008 after repelling a Georgian assault on South Ossetia in a five-day war. Only Nicaragua, Venezuela and the tiny Pacific island state of Nauru have followed suit. "We must forget about the term 'return of territories,' and talk about the return of nations, the return of people and the reunification of Georgia. Primarily we need to return Abkhazians and Ossetians and restore relations," ex-Georgian premier Zurab Nogaideli told Ekho Moskvy radio station. "I think direct talks between Tbilisi and [the Abkhazian capital] Sukhumi, and between Tbilisi and [the South Ossetian capital] Tskhinvali should start soon," he said. Nogaideli said talks should focus on ruling out any possibility of a repetition of war or the use of force to settle conflicts. He also urged the restoration of transport links and economic cooperation between Georgia and its former republics.
6. **France to allocate Georgia EUR 705 000**  
06.05.2010, Armenia.Az  
[READ MORE: http://www.news.az/articles/14961](http://www.news.az/articles/14961)  
The government of France will allocate Georgia EUR 705 000 of financial aid. It was announced at sitting in the Ministry of Economic Development of Georgia. The meeting was attended by Zurab Pololikashvili, the Minister for Economic Development, his deputy Georgi Karbelashvili, representatives of ADPI [French company] and Eric Fournier, the ambassador of France to Georgia. Financial aid, allocated by the French side, is intended for research works in the framework of project for rehabilitation and expansion of runway in Tbilisi airport.

7. **Georgian Minister receives EU Commissioner**  
04.05.2010, Armenia.Az  
[READ MORE: http://www.news.az/articles/14787](http://www.news.az/articles/14787)  
'The key to the conflict stalemate was the beginning of powerful international observation mission on the ground.' Georgian Minister of Reintegration Temur Iakobashvili hosted Council of Europe Human Rights High Commissioner, Thomas Hammarberg discussing situation in Georgia’s occupied regions. During a whole hour, the minister and the commissioner were talking about the facts of human rights violation in the occupied Abkhazia and South Ossetia and discussing the preventive measures, which should be applied in the future. Temur Iakobashvili said after the meeting said the key to the conflict stalemate was the beginning of powerful international observation mission on the ground. The sides also discussed the facts of human kidnapping in occupied regions. Georgian Minister said the human kidnapping was the part of the occupation policy.

8. **NATO to dangle membership 'carrot' in front of Georgia – Rogozin**  
04.05.2010, Ria Novosti  
NATO will continue to use Georgia for as long as it can by dangling the "carrot" of membership in the military alliance in front of it, Russia's NATO envoy said on Tuesday. "Georgia will be used for as long as possible so that it sends it soldiers to Afghanistan and allows deployments on its territory," Dmitry Rogozin said at a RIA Novosti video conference. "But, in essence, they will be kept like that famous animal that has a carrot tied in front of its mug," he added. He also said that NATO would not accept Georgia as a member due to territorial disputes over South Ossetia and Abkhazia but would continue to think of it as a "close partner". "They will de facto be used as a close partner in the Caucasus, but will not get formal membership in the foreseeable future," he said. Georgia has long been pursuing NATO membership, but its bid was turned down due to pressure from Germany and France at a 2008 NATO summit in Bucharest. However, NATO has stated that the country will join at an unspecified date in the future.

**VI. GEORGIA - RUSSIA**

1. **'Any attempt to destroy Russian-Georgian friendship is doomed to failure'**  
11.05.2010, Armenia.Az  
[READ MORE: http://www.news.az/articles/15192](http://www.news.az/articles/15192)  
Russian and Georgian people 'to take care of traditions of friendship, good neighborly relations and mutual assistance.' In a message to the Georgian citizens, congratulating with the Victory Day, 65th anniversary of the end of World War II, expressed confidence that "good, open and constructive relations, based on solid foundation of cultural, spiritual and historical ties" will be restored between
Georgia and Russia. “Any attempt to destroy Russian-Georgian friendship is doomed for a failure,” the message, posted on the Kremlin website on May 8, reads. Fighting fascism side-by-side in World War II, the message reads, is of a special importance “in our common and multi-century history of relations between the Russian and Georgian people.” Medvedev also says in the message that memory of those fallen in fight against fascism obliges Russian and Georgian people “to take care of traditions of friendship, good neighborly relations and mutual assistance.” It was no accident that a sacrilegious action of the current regime in Tbilisi to destroy World War II heroes’ memorial in Kutaisi triggered wave of outrage.

2.

Russia seeks partnership with ‘constructive forces’ in Georgia
08.05.2010, Ria Novosti

Russia is determined to restore partnership with all constructive political forces in Georgia, Russian Prime Minister Vladimir Putin said on Saturday. "I believe that a new, good page will open in Russian-Georgian relations. We are open to dialogue with all constructive political forces in Georgia that are looking for a true partnership with Russia, and we will definitely restore such partnership," he said. Putin met with Nino Burdzhanadze, former Georgian parliament speaker and leader of the opposition Democratic Movement-United Georgia. His aide Dmitry Peskov said Putin was due to meet another opposition figure, Zurab Nogaideli, former prime minister and leader of For a Fair Georgia public movement, later in the day. Georgian opposition leaders have been frequently coming to Russia to meet Russian officials and representatives from the Georgian diaspora in Russia in a bid to create a "Georgian lobby in Russia."

VII. GREECE

1.

Building on Greek-Turkish détente
12.05.2010, Today’s Zaman

Greece’s high defense spending has contributed to its economic woes. Indeed, the country has Europe’s highest military expenditures relative to gross domestic product (GDP). Improvement in relations with Turkey could enable Greek Prime Minister George Papandreou - who hosts Turkish Prime Minister Recep Tayyip Erdoğan this week - to cut defense spending and make it easier to rescue an economy on the brink of bankruptcy. Improved Greek-Turkish ties would be welcomed not only by foreign investors and European Union officials, but also by Greece’s NATO allies - above all the United States. Clashes between Greek and Turkish military aircraft in the Aegean remain frequent. In 2006, a Greek fighter pilot was killed in a mock dogfight with a Turkish fighter aircraft. These incidents could lead to inadvertent military conflict between the two NATO allies.

2.

IMF board approves record 30-billion-euro loan for Greece
10.05.2010, EUbusiness

The International Monetary Fund's executive board approved a record 30-billion-euro loan Sunday for Greece, whose debt woes have shaken global financial markets. "The IMF executive board has concluded its discussion on Greece and approved a three-year stand-by arrangement for a total amount of SDR (Special Drawing Rights) 26.4 billion (30 billion euros)," the fund said in a statement. The action came at the end of a week that saw the euro plunge and financial markets reel amid uncertainty over whether Greece could implement deeply unpopular austerity measures and stave off bankruptcy. The IMF loan is part of a larger 110-billion-euro package offered in conjunction with 15
Eurozone nations in exchange for austerity measures that sparked violent street protests in Athens.

The loan "is the biggest ever in relation to the country's quota in the IMF (32 times, or 3,200 percent of quota), and also the biggest non-precautionary loan ever approved by the IMF," a fund spokesman told AFP.

3. Athens, Ankara discuss new model of cooperation

09.05.2010, New Europe

READ MORE: http://www.neurope.eu/articles/100784.php

Turkish Economy Minister Ali Babacan recently paid a visit to Athens to discuss preliminary preparations for the High Level Strategic Cooperation Council between Turkey and Greece, scheduled to take place on May 14-15. Babacan met with Greek Prime Minister George Papandreou, Finance Minister Giorgos Papakonstantinou, Economy, Competitiveness and Mercantile Marine Minister Louka Katseli and Alternate Foreign Minister Dimitris Droutsas. Babacan also delivered a speech at a conference hosted by The Economist magazine. Droutsas spoke of the new model of cooperation between Greece and Turkey that will be embarked upon during Turkish Prime Minister Recep Tayyip Erdogan’s official visit to Athens on May 14-15. Droutsas, who was on the same Economist panel with Babacan, stressed that when the will exists, stereotypes and prejudices of the past as well as mutual suspicion in bilateral relations can be overcome. Asked on the prospect of a mutual reduction in defense expenditure by the two countries on opposite sides of the Aegean, Droutsas noted that this is the vision and the ultimate goal of our foreign policy, and it is worth working toward this in a systematic way.

4. Turkish businesses seek closer ties with Greece

09.05.2010, Hurriyet Daily


The debt crisis in Greece is an opportunity for Turkey to show that it is a true friend of its neighbor, according to Selim Egeli, chief of the Turkish-Greek Business Council. As European Union hammers out an emergency fund for the battered eurozone nation, Egeli says Turkish PM’s upcoming visit to Athens may trigger a ‘totally different synergy’. As the European Union tries to set up an emergency fund to prevent the spread of the Greek contagion, Turkish Prime Minister Recep Tayyip Erdogan is ready to pay an official visit to Athens from May 13 to 15, accompanied by around 80 businesspeople. According to Milliyet newspaper, among those accompanying Erdogan will be Erdal Aksoy, chief executive of petrochemicals company Petkim, Mehmet Kutman, owner of Global Yatırım Holding and Ömer Aras, chairman of Finansbank, a Turkish bank owned by the National Bank of Greece. Speaking to Anatolia news agency, Selim Egeli, head of the Turkish-Greek Business Council, said it is time for Turkish companies to invest in Greece.

5. Euro area states agree €110bn loan for Greece

03.05.2010, EUOBSERVER

READ MORE: http://euobserver.com/9/29988

Eurozone states and the IMF have agreed a three-year lending package for Greece worth €110 billion. The decision taken by euro area finance ministers in Brussels on Sunday evening (2 May) follows months of market turmoil, during which Greece’s borrowing costs have risen to record highs, sparking fears of a sovereign debt default and breakup of the single currency area. "It is an important day for the future of Greece and an important day for the financial stability and economic governance of Europe," EU economy commissioner Olli Rehn said after the finance meeting. Eurozone governments will provide €80 billion under the three-year deal (2010-12), with the first
disbursement to be ready before a crucial debt deadline on 19 May when Athens is due to pay back roughly €8.5 billion to bond holders. Mr Rehn said installments will be subject to a system of "quarterly reviews".

6.
Greek PM eager to boost relations with Turkey
01.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14613
Greek Premier and Foreign Minister George Papandreou has said his country was eager to improve relations and boost cooperation with Turkey. Responding to a question at a parliamentary session on Friday over Turkish Premier Recep Tayyip Erdogan's upcoming visit to Athens on May 14-15, Papandreou said contacts with his Turkish counterpart aimed at strengthening the stability of Greece and the region. "Greece is willing to increase the number of contacts and widen areas of cooperation with Turkey in a bid to add a fresh momentum to the relations in line with mutual interests," Papandreou said, adding that the introduction of a high level cooperation council between the two countries was aimed at meeting that end. The Greek premier said the high level cooperation council would cover areas such as economy, energy, environment, transportation, communication, culture, tourism, education, protection of citizens and European Union issues.

7.
Greece to cut defense expenses, but keep balance with Turkey
01.05.2010, Today’s Zaman
READ MORE: http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=208981
Greek Defense Minister Evangelos Venizelos has said his government was preparing for “colossal” cuts in military operating costs to help the debt-ridden country emerge from its financial crisis and speed up plans to modernize the armed forces, but emphasized the reduction would not affect the strategic balance with neighboring Turkey. Venizelos said Greece was aiming to slash operating costs by up to 25 percent in 2010 from 2009, instead of the planned reduction of 12.6 percent listed in this year’s budget. “That is a colossal amount, reaching the margin of our operating needs,” he said on Thursday, insisting that the cuts were not a direct result of the Greek debt crisis. Venizelos’ remarks came weeks before Prime Minister Recep Tayyip Erdoğan’s visit to Athens, scheduled for mid-May. Greece remains at odds with neighbor and NATO ally Turkey over the divided island of Cyprus and boundaries in the Aegean Sea but has improved ties over the past decade.

VIII. ROMANIA

1.
IMF will unblock aid to Romania when austerity cuts effective
10.05.2010, EUBusiness
READ MORE: http://www.eubusiness.com/news-eu/romania-economy-imf.4lg
The IMF board will release a new disbursement of its aid package to crisis-hit Romania when austerity measures announced by the government are effective, an IMF representative said Monday. "The board will meet and analyze the agreement as soon as the authorities have taken the promised measures," chief of IMF mission Jeffrey Franks said during a press conference. Romania's government last week announced it would wages in the public sector by 25 percent and cut pensions and unemployment benefits by 15 percent starting on June 1 in an attempt to curb a rising public deficit. "Our normal schedule is to go to the board in June, if the government needs more time, there will be no problem," he said. Once the IMF board approves the deal, about 900 million euros will be transferred to Bucharest, Franks said, speaking in Romanian.
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<th>IMF asks Romania to cut 250,000 public jobs on medium-term</th>
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<td>10.05.2010, Financiarul</td>
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<td>Jeffrey Franks, head of the IMF mission to Romania, thinks that the number of public employees in Romania should be reduced by 250,000 people on the medium-term to match the numbers before 2006. &quot;Over the past three years, precisely between 2006 and 2008, the public sector added 250,000 employees. The figures must be reverted (to the ones before 2006). This can be done over a period of several years, not necessarily in just one year,&quot; said Franks. The official added that the exact number of layoffs in the public sector for 2010 is not specified in Romania’s letter of intent to a EUR13 billion loan with the IMF, but the layoffs are implicit. According to Finance Ministry data, between December 2008 and February 2010, the public sector was reduced by 36,000 jobs, bringing the total number of employees to 1.36 million.</td>
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<th>Ukraine not planning to change border line with Romania, says Hryschenko</th>
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<td>07.05.2010, Kyiv Post</td>
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<td>Ukraine is not planning to change its border with Romania, Ukrainian Foreign Minister Kostiantyn Hryschenko has said. &quot;I would like to stress that Kyiv is not planning to change the border line with Romania, even if this concerns an uninhabited island on the Danube River,&quot; the minister said in an interview with Interfax-Ukraine, when asked about the claims by Bucharest regarding the island of Maikan on the Danube. Hryschenko noted that Ukraine and Romania are natural competitors with regards to cargo transit along the Danube and the exploitation of hydrocarbon resources on the Black Sea shelf. &quot;Of course, there are spheres where we cooperate closely and reach a level of partnership. And one component part of our relations doesn’t exclude another,&quot; the minister said.</td>
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<th>Bulgaria, Romania top EU spending frauds ranking</th>
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<td>06.05.2010, Sofia News Agency</td>
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<td>READ MORE: <a href="http://www.novinite.com/view_news.php?id=115967">http://www.novinite.com/view_news.php?id=115967</a></td>
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<td>Irregularities in EU spending under pre-accession funds in Bulgaria and Romania has increased by 152% in 2008 over the previous year, according to a resolution adopted by MEPs on Thursday. The resolution acknowledges the steps taken by Bulgaria and Romania to improve shared management and financial control standards. Still it calls on the two newcomers, who joined the EU in 2007, to build up their administrative capacity to manage EU funding. The document recommends the removal of existing or potential conflicts of interest in fund management, improvement in the supervision and transparency of public procurement procedures. The two countries are also urged to swiftly introduce and notify to the Commission the necessary precautionary, corrective and/or disciplinary measures.</td>
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<th>5.</th>
<th>Romanian ambassador: country supports NATO-Azerbaijan dialogue</th>
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<td>04.05.2010, Trend News</td>
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|     | Romania supports the Azerbaijan-NATO dialogue and as coordinator of the alliance in the country tries to "bring Azerbaijan to the North Atlantic alliance," Romanian Ambassador to Azerbaijan and NATO representative in the country Nicolae Ureki said speaking at the conference "NATO's role in ensuring stability and security in Europe and on the strategic arena" in Baku today. "We support Azerbaijan's participation in the peacekeeping mission in Afghanistan. The main purpose of holding
such conferences is clarifying the roles and responsibilities of NATO. We want to bring to the attention of the Azerbaijani society the role that the Alliance plays, as the post-Soviet countries have a superficial idea about the alliance, he added. Conference on "NATO's role in ensuring stability and security in Europe and the strategic arena," is dedicated to the 16th anniversary of Azerbaijan's cooperation with NATO and the 61st anniversary of the alliance.

6.

**IMF propose tax hike to Romania – Report**

04.05.2010, Sofia News Agency


The International Monetary Fund (IMF) had proposed an increase of VAT and the flat tax to Bulgaria's northern neighbor, Romania. The information was reported Tuesday by the Bulgarian news agency BTA, citing Romanian newspaper publications, which, on their part, quote unnamed sources from the Romanian cabinet. According to the reports, IMF have proposed to the country to up the Value Added Tax (VAT) from the current 19% to 24% and the flat tax from 16% to 20%, which would help Romania fit in the agreed fiscal frame in order to continue receiving IMF funds. Romania has a credit line of EUR 20 B, of which EUR 12 B come from IMF. The Romanian media further report IMF are "unwavering and want the VAT increase NOW." An IMF mission is visiting Romania and will stay in the country until May 7. Just recently the Romanian cabinet vowed to not "touch" VAT.

**IX. RUSSIA**

1.

**Russia plans shift to pro-West foreign policy: media**

11.05.2010, EUbusiness


Russia is planning a major shift towards a more pragmatic foreign policy to improve ties with the West and attract greater international investment, a report said Tuesday. The new policy - approved by President Dmitry Medvedev - aims to make finding international capital to modernise the economy Russia's main diplomatic priority, the Russian edition of Newsweek said. Entitled "The Programme for Effective Use of Foreign Policy in the Long Term Development of Russia", the doctrine says Russia must strengthen relations with the United States and the European Union to achieve its economic goals. Foreign Minister Sergei Lavrov wrote in the introduction that the best way to assure Russian interests in the modern world is to rapidly realise modernisation in Russia, a flagship project of Medvedev. Russia needs to forge "modernising alliances" with Western Europe and the EU to attract foreign capital, Lavrov wrote in the doctrine, the entire text of which was posted on the Newsweek website. Meanwhile, Russia will need to exploit the United States' technological potential and end restrictions on the transfer of American technology to Russia, he said.

2.

**Russia may sign nuclear deal in Turkey**

09.05.2010, Hurriyet Daily


Russia may sign an agreement to build a nuclear power plant in Turkey during an official visit by President Dmitry Medvedev to Ankara, Interfax reported, citing Russian Energy Minister Sergei Shmatko. The project would be the first in which Russia builds a power station abroad and owns and guarantees the electricity supply afterwards, the Moscow-based news service reported, citing Shmatko. Most commercial terms including electricity price have been agreed, according to Interfax. Gas exporter Gazprom wants to enter the Turkish retail gas market and is considering several...
projects, including buying a distribution network in Istanbul, Shmatko was also cited as saying in the report. Gazprom's participation will depend on retail gas market liberalization in Turkey, Interfax said. Gazprom may also build an underground gas storage facility in Turkey, according to the news service. Russia and Turkey will discuss the construction of an oil refinery in Ceyhan as soon as a feasibility study for the planned Samsun-Ceyhan pipeline is complete, Interfax cited the minister as saying.

3.

Turkey, Russia to sign visa removal agreement next week
07.05.2010, Today's Zaman

Turkey and Russia will sign a visa removal agreement next week. Turkey and Russia are expected to sign the agreement during Russian President Dmitriy Medvedev's visit to Turkey on May 11-12. "The consulates of the two countries have initialied the agreement to lift visa procedures," Turkey's Ambassador to Russia Halil Akinci told the Anatolia news agency. Akinci said Russia had requested small changes in the editing of the agreement. However, Medvedev and Turkish President Abdullah Gül could sign the agreement without waiting for domestic approval process to end, Akinci said. Transitions between Turkey and Russia without any visa are expected to begin within this year. Removal of visa procedures first came up during Turkish Prime Minister Recep Tayyip Erdoğan's visit to Moscow last January. Two countries have launched necessary studies as Russia was also positive towards the move.

4.

Azerbaijan, Russia working on 'technical issues' for border treaty
05.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14938

A treaty on the state border between Russia and Azerbaijan should be ready for signing in a few months' time, Moscow's envoy in Baku has said. 'All issues concerning the delimitation of borders between Russia and Azerbaijan have practically been settled,' the Russian ambassador to Azerbaijan, Vladimir Dorokhin, told reporters today. He said the parties were preparing to sign an interstate treaty delimiting the border. 'Today we are settling technical issues in the preparation of the final text of the document and the release of geographical maps. It will take several months, after which a document will be signed,' he said. The Azerbaijanian-Russian working group on delimitation and demarcation of the state border reached agreement in Khachmaz on 16 April after years of negotiations. Azerbaijan's deputy foreign minister, Khalaf Khalafov, said agreement had been reached with the Russian president's special representative on border issues, Alexander Golovin.

5.

Russia, Ukraine sign plan of integrating transport systems for 2010-2013
05.05.2010, Kyiv Post

Russian and Ukrainian transport ministers Igor Levitin and Kostiantyn Yefymenko on Tuesday in Briansk signed a plan of action to implement the concept of integrating the transport systems of Russia and Ukraine for 2010-2013. Levitin told a press conference that the plan implies greater cooperation in the safety of water, railway, highway and air transport, in attracting investment in the transport sector and protecting investors, in reducing administrative barriers for carriers. In his turn Yefymenko said that the two ministries plan to sign four agreements in the second and third quarters of the year on safe seafaring in the Azov and Black Seas and in the Kerch Strait, on the procedure and terms of using internal waterways and also on cooperation in maritime and air search and rescue. Among the most important investment projects which Ukraine and Russia intend to carry out in the transport sphere Yefymenko named the construction of the Moscow-Vienna railway across Ukraine.
6. Russia has no right to interfere with NATO’s relations with other countries
04.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14821
Azerbaijan is concerned over Russia’s position regarding integration of the former Soviet republics with the North Atlantic Alliance. At a NATO seminar in Baku, Romanian ambassador, NATO coordinator on Azerbaijan Nicolae Ureke has made a statement that Russia has no right to hamper the accession of any country to NATO. "Russia cannot prevent either Azerbaijan or any other state to define with their membership in any organization. We understand that Azerbaijan is concerned over Russia’s position regarding integration of the former Soviet republics with the North Atlantic Alliance. However, Russia has no right to interfere with the relations of sovereign Azerbaijan with the North Atlantic Alliance. This is an affair of the two subjects of international law. Azerbaijan does not interfere with Russia's business when it creates the committee on cooperation with NATO. Frankly speaking, Russia’s integration with NATO is currently higher than Azerbaijan’s integration with the alliance however, Azerbaijan does not set any claims to Russia. Countries' membership in NATO depends only on the intention of 28 member-states of the organization, while Russia is not the NATO member”, Ureke said.

7. New format of the EU-Russia dialogue
03.05.2010, Europe Dialogue
READ MORE: http://eurodialogue.org/New-Format-of-the-EU-Russia-Discourse
Analyzing the development of relations between Russia and the EU lately, we can state that they have changed significantly which is connected with the establishment of a new format of the EU – Russia dialogue. In its turn, assessing this format a number of significant aspects should be focused on: 1. The reevaluation by European politicians the conflict in Caucasus in 2008. 2. The weakening of influence on the EU-Russia dialogue of some EU member states of Eastern and Central Europe. 3. Orientation of Russia on the development of bilateral relations with the EU member states. The main role within these relations is given to Germany, France, Italy, and Spain. 4. Enhancement of energy positions of Russia in the economies of a number of the EU member-states. 5. The deviation of Russia from this model of dialogue with West, in which Russian authorities at least formally listened to critics of the EU and international institutions. This model is substituted by a more aggressive one, in which any actions of the EU and its members, including critics, are viewed as a threat to Russia security, which in reply is ready to apply adequate counteractions. In other words, Russia will build the relations with the EU and its individual members only from the view of its own interests.

8. Russia remains in the Black Sea
01.05.2010, Turkish Weekly
READ MORE: http://www.turkishweekly.net/columnist/3332/russia-remains-in-the-black-sea.html
Gaining independence in 1991, Ukraine is still a matter of concern - not with its own issues but with the big powers struggling over its geography. The process that began with the 2004 elections and continued with the repeated elections in January 2005, called the Orange Revolution, meant more than the transformation of power in this country. The Orange Revolution was considered only one of the many democratic movements in different areas of the world. The 2010 Presidential elections of Ukraine draw special attention in terms of Ukraine's new foreign policy preferences. Victor Yanukovich was elected as the new President of Ukraine in January 2010. Even though Yanukovich was presented as pro Russian, he insisted that Ukraine would carry out relations with the EU, US and Russia. In that sense his foreign policy can be best described as one of balance between the West and Russia.
**X. TURKEY**

1. **Medvedev meets Turkish leadership in Ankara with focus on energy**

   12.05.2010, Radio Free Europe/Radio Liberty

   **READ MORE:**

   [http://www.rferl.org/content/Nuclear_Cooperation_Russian_President_Meets_Turkish/2039436.html](http://www.rferl.org/content/Nuclear_Cooperation_Russian_President_Meets_Turkish/2039436.html)

   Russian President Dmitry Medvedev has met with Turkey's leaders for talks that were expected to focus on energy cooperation, including a plan to build Turkey's first nuclear power plant. Gun salvos greeted Medvedev as he arrived at the presidential palace in Ankara for a meeting with his Turkish counterpart, Abdullah Gul. After the meeting, the two oversaw the signing of a series of bilateral agreements, including one allowing for visa-free travel. At a joint press conference afterward, Medvedev praised bilateral ties, saying, "In recent years, our relations have changed radically, and today we can say that these relations are strategic, multidimensional, and reflect in practice all aspects of our life." There is no information yet on the other documents signed today. But the Kremlin's top foreign policy adviser, Sergei Prikhodko, said earlier that a cooperation memorandum to build and service Turkey's first nuclear power station was expected to be signed during the visit.

2. **'Turkey's foreign policy in full harmony with EU values'**

   11.05.2010, Armenia.Az

   **READ MORE:** [http://www.news.az/articles/15171](http://www.news.az/articles/15171)

   Turkish Foreign Minister Ahmet Davutoglu said Turkey's foreign policy and diplomacy were in full harmony with European Union (EU) values. The 48th Turkey-EU Association Council meeting took place in Brussels with the participation of Davutoglu, Turkish State Minister and Chief Negotiator for EU talks Egemen Bagish, EU Term President Spain's Foreign Minister Miguel Angel Moratinos and EU Commissioner for Enlargement and Neighborhood Policy Stefan Fule. Speaking at a press conference following the Association Council meeting, Davutoglu said that he hoped the 50th Turkey-EU Association Council meeting would take place with Turkey as a full member of the union. I am pleased to say that Turkey's foreign policy and diplomacy are in full harmony with EU values. With its foreign policy, Turkey contributed to global and regional peace. Turkey's foreign policy is in harmony with that of the EU and our counterparts in the EU have affirmed such a character of Turkey's foreign policy, Davutoglu said.

3. **EU would 'lose credibility' if it blocks Turkey entry**

   08.05.2010, EUBusiness


   Former Spanish Prime Minister Felipe Gonzalez on Saturday warned that the European Union would "lose credibility" on the world stage if it backs down from a commitment to bring Turkey on-board. "Europe should honour its commitment," Gonzalez told reporters after unveiling a million-euro report into the bloc's future commissioned by national leaders. It "should not lose credibility by not being able to proceed," he underlined in comments delivered in Spanish through EU interpreters. The Spaniard, who chaired a panel of 12 "wise heads" including ex-Solidarity icon and former Polish president Lech Walesa, said "very intensive discussions" on the issue ended with a "majority" view "accepted by all" despite "a great deal of baggage attached." The report's conclusions, delivered on the 60th anniversary of a declaration considered the bloc's founding text, said that the EU "must honour its commitments with regard to current official enlargement candidates, including Turkey, and pursue the path of negotiation."
1.745 million tourists visits Turkey in the first four months

08.05.2010, Armenia.Az

READ MORE: http://www.news.az/articles/15126

The number of tourists visiting Istanbul reached 1.745 million in the first four months of 2010. Data by Culture and Tourism Department of Istanbul revealed that 294,352 tourists visited Istanbul in January, 372,713 tourists in February, 489,884 tourists in March and 588,601 tourists in April. These figures marked a 6.4% decline in tourist numbers in the January-April period of 2010. German tourists ranked highest in this list with 12.4%, followed by Russian tourists with 6.9% and British tourists with 4.9%.

First small-size commercial flight to take place on Friday

07.05.2010, Bsanna News


Turkey will operate its first small-size commercial flight on Friday. Borajet airline company will launch Turkey's first small-size commercial air transportation from Istanbul to the central city of Tokat on Friday by Turboprop ATR 72-500 propeller plane. Borajet will be the first airline company to launch regional air transportation. The Turboprop ATR 72-500 planes can normally carry 74 passengers, however Borajet has reduced the number of passengers to 66. The company will operate flights to Tokat, northern province of Zonguldak, Aegean towns of Selcuk and Edremit, central province of Nevsehir, and southern town of Alanya. Having completed its restructuring initiatives in 2008, Borajet moved to its new hangar at Istanbul's Ataturk Airport. The airline company has three ATR 72-500 propeller planes at the moment. However, it plans to increase its fleet soon.

Turkey's parliament clears way for constitution referendum

07.05.2010, EuraActiv


Turkey's parliament approved early on 7 May a bill introduced by the ruling AK Party to reform the constitution, clearing the way for a referendum militant secularists have pledged to block in court. The draft to overhaul the judiciary and the role of the military will now go to President Abdullah Gül for his signature, after which a referendum can be held within 60 days. The main opposition party has said it will appeal to the Constitutional Court to block the referendum, which it says would cement the AK Party's grip on power. Prime Minister Recep Tayyip Erdogan, who faces a general election set for 2011, says the reforms are needed to meet the demands of the EU, which Turkey seeks to join. He denies Islamist ambitions. "The reform package has been approved by the parliament's general assembly. Let it bring good things to our country," parliament speaker Mehmet Ali Sahin said after lawmakers passed the bill shortly after 2 a.m., ending a marathon session.

Russia, Turkey, Italy discuss oil pipeline

07.05.2010, UPI

READ MORE: http://www.upi.com/Science_News/Resource-Wars/2010/05/07/Russia-Turkey-Italy-discuss-oil-pipeline/UPI-78871273239546/

Building the Samsun-Ceyhan oil pipeline will reduce the environmental impact of tanker traffic in the Black Sea, Italian energy executives said in Turkey. Paolo Scaroni, the chief executive officer at Italian energy company Eni, met with Turkish Energy Minister Taner Yildiz and Russian Deputy Prime Minister Igor Sechin to discuss the Samsun-Ceyhan oil pipeline through Turkey. The pipeline would stretch from the northern Turkish coast of the Black Sea to hubs at the southern Turkish port...
Black Sea News Update No. 29

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<td><strong>READ MORE:</strong> <a href="http://www.todayszaman.com/tz-web/detaylar.do?load=detay&amp;link=209556">http://www.todayszaman.com/tz-web/detaylar.do?load=detay&amp;link=209556</a></td>
<td><strong>Prime Minister Recep Tayyip Erdoğan yesterday appealed to his Justice and Development Party’s (AK Party) deputies ahead of the final vote on the government’s constitutional reform package being deliberated in Parliament. The final vote, which will be held on the package as a whole, was expected to take place late Thursday night or Friday morning. Although AK Party officials said in formal remarks that they were confident that the package would pass in Parliament with the minimum 330 votes required, some still had concerns as they expected forces such as the Ergenekon terrorist organization to intimidate the deputies into voting against the package. Erdoğan convened a surprise meeting of his party group yesterday. He said, “We will either write history or become history,” appealing to his deputies to vote for the package. If the package fails to garner 330 “yes” votes, it will automatically be dropped. In the first two rounds of voting, all but one article - one that would make it harder to shut down political parties -- were passed in Parliament.</strong></td>
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<td><strong>Turkey is seeking creation of a free trade zone and liberalisation of visa regime with Ukraine, reads a statement made by the Cabinet of Ministers’ press service. During a meeting with Prime Minister Mykola Azarov, Turkish Foreign Affairs Minister Ahmet Davutoğlu made a proposal to sign an agreement on liberalisation of visa regime between the two countries alongside with the treaty on creation of the free trade zone. ”This will enable our citizens to travel obstacle-free to Ukraine and to Turkey,” Davutoglu stressed. Ukraine and Turkey arranged bolstering the negotiations on turning around the free trade zone treaty. ”Ukraine is paying a lot of attention to the preparation of the agreement on creation of the free trade zone with the Turkish Republic... Free trade is, first of all, a two-way street, so we have to balance out the trade balance,&quot; Azarov stressed.</strong></td>
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<th>Azerbaijan confirms gas talks with Turkey complete</th>
<th>06.05.2010, Armenia.Az</th>
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<td><strong>READ MORE:</strong> <a href="http://www.news.az/articles/14951">http://www.news.az/articles/14951</a></td>
<td><strong>Talks between Turkey and Azerbaijan on gas prices and supplies have been completed, Azerbaijan’s energy and industry minister, Natiq Aliyev, has said. He said yesterday that Azerbaijan would supply natural gas to Turkey after a purchase agreement had been signed. Speaking at the Eurasia Economy Summit in Istanbul, Aliyev said that Azerbaijan’s oil and gas production was at a record level. Aliyev said that more than 500 Azerbaijani companies invested some $500 billion in Turkey. He said that of the Caucasian and Cental Asian countries Azerbaijan was one of the biggest investors in Turkey. He recalled that Azerbaijan’s petrochemical company had a 51-percent partnership with Turkey’s petrochemical company Petkim. Aliyev said that investments of $3-5bn would be used to boost Petkim’s capacity.</strong></td>
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<td>**Turkey’s inclusion in the OSCE Minsk Group was proposed because there was the need, member of</td>
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Black Sea News Update No. 29

12. Investors flock to Turkey’s islands
04.05.2010, Hurriyet Daily

Turkey’s islands start to become popular among investors. Following the acquisition of Garip Island located in Izmir by Turkish construction firm Fiyapi, auctioneer Eskidji wins Tavuk Island, located in Ayvalik. Eskidji plans to establish a tourism facility on the island. With islands in the Aegean Sea being suggested for sale to benefit crisis-hit Greece, those possessed by Turkey have proved popular among investors in Turkey seeking to promote tourism. After Fiyapi, a Turkish construction firm, acquired Garip Island in Izmir last week and announced its decision to promote hot springs tourism, another island also changed hands. Rahmi Koç of Turkey’s Koç Holding and auctioneer Eskidji had been seeking to open Tavuk Island of Ayvalik, located on the Aegean section of Balikesir province, to tourism for years.

13. Turkey reform article rejected in blow to government
03.04.2010, Kyiv Post
READ MORE: http://www.kyivpost.com/news/world/detail/65676/

Turkey’s parliament rejected on Monday a proposal to make it harder to ban political parties, in a surprise blow to the Islamist-rooted AK Party government and its plans to reform the constitution. Prime Minister Tayyip Erdogan said, however, he would press on with the reform plan which opponents see as a bid to expand AK’s grip on state institutions and undermine Turkey’s secular principles. The AK Party, which has roots in political Islam but denies ambitions to create an Islamic state, says the reforms are needed to bring Turkey closer to EU democratic norms. Erdogan says he will call a referendum if the AK Party fails to secure the necessary number of votes for the reform package as a whole. "We will continue on our path. Withdrawing the constitutional draft is not on the agenda."
The article won the support of 327 deputies in the 550-seat assembly, falling short of the 330 votes needed for it to be accepted in the final round of voting. The article as a result will be dropped from the reform package.

14. Turkey unable to tackle underground economy
02.05.2010, New Europe
READ MORE: http://www.neurope.eu/articles/100631.php

Turkish Finance Minister Mehmet Simsek said that Turkey must get rid of its high rate of underground economic activity as the country is no longer able to live with this problem. He was speaking on the sidelines of a conference titled Informality: Causes, Consequences, Policies during which a World Bank report was released in Ankara, Zaman reported. Simsek said the unregistered economy in Turkey still remains the greatest obstacle to the country’s sustainable development. He stressed that the government has expressed concern that most people in Turkey have started to accept the informal sector as an ordinary element of the country’s economy. To address the underground economy problem, Simsek said that a series of long-term measures, social consensus...
and a multidimensional approach is required. Commenting on the effects of the underground economy on employment, Simsek said the government has introduced cuts on the tax burden on employment, adding that it should be lowered further.

### XI. TURKEY - ARMENIA

1. **Russian President: Russia closely observes normalization of Turkey-Armenia relations**

   **12.05.2010, Trend News**


   Russia is closely following the normalization of relations between Armenia and Turkey. It hopes that the sides will be able to reach a comprehensive solution and restore relations fully, Russian President Dmitry Medvedev, who is on an official visit to Turkey said, "Russia-24” TV channel said. "The settlement and the restoration of relations between Turkey and Armenia are a very complex process. We are observing what is happening. We hope that the positive charge, which was given in Zurich, will be continued," Medvedev said. He said that normalization of relations has a different response in Turkey and Armenia, because this problem has remained unsolved for a long time. "Restoration of relations between Turkey and Armenia fully will contribute to establishing stability in the Caucasus, improve economic cooperation and raise the standard of living in the region. Russia will closely monitor the process and use all the opportunities it has, but the final decision depends on the two countries" the Russian President said.

2. **Ken Hachikian: it would be better if Armenia terminates Armenian-Turkish Protocols**

   **10.05.2010, PanARMENIAN**


   Chairman of the Armenian National Committee of America (ANCA) Ken Hachikian said that ANCA is pleased with the decision of Armenian President Serzh Sargsyan to suspend the process of ratification of the Armenian-Turkish Protocols. “However, it would be much better if Serzh Sargsyan terminates the Protocols,” Hachikian said. According to him, the Armenian President’s decision to suspend the Protocols didn’t take much courage, because Turkey has already introduced preconditions. Hachikian added that the Armenian President suddenly acknowledged that and decided to suspend them. “In my opinion, Serzh Sargsyan’s step seemed to be a show rather than substance,” he said. According to Hachikian, Ankara’s main precondition is the Karabakh conflict settlement. “I don’t believe there will be a short-term settlement on Karabakh. So, right now Turkey is unlikely to ratify the Protocols,” he said.

3. **European parliament ready to assist normalization of Armenian-Turkish relations**

   **07.05.2010, Armenia.Az**

   [READ MORE: http://www.news.az/articles/15090](http://www.news.az/articles/15090)

   ‘We believe that both countries are ready to settle existing tasks.’ The European parliament is ready to provide comprehensive assistance to Armenia and Turkey in normalizing relations, European Parliament President Jerzy Buzek said at the meeting of the bureau of the European people’s party held in Karlovy Vary before."This is the task that you must settle independently. Meanwhile, we will provide comprehensive assistance to you. We believe that both countries are ready to settle existing tasks and the European Union is ready to assist in negotiations", the news service for the Armenian government quoted Buzek as saying.
4. U.S. hopes to keep Armenia-Turkey reconciliation process alive
07.05.2010, Radio Free Europe/Radio Liberty
READ MORE: http://www.rferl.org/content/US_Hopes_To_Keep_ArmeniaTurkey_Reconciliation_Process_Alive/2035369.html
The latest U.S. call for continued progress in Turkish-Armenian normalization -- in this case by Washington's ambassador to Armenia, Marie Yovanovitch, in an RFE/RL interview -- comes at a difficult time. Government opponents in both countries are becoming increasingly hostile to the Turkish-Armenian protocols, signed in October. Moreover, the Turkish government is gearing up for a major challenge in national elections due to take place next year. The popularity of Prime Minister Recep Tayyip Erdogan's Justice and Development Party (AKP) is declining and there's no sure sign that his majority in the parliament will survive another national poll. In fact, there are some troubling signs pointing in the opposite direction. On May 4, Erdogan suffered one of his biggest defeats in a parliamentary vote on proposed amendments to the constitution. Some members reportedly broke party ranks to oppose one of the key articles in Erdogan's constitutional package, highlighting his inability to maintain party discipline when it comes to the nationalist agenda. Speaking after Sweden's vote to recognize the Armenian genocide, Erdogan vowed that the Turkish parliament would reject the protocols if they went to the floor for a vote.

5. Armenian-Turkish protocols on the way into trash bin – MP
06.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/15025
'The Armenian-Turkish protocols are on the way into the trash bin.' The statement came from head of the parliamentary faction of the opposition Heritage party Stepan Safarian. According to the deputy, some believe that the ratification process of the Armenian-Turkish protocols is frozen, but we can say that the protocols are now on their way to the trash bin. According to head of the parliamentary factions, Heritage believes that Turkey can establish relations without significant problems on the open diplomatic level. Safarian also said that the Armenian side, freezing process, has thus met the needs of Turkey since the ratification of protocols for the Turkish authorities. Certainly, he noted that the formulations in the protocols were favorable with Turkey, however, the ratification of documents will take Turkey 1.5-2 years. “In the next two years, if certainly, no serious pressure is imposed on Turkey, it will not return to the problems of the Armenian-Turkish protocols”, the deputy said.

6. Armenian rapprochement not dead - Turkish minister
04.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14835
Armenian-Turkish reconciliation dominated Ahmet Davutoglu's discussions with Turkish academics in Britain and with journalists on the plane home. While attending a conference in Oxford on 'Turkey's foreign policy in a changing world', the Turkish foreign minister had breakfast with Turkish professors Baskin Oran, Sevket Pamuk, Sahin Alpay and Cengiz Aktar. He mainly spoke about Armenian-Turkish rapprochement and listened to the academics' proposals for changing the names of streets, setting up a monument on the border and taking measures against those sowing hostility. He also heard criticism for not focusing on Baku in normalizing relations with Armenia. Davutoglu said at the meeting that the protocols were not dead, and Turkey would not allow them to die. No one has ever said Turkey is withdrawing the protocols. A turning wheel is difficult to turn back, and the developments will never 'turn back', Davutoglu said.
7. Vladimir Zakharov: Ankara should be less guided by its "Azerbaijani friends"
04.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/world/news/48113/
Russian political analyst Vladimir Zakharov said that he considers Armenian President Serzh Sargsyan's statement on freezing the Armenian-Turkish process to be a correct step. It was a wise step by the Armenian leadership, Zakharov told a PanARMENIAN.Net reporter. "If Turkey makes up its mind to continue the negotiations, the process will resume, but without any preconditions. And Turkey will do so, as it is demanded by the U.S.," the Russian expert said. According to him, Ankara should be less guided by its "Azerbaijani friends" and should continue the Armenian-Turkish process without preconditions. At the same time, Zakharov agreed with many experts' opinion that Turkey does not know what it wants of Armenia.

8. Vazgen Manukyan: better result in Armenian-Turkish process impossible
03.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/politics/news/48047/
A meeting of the Public Council took place in Armenia, during which the Armenian-Turkish relations and further steps were discussed. Chairman of the Public Council Vazgen Manukyan stated at the meeting that a better result could not be achieved in the Armenian-Turkish process. "Armenia's involvement in the Armenian-Turkish normalization was more important at this stage, than the border's opening, as the Armenian-Turkish process has united all Armenians and facilitated the Armenian Genocide international recognition," Manukyan noted. In his opinion, though the Armenian-Turkish Protocols contain a provision on mutual recognition of the borders, the document could not be better. Manukyan stressed that now the Karabakh problem is a priority. According to Manukyan, one should not expect Turkey to recognize the Genocide. "I consider this stage to be positive, while the continuation will strengthen our possibilities," said Manukyan, the press service of the RA Public Council reported.

9. 'Armenia-Turkey normalization process to continue'
03.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14653
'Due to Armenia-Turkey normalization process, Armenia-Diaspora ties intensified even more and got united.' It's Turkey's fault that Armenia-Turkey rapprochement failed at the first stage of the talks, Armenian National Assembly ARP deputy Rafik Petrosyan told reporters. According to the deputy, the normalization process, however, has had positive results. "As a result, Armenia-Turkey legal base has been created and if Turkey changes its mind and decides to establish relations with Armenia, we will have a certain legal base to continue the process, as Turkey says," R. Petrosyan said. According to the deputy, due to Armenia-Turkey normalization process, Armenia-Diaspora ties intensified even more and got united. The deputy expressed conviction that Armenia-Turkey normalization process will continue: "If not today, then tomorrow, or in a year…"

10. Erdogan: we will remain loyal to the word and spirit of protocols
01.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/world/news/48006/
Turkish Prime Minister Recep Tayyip Erdogan said on Friday his country maintained willingness to settle problems with Armenia, despite Armenian coalition government’s decision to suspend ratification process of protocols the two countries had signed to normalize relations and restore diplomatic ties, Anatolian Agency reported. "We have kept our positive stance and remained loyal to
the word and spirit of protocols from the very beginning and we will continue to do so,” Erdogan
told a televised address to the nation. Dwelling on U.S. President Barack Obama’s April 24 address,
Erdogan reiterated Turkey’s proposal to leave the issue to historians, criticizing "third parties of
trying to forge domestic political clout." "Turkey is very much disturbed from such insincere attitude
of countries which we see as our friends, whoever they might be," Erdogan said.

XII. UKRAINE

1. Yanukovych defends need to improve Russian-Ukrainian ties

12.05.2010, Armenia.Az

READ MORE: http://www.news.az/articles/15278

Ukrainian President Viktor Yanukovych said on Tuesday the international legal framework of
Ukrainian-Russian bilateral relations should be improved. The statement came several hours after the
country’s opposition, headed by former president Viktor Yuschenko and former premier Yulia
Tymoshenko, staged a rally protesting Yanukovych’s "betrayal" of Ukraine. Pro-Russian Yanukovych
has already signed several important agreements with Russian President Dmitry Medvedev,
including one to prolong the lease on a Russian Navy base in the Ukrainian Crimea and regulate the
disputed gas deal. Yanukovych said almost every article in the treaty of Friendship, Partnership and
Cooperation between Ukraine and Russia provides for the preparation and signing of new
agreements, particularly in the development of joint economic projects, industrial cooperation and
humanitarian policy. "For a long time, this potential has gone unused by the two countries. We have
to admit this. But a breakthrough in bilateral relations has now been achieved," Ukrainian news
agency UNIAN quoted Yanukovych as saying. The signing of a range of bilateral agreements is
planned for Medvedev's visit to Ukraine on May 17-18.

2. Poll - more than half of Ukrainians support European Union membership

11.05.2010, Kyiv Post


Ukrainians older than 16 - 53% - would like their country to join the European Union in the future,
a poll of 1,000 respondents conducted by GfK Ukraine on April 1-16, 2010 has found. Citizens aged
between 20-39 and residents of the central and western regions of the state appeared to be the
strongest supporters of joining the EU, according to the results of the poll. The majority of
respondents over 16 years old, or 53%, support Ukraine's entering the EU, only a quarter of
Ukrainians opposed entering the EU, and 21% of respondents did not give an answer. Citizens aged
between 20-39 were most enthusiastic about the idea: over 60% out of this age group support it.
Many senior citizens opposed Ukraine's entering the EU: 31% of respondents aged between 50-59
and 33% of respondents over 60 years old said no to the possibility of joining the EU.

3. Foreign minister tells Brussels about Ukraine's new policy on Russia

11.05.2010, Bsanna News

READ MORE: http://bsanna-news.ukrinform.ua/newsitem.php?id=13045&lang=en

Ukrainian Foreign Minister Kostiantyn Hryshchenko, during his working visit to Brussels Monday,
informed the European partners about the new Ukrainian state policy towards Russia. As an
UKRINFORM correspondent in Brussels learned from the Mission of Ukraine to the EU, foreign
ministers and diplomatic representatives of 13 European Union states from among the so-called
"Group of Friends of Ukraine", with whom Hryshchenko met, took positively and the sympathy the
improvement of relations between Kyiv and Moscow. The Ukrainian Foreign Minister informed in
detail his European colleagues about the content of Kyiv's new policy towards Russia and the essence
of the Ukrainian-Russian agreements signed and prepared for signature. Kostiantyn Hryshchenko also stressed that European integration remains the priority for Ukraine, but the new Ukrainian government considers it impossible to implement it without providing predictable, constructive and economically profitable relationship with Russia.

4. Ukraine hesitant about Putin's energy merger offer

10.05.2010, Hurriyet Daily


Ukraine might not consider a proposal by Prime Minister Vladimir Putin to merge Gazprom with Naftogaz, Ukrainian President Viktor Yanukovych said Thursday, according to The Moscow Times. "[Putin's offer] was an unexpected step for Ukraine, and it does not mean that this question will be considered by Ukraine and resolved," Yanukovych's press service quoted him as saying. Putin proposed last week to merge the two state energy companies, to the surprise of the Yanukovych leadership and industry experts. In his first public reaction to the proposal Wednesday, Yanukovych said the European Union, as Russia's top gas consumer, should have a role in modernizing Ukraine's pipelines. "If we decide to begin talks [about a merger] we should involve the EU at a certain stage as the main consumer of gas and the main partner," he said.

5. EUBAM to run 2 projects at Ukrainian border

09.05.2010, New Europe

READ MORE: http://www.neurope.eu/articles/100793.php

The European Union Mission of assistance at the border between Moldova and Ukraine (EUBAM) will create two places of passing the Moldo-Ukrainian border till the end of this year. According to the general director of the Customs Service Tudor Balitchi the places of crossing the border Tudora-Starokazacie and Otaci-Moghiliov Podolskii were designated customs houses. The cited source mentioned that the aim of the project is that the revenue officers respect their duties in their work. In the framework of the project daily analyses of the customs activity will be done with the aim to liquidate the corruption at the border. A poll among the drivers and passengers that pass the state frontier will be made. The actions will be monitored by a group of revenue officers and rangers, assisted by the consultants of the EUBAM mission.

6. Azarov says new government inherited Hr 5.5 billion in hidden debts

06.05.2010, Kyiv Post


The hidden debts inherited by the current government of Ukraine total about Hr 5.5 billion, Ukrainian Prime Minister Mykola Azarov has said. "We are working now on the restoration of wasted funds, including [those spent on] an ecological foundation of UAH 3 billion, mortgages (of the State Mortgage Institution) of Hr 1.7 billion, and we need to return debts of Hr 800 million for Odesa port-side chemical plant. Overall [the sum is] Hr 5.5 billion in debts," he said at a press conference in Kyiv on Wednesday. According to Azarov, in addition, the government needs to pay about Hr 5 billion on domestic borrowing debts in May.

7. Turkey, Ukraine sign action plan

06.05.2010, Trend News

READ MORE: http://en.trend.az/regions/met/turkey/1682914.html

Turkish Foreign Minister Ahmet Davutoğlu and Ukrainian Foreign Minister Kostyantyn Hryshchenko signed an "action plan for 2010-2011" between the two countries in Kiev on
Wednesday, Hurriyet Daily News reported. The two ministers also signed a joint declaration of a high-level strategic cooperation council. Davutoğlu told reporters that Turkey sees Ukraine as a strategic partner in international relations. Describing political relations between the two countries as being on a "perfect" level, Davutoğlu said Turkey and Ukraine are working on economic and commercial cooperation, particularly in the areas of energy and transportation. He added that the two nations share a common perspective on regional issues, especially those related to the Black Sea. The Turkish foreign minister said that Turkey is ready to take every step needed to achieve economic integration and maximum cooperation with Ukraine. Adding that they had decided to carry bilateral relations to a higher level, Hryshchenko said Turkey and Ukraine would coordinate on important economic and political projects under the signed declaration.

8.

**Ukrainian President doubts Gazprom-Naftogaz merger**

06.05.2010, Radio Free Europe/Radio Liberty

READ MORE: [http://www.rferl.org/content/Ukrainian_President_Doubts_GazpromNaftogaz_Merger/2034624.html](http://www.rferl.org/content/Ukrainian_President_Doubts_GazpromNaftogaz_Merger/2034624.html)

Ukrainian President Viktor Yanukovych has said he doesn't support Russia's proposal to merge its Gazprom gas company with Ukraine's state gas company, Naftogaz. The UNIAN news agency quoted Yanukovych as saying today that the proposal, which came from Russian Prime Minister Vladimir Putin last week, was "an unexpected impromptu," but that this "does not mean that Ukraine will consider the idea." Gazprom is much larger than Naftogaz. A merger of the two would likely give Russia some control over Ukraine's gas-related assets. Meanwhile, the European Union's energy chief today said that the EU will play no part in the proposal to merge Gazprom and Naftogaz, saying the decision is up to Moscow and Kyiv.

9.

**Kyiv says EU must join any Russia gas merger talks**

05.05.2010, Kyiv Post


The European Union should be part of any talks between Kyiv and Moscow to merge their gas groups, Ukraine's president said on Wednesday in a comment likely to upset Moscow which wants to sideline the EU from the process. "If we decide to begin talks (about the merger) we should include the EU at a certain stage as the main consumer of gas and the main partner," President Viktor Yanukovich said in a first public reaction to Moscow's merger proposal. Russia's Prime Minister Vladimir Putin proposed last week to merge Russia's Gazprom (GAZP.MM: Quote, Profile, Research) and Ukraine's Naftogaz to the surprise of industry experts and outcry of Ukrainian opposition.

10.

**Ukrainian premier hails breakthrough in Kiev-Moscow ties**

05.05.2010, Ria Novosti


Ukrainian Prime Minister Mykola Azarov said on Wednesday the improvement in relations between Russia and Ukraine will give a boost to the country's economy. "Today we can surely say that a positive breakthrough in Ukrainian-Russian relations has taken place," Azarov told a Cabinet session. "Now we definitely have confidence that Ukraine will rapidly start renewing its economic potential," he added. Azarov praised the results of a meeting of the intergovernmental committee for economic cooperation between Ukraine and Russia in the Black Sea resort of Sochi on Friday. In Sochi, Azarov and his Russian counterpart Vladimir Putin discussed cooperation in more than 10 spheres, including oil, gas, nuclear energy and defense. The Ukrainian premier said a number of issues that had hindered bilateral ties under the previous president, Viktor Yushchenko, had been resolved at the meeting. He also said a strategic road map of bilateral relations was agreed on in connection with the
deal signed by the countries’ leaders in late April on extending Russia’s use of a naval base in Crimea and giving Kiev a 30% discount on Russian natural gas.

11. Russia’s VTB bank may grant Ukraine $500 mln loan
03.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14710
Russia’s VTB bank is ready to grant Ukraine a loan of up to $500 million to finance its budget spending, a Russian government official said on Friday. Deputy Economic Development Minister Andrei Klepach suggested the loan could be used to finance Ukraine's budget deficit. "It is not a target-specific loan [tied to a particular program]," he said. He did not say exactly when the loan could be made available, but Russian Prime Minister Vladimir Putin said earlier in the day VTB, Russia's second largest state-controlled bank, could provide the loan soon. "VTB has been in talks with the Ukrainian Finance Ministry and if the Ukrainian side is interested, it is ready to provide the Ukrainian Finance Ministry with a loan of up to $500 million in the very near future," Putin said.

12. Lytvyn denies violations during vote on Russian Black Sea Fleet base
Verkhovna Rada Chairman Volodymyr Lytvyn denies violations of the procedures during the Verkhovna Rada’s ratification of the agreement on prolongation of the Russian Black Sea Fleet base in Ukraine until 2042. Verkhovna Rada Chairman Lytvyn said this during the Big Politics with Yevgeny Kiseliov political talk show on the Inter television channel on April 30. "None of the procedure norms were violated," said Volodymyr Lytvyn. He said a plenary session meeting of the Verkhovna Rada can open even if fewer than 226 lawmakers register for the meeting [50%+1 vote]. "The presence of the chairman in the session hall is enough to open a meeting of the Verkhovna Rada. Until 1996 there was a constitutional instruction that a meeting can start only with the presence of 226 people. [On April 27] 211 lawmakers registered for the meeting at first and 12 deputies took their oath and registered themselves at once. While specialists of the technical services cleaned the sockets for the vote cards, the number of registered deputies was increasing," he said.

XIII. BLACK SEA
1. Turkish politician: EU approach towards Black Sea a ‘major disappointment’
11.05.2010, EurActiv
The EU lacks a concerted policy towards the Black Sea region and is becoming increasingly fragile, inward-looking and even Islamophobic, Suat Kiniklioglu, deputy chairman for external affairs in Turkey’s ruling Justice and Development (AK) Party, told EurActiv Germany in an exclusive interview. The US has less interest in the region and we see a resurgence of Russian influence in the region. If current trends continue, it is highly unlikely that the EU will become a global power, so this is an unnecessary question.
**XIV. EASTERN PARTNERSHIP**

1. Eastern Partnership initiative brings the EU and its Eastern neighbours closer, Lithuania’s Foreign Minister says

10.05.2010, European Dialogue


The Eastern Partnership programme embodies a shift into a new stage of the European Union’s relations with its neighbours in the East and is an important tool for promoting reforms in these countries and their economic integration, and for helping them to facilitate the movement of persons, Lithuania’s Minister of Foreign Affairs Audronius Ažubalis says on the occasion of a one-year anniversary of the Eastern Partnership programme. The programme was announced on 7 May last year in Prague. A year ago, Heads of State and Government of the EU and six neighbouring countries in the East - Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine - officially launched an ambitious Eastern Partnership programme. It aims at a more harmonious cooperation between the EU and its neighbours in the East, and at a closer integration of these countries into the EU.

2. Eastern Partnership? never heard of it

07.05.2010, Radio Free Europe/Radio Liberty

READ MORE: [http://www.rferl.org/content/Eastern_Partnership_Never_Heard_Of_It/2035639.html](http://www.rferl.org/content/Eastern_Partnership_Never_Heard_Of_It/2035639.html)

European Commission President Jose Manuel Barroso called it a “new start” in the EU’s relations with its eastern neighbors. But one year after the signing in Prague of the Eastern Partnership with Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine, the European Union seems to have all but forgotten what was then touted as a landmark initiative. As journalists often do, RFE/RL's Belarus Service wanted to write a story to mark the anniversary. The only problem was that no one seemed to know what they were talking about. A press representative for Catherine Ashton, the EU's foreign-affairs chief, seemed genuinely surprised to get a call about something called the Eastern Partnership. Turns out Ashton was not giving interviews about the Eastern Partnership, whatever that is. And no, her office had no plans to issue a statement to mark the occasion. To make matters worse, today was also supposed to be Ukraine Day in Brussels to mark the first anniversary of the Eastern Partnership.

3. Interview: after just one year, are the wheels coming off the EU’s Eastern Partnership?

07.05.2010, Radio Free Europe/Radio Liberty

READ MORE: [http://www.rferl.org/content/Interview_After_Just_One_Year_Are_The_Wheels_Coming_Off_The_EUs_Eastern_Partnership/2035235.html](http://www.rferl.org/content/Interview_After_Just_One_Year_Are_The_Wheels_Coming_Off_The_EUs_Eastern_Partnership/2035235.html)

A year after its celebrated inception, the European Union’s Eastern Partnership for Ukraine, Belarus, Moldova, Georgia, Armenia, and Azerbaijan has sunk into the kind of obscurity that tends to envelop unloved EU projects. The inaugural summit was held in Prague on May 7, 2009, amid fanfare, promises, and high expectations. A follow-up meeting of EU and partner-country foreign ministers was held in December. But since then, the bloc's deepening economic malaise now appears to have suffocated whatever impetus the process had left. Intended to provide a regional, multilateral dimension to the longer-established European Neighborhood Policy, the Eastern Partnership has not delivered any visible added value for either the EU or the countries themselves. The main avenue for contacts and cooperation is still provided via another channel - association agreement talks between each of the countries and the EU.
**XV. ENERGY**

1. **Minister: Azerbaijan interested in rapid implementation of Nabucco project**

   12.05.2010, Trend News

   READ MORE: http://en.trend.az/capital/pengineering/1686129.html

   Azerbaijan is interested in rapid implementation of gas pipeline construction project Nabucco, Minister of Industry and Energy Natiq Aliyev told Trend's correspondent in Tbilisi. "The volume in which Azerbaijan will be involved in gas supplies to Europe via this route depends on the needs and scale," Aliyev said. He said that Azerbaijan expressed interest in the project at the state level. However, Minister stressed that Azerbaijan has not taken any obligations to "Nabucco". "We are interested in this project. The closer organizers will be to its realization, the more actively we begin to discuss the conditions of our participation in it," minister said.

2. **Nabucco pipeline 'needs patience and public support'**

   07.05.2010, EurActiv


   Although the EU's proposed Nabucco gas pipeline is suffering from a lack of finance, demand and suppliers and could be delayed further, the EU and its member states should still back the project politically and financially, argues a European policy think-tank. In a new policy brief, Centre for European Reform (CER) deputy director Katinka Barysch argues that despite the problems and postponements, the project "still makes sense" and should remain the flagship of the EU's energy policy. Yet the paper, published on 5 May, also warns that the EU must recognise that its power to secure gas supplies from Azerbaijan, Turkmenistan and Iraq is fairly limited. The Nabucco pipeline is designed to provide the EU with gas from suppliers in the Caspian and possibly the Middle East, yet faces competition from the South Stream project, backed by Russia (see 'Background').

3. **Energy Community demands response from Ukraine**

   06.05.2010, Kyiv Post


   The Energy Community has demanded a response from Ukraine about the new leadership's intentions, Director of the Energy Community Secretariat Slavtcho Neykov has said. The Energy Community expects in one month a response from Ukraine to a request to clarify the situation regarding the intentions of the new leadership in the context of further cooperation with this organization, Director of the Energy Community Secretariat Slavtcho Neykov has said. He told Ukrainian reporters in Brussels on Wednesday that a letter sent by the EC Secretariat to Ukraine contained an invitation to Fuel and Energy Minister Yuriy Boiko to visit Geneva, as well as expressing the readiness of EC representatives to travel to Ukraine. Neykov said that last December, the EC Ministerial Council had taken a decision on the accession of Ukraine and Moldova to this organization if they adopted a law on gas. Chisinau has fulfilled this requirement, and Moldova became a full member of this organization on May 1.

4. **Azerbaijan ready to supply 50% of gas output for Nabucco project**

   06.05.2010, Ria Novosti

   READ MORE: http://en.rian.ru/world/20100506/158899926.html

   Energy-rich Azerbaijan is ready to supply half its natural gas extracts to the Western-backed Nabucco pipeline intended to pump gas to Europe, a presidential administration official said on Thursday. Nabucco, whose planned pipeline would bypass Russia, is a rival project to the Kremlin-
backed South Stream gas pipeline. Both projects aim to supply natural gas to Southern and Central Europe. "Azerbaijan attaches great importance to Nabucco ... We are ready to supply 50% of Azerbaijani gas via the pipeline," Ali Gasanov, head of the social and political department of the Azerbaijani president administration, said. The South Stream project is designed to deliver up to 63 billion cubic meters of Central Asian and Russian natural gas under the Black Sea while Nabucco is intended to pump 31 billion cubic meters of natural gas from the Caspian region via Turkey. Natural gas production in Azerbaijan grew 0.8% in 2009 year-on-year to 23.58 billion cubic meters. Azerbaijani gas is currently supplied to Turkey, Georgia, Russia and Iran. Azerbaijan’s recoverable gas reserves are estimated at 2-3 trillion cubic meters.

White Stream considers Georgian link
05.05.2010, Pipelines International

READ MORE: http://pipelinesinternational.com/news/white_stream_considers_georgian_link/040569/

The White Stream Pipeline Company is considering plans to build a gas pipeline linking Azerbaijan and Georgia. According to British White Stream Pipeline Company Chairman Roberto Pirani, the proposed pipeline would transport gas from the Sangachal terminal near Baku in Azerbaijan to the Georgian port of Supsa. The Sangachal–Supsa pipeline would provide an extension to the White Stream Pipeline currently in planning, which will transport natural gas from the Caspian Region to markets in Central and Eastern Europe.

Putin seeks to merge Gazprom with Ukraine’s Naftogaz
03.05.2010, Hurriyet Daily


Russian Prime Minister Vladimir Putin proposed Friday to unite state-run OAO Gazprom and Ukraine’s state energy company, NAK Naftogaz Ukrainy, while seeking closer political and economic ties with the neighboring country. “We talked about integration in nuclear energy, and we can do the same thing with gas,” Putin told reporters in Sochi, southern Russia, after meeting with his Ukrainian counterpart, Mykola Azarov, for the third time on 10 days. “I propose unifying Gazprom and Naftogaz,” Putin said. Earlier this week in Kiev, Putin suggested forming a nuclear energy holding company between the two former Soviet Union republics after Russia agreed to invest as much as $45 billion in Ukraine in fuel subsidies in the next decade. Ukraine moves about 80 percent of Russia’s Europe-bound gas exports via the Soviet-era transportation network. The world’s biggest gas company, Gazprom cut supplies to Ukraine, reducing flows to Europe, twice in the last four years because of pricing disputes amid strained political ties.

Yushchenko slams idea of merging Gazprom and Naftogaz
03.05.2010, Kyiv Post


The realization of a proposal of Russian Prime Minister Vladimir Putin to merge Gazprom and Naftogaz Ukrainy contradicts Ukrainian national interests and will lead to the creation of a new monopoly in Europe, Ukraine’s third president Viktor Yushchenko said. A relevant statement was posted on the Our Ukraine’s Web site. Yushchenko said that Putin’s proposal means the creation of Gazprom of “the cold war time,” when gas and oil would be used as the tools of pressure on the whole Europe. “This imperial project contradicts Ukrainian national interests and crosses out all Ukraine’s successful groundwork for the last 18 years on the Ukrainian energy sector’s integration to the civilized European energy space, where each person has free access to energy under fair rules and
norms," Yushchenko said. "This is the way to corruption and dictate in Ukrainian and consequently European energy sectors," Yushchenko said.

## 8. Naftogaz-Gazprom link opposed

**03.05.2010, UPI**


A possible merger between Russian gas monopoly Gazprom and Ukrainian utility Naftogaz contradicts Ukrainian national interests, a former president said. Ukrainian President Viktor Yanukovych is in the process of redefining the gas relationship with Moscow. He lobbied for revised gas contracts since taking office in February, reaching an April agreement for a 30 percent discount for gas. Gazprom cut gas supplies to Ukraine in January 2009 because of disputes over contracts and debts. A contract signed in 2009 by Prime Minister Yulia Tymoshenko placed stiff penalties and obligations on Kiev. Russian Prime Minister Vladimir Putin last week proposed incorporating Naftogaz into Russian gas monopoly Gazprom as part of the revised relationship. Former Ukrainian President Viktor Yushchenko, however, said the proposal gave Moscow too much leverage in the regional energy sector.

### XVI. EUROPEAN UNION

#### 1. EU promises Turkey accession progress by July

11.05.2010, Hurriyet Daily


Spanish Foreign Minister Miguel Angel Moratinos vowed Monday to open new European Union accession chapters for Turkey before Spain’s presidency of the bloc ends in July. "It’s very difficult to say how many chapters, but obviously some chapters will be opened during the Spanish presidency" of the EU, Moratinos told a joint press conference in Brussels with Turkish Foreign Minister Ahmet Davutoğlu, Agence France-Presse reported. "Spain does want to see Turkey as a full member after being a candidate for 50 years," he said according to Anatolia news agency. "However, our efforts in this issue are not sufficient. We need Turkey to continue making reforms," Moratinos said. Praising Turkey’s foreign policy, Moratinos said that Turkey had become a "great player in the international arena," and that the foreign policy interests of Turkey and the EU intersected. "With its foreign policy seeking results, Turkey successfully handled finding diplomatic solution to Iran’s nuclear program, and other tough cases related to the Caucasus and Middle East," Moratinos said.

#### 2. Catherine Ashton: Association Agreements are important instrument to upgrade relations with EU

11.05.2010, PanARMENIAN


Today, Catherine Ashton, the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission, issued a statement on the adoption of negotiating directives for Association Agreements between the EU and Armenia, Azerbaijan and Georgia. "I welcome the adoption by the General Affairs Council on 10 May of the negotiating directives for the future Association Agreements between the EU and Armenia, Azerbaijan and Georgia. The adoption of these negotiating directives is a clear sign of our strong commitment to further deepen the relationship between the EU and the countries of the South Caucasus, on the basis of shared values and principles, including democracy, the rule of law and respect for human rights. The Eastern Partnership, launched at the Prague Summit on 7 May 2009, provides an ambitious framework for
taking the relationship with the countries of the South Caucasus to a new level. In this context, Association Agreements are an important instrument to upgrade our relations beyond existing commitments with a view of political association and gradual economic integration with the EU.

3. EU full supports constitutional amendment package in Turkey
11.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/15170
Spain was determined to promote Turkey's accession negotiations during its term presidency. Spanish Foreign Minister Miguel Angel Moratinos said Monday the European Union (EU) gave full support to the constitutional amendment package in Turkey. The 48th Turkey-EU Association Council meeting took place in Brussels with the participation of Turkish Foreign Minister Ahmet Davutoglu, Turkish State Minister and Chief Negotiator for EU talks Egemen Bagish, EU Term President Spain's Foreign Minister Miguel Angel Moratinos and European Commissioner for Enlargement and Neighborhood Policy Stefan Fule. Speaking at a press conference following the Association Council meeting, Moratinos said that Spain was determined to promote Turkey's accession negotiations during its term presidency. However, our efforts in this issue are not sufficient. We need Turkey to continue making reforms and approval of other EU members, Moratinos underlined. Spain does want to see Turkey as a full member after being a candidate for 50 years. We will work to realize this goal and try to open a chapter or chapters to negotiations during our term presidency, Moratinos said.

4. European Union positive about Ukraine and Russia getting on track
11.05.2010, Kyiv Post
The European Union is positive about Ukraine and Russia getting on track, foreign ministers and diplomatic envoys of 13 EU member-states, forming the Friends of Ukraine group, have told Foreign Affairs Minister Kostiantyn Hryschenko, who is staying on a one-day working visit in Brussels, Belgium. In his turn minister Hryschenko laid emphasis on the goal of European integration remaining Ukraine's priority, but said the Ukrainian authorities to believe its realization not possible without constructive and economically beneficial relationship with Russia. He said his European counterparts about Ukraine's new policy towards Russia and about the content of the Ukraine-Russia treaties already signed and those in the pipeline for signing. The ministers also discussed the possibility of the European Union canceling visas for Ukrainian citizens.

5. EU has no objections to Gazprom-Naftogaz takeover
06.05.2010, EUOBSERVER
READ MORE: http://euobserver.com/9/30027
The European Commission has no objections to Russia's proposed takeover of Ukraine's national gas company, despite warnings that it would harm EU interests. "The decision has to come between Kiev and Moscow and not in Brussels," EU energy commissioner Gunther Oettinger told journalists in Brussels on Thursday (6 April) after meeting Ukrainian energy minister Yurii Boyko. "We should wait and see. A deal has conditions, paragraphs, articles. It has intentions. And so we have, as in every development, to consider afterwards whether this new construction would be in line with our regulations or not ... Today there is no reason for any activity of the European Commission." Russian Prime Minister Vladimir Putin proposed the move in a surprise statement last Friday. Given the vast difference in size between Russia's giant state-owned firm Gazprom and Ukraine's Naftogaz, a "merger" between the two companies would amount to Russia gobbling up Ukraine's transit pipeline network, which is responsible for supplying some 20 percent of EU gas consumption.
6. EC warns Bulgaria over railway access charges

05.05.2010, Sofia News Agency

The European Commission has sent a reasoned opinion to Bulgaria today regarding its failure to properly implement the 'first railway package' legislation, the EC informs. In a press release, issued Wednesday, the Commission points out Bulgaria will need to solve important issues relating to its system of railway track access charges. The EU directives of the first railway package foresee that charges for railway track access should be set, in principle, at the cost that is directly incurred as a result of operating the train service. The EC sent a letter of formal notice to Bulgaria in June 2008 regarding the issue, after which the country made a number of modifications to its national rules in order to comply with EU law, the press release points out. The EC however stresses on the fact that shortcomings in relation to the implementation of the rules on track access charging still exist and the Bulgarian infrastructure manager had failed to implement a methodology for the calculation of charges which would comply with the railway directives.

7. EU considers possible merger of Naftogaz and Gazprom be internal matter of sides

03.05.2010, Kyiv Post

A possible merger of National JSC Naftogaz Ukrainy and Russia's OAO Gazprom is an internal matter of the sides, European Commission Spokesperson for Energy Marlene Holzner said at a briefing in Brussels on Monday. "It is important for the European Union that Ukraine continues reforms in the sphere of the gas market," she said. "The European Commission took into consideration statements in the press. First of all, this is an internal matter which concerns the two governments. It is important for us as the European Union that Ukraine should continue reforms on the modernization of its domestic gas market to make it more transparent," Holzner said.

XVII. PROTRACTED CONFLICTS

1. Embattled South Ossetian Premier wins reprieve

12.05.2010, Radio Free Europe/ Radio Liberty
READ MORE: http://www.rferl.org/content/Embattled_South_Ossetian_Premier_Wins_Reprieve_/2039743.html

The Russian leadership, which is funding postconflict reconstruction in the unrecognized republic of South Ossetia, has apparently warned President Eduard Kokoity against continuing to try to force the resignation of the republic's government, which is headed by Vadim Brovtsev, a Russian businessman from Chelyabinsk. A parliamentary vote of no-confidence in the cabinet scheduled for May 5 was called off just hours before it was due to take place, and just one day after Kokoity was summoned to Moscow for what the Russian daily "Kommersant" described as a "strained" talk with Russian Minister for Regional Development Viktor Basargin, who is said to be Brovtsev's patron and protector. The South Ossetian parliament voted instead on May 5 to set up a special commission that will assess how the cabinet spent budget funds last year and in the first quarter of 2010. The commission will present its findings in six months.

2. Karabakh on Russian president's agenda in Turkey

11.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/15190/

Turkey would like to see Russia become more active in finding a solution to the Armenian-
Azerbaijani conflict over Nagorno-Karabakh. These remarks were made by Turkey's ambassador in Moscow, Halil Akinci, in an interview with Russian news agency Interfax published on 10 May. Asked to assess Russia's role in the Karabakh resolution process and whether Ankara was insisting on a change in the format of the negotiations, Akinci said; 'Turkey takes part in the OSCE Minsk Group but is not a co-chair. Talks are under way on Turkey becoming a co-chair but it has not gone beyond the talks stage yet. We believe that Russia, as a regional country, is capable of contributing to the Karabakh conflict resolution. After all, Russia is the only regional country out of the OSCE Minsk Group co-chairing countries. Therefore, Russia could be more active in settling the problem. I think that the issue will be discussed during President Medvedev's visit to Turkey.' Russian President Dmitry Medvedev is visiting Turkey on 11-12 May.

### 3. Azerbaijani wants to frustrate Karabakh talks

10.05.2010, PanARMENIAN


Azerbaijani President Ilham Aliyev's refusal to attend the informal summit of CIS leaders in Moscow as well as unwillingness of Foreign Minister Elmar Mammadyarov to meet with the OSCE Minsk Group Co-chairs appear as an attempt to screen unreadiness to resolve the Karabakh problem peacefully, according to Aram Safaryan, secretary of Prosperous Armenia parliamentary group. “Turkish and Azeri propaganda machines have united to work out a large-scale anti-Armenian policy. As a matter of fact, this policy aims to frustrate the ongoing Karabakh talks. The current stage of negotiations requires de jure recognition of Nagorno Karabakh, a move Azerbaijan is not ready to make,” Mr. Safaryan told a PanARMENIAN.Net reporter. “Armenia should be prepared for more violent propaganda attacks,” he said.

### 4. Turkey's Karabakh mediation 'ineffective'

07.05.2010, Armenia.Az

READ MORE: [http://www.news.az/articles/15037](http://www.news.az/articles/15037)

A senior Azerbaijani official has said that Turkey’s attempts to mediate in the Karabakh conflict have not been fruitful so far. Novruz Mammadov, head of the International Relations Department at the Presidential Administration, commented yesterday on the Karabakh settlement process, following a meeting of the OSCE Minsk Group mediators in Vienna. He said that Turkey’s attempt to help find a solution to the Karabakh conflict had proved ineffective. On the other hand, if Armenia’s hopes for the opening of the border with Turkey were not met, Mammadov said, their position would soften and this might promote progress in the conflict settlement. The Minsk Group co-chairs said in a statement after the Vienna talks that the sides to the conflict were committed to a resolution based on what are known as the Madrid principles. Mammadov, however, repeated Baku’s view that Armenia was not clearly voicing its stance on the Madrid principles in order to draw out a solution to the conflict.

### 5. Entrepreneurs of Azerbaijani Upper-Karabakh economic region get preferential loans

07.05.2010, Trend News


The National Fund for Entrepreneurship Support under the Azerbaijani Ministry of Economic Development organized the next event on "State support of entrepreneurship in regions" in Khijavand region. About 150 entrepreneurs operating in the Upper-Karabakh economic region attended it, the Ministry said. About 47 loans worth $ 640,000 manat were granted to entrepreneurs of Upper-Karabakh region and surrounding areas owing to funds of the National Fund. Realization of these projects will contribute to creation of more than 85 new jobs. NFES was established in 1992.
Loans are allotted to entrepreneurs through authorized banks and non-bank credit organizations, whose overall number is 36. In 2009, NFES issued more than 2,100 loans through authorized credit organizations, totaling 130 million manat. Thus, in 2009 compared to 2008, the number of entrepreneurs who have received preferential loans from the funds NFES has increased by 2.6 times and the volume of loans - 48 percent. In 2010, the Fund plans to provide preferential loans worth at least 115 million manat, of which 44 million manat will be provided from the state budget and 71 million manat - interest payments and repayment of previously granted loans. The fund has already allocated credits to 20 million manat in the first quarter.

6.

Arman Melikyan: Baku will not start war without superpowers’ support
06.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/politics/news/48238/

Azerbaijan will not start a war against Karabakh without superpowers’ support, according to former NKR Foreign Minister Arman Melikyan. As Arman Melikyan told a joint news conference with LPA chairman Hovhannes Hovhannesyan, “Today, negotiation process is being conducted in accordance with Baku’s wishes, so Azerbaijan will not withdraw from the process. Still, Azerbaijan seeks to speed up negotiations. Soon our authorities will see the necessity to change current format of talks.” Melikyan characterized Baku’s statements on withdrawal of Armenian forces from Lachin and Kelbajar as a mere wish on behalf of Azerbaijan and Turkey. “Yet, Karabakh territories can become an object of bargain between Russia and Azerbaijan. However, neither Azerbaijan nor Turkey became reliable partners to Russia, thus giving us a chance to maneuver,” ex-FM stated. According to Arman Melikyan’s forecast, active negotiations will be continued for another 3-5 years.

7.

‘Danger of resumption of military action in Karabakh’
05.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14850

‘Formats other than the OSCE Minsk Group can exist for the settlement of the Karabakh issue.’ The diagnostics of conflicts in the South Caucasus is on a very low level, director of South Caucasus Institute for Regional Security of Georgia Alexander Rusetsky told a press conference, analyzing the issues of conflict resolution and establishment of peace in the region. He sees a danger of resumption of military action in Karabakh. The South Caucasus Institute for Regional Security has published a book, which notes that the conflicting parties should not suffer because of the ambitions of the international community. “International structures have actually failed many processes targeted at maintenance of peace. The effectiveness of their activity gives occasion to think that international organizations have serious problems with the attempts to maintain peace,” Alexander Rusetsky said.

8.

South Ossetia's parliament to vote to censure government
05.05.2010, Ria Novosti
READ MORE: http://en.rian.ru/world/20100505/158875580.html

The parliament of the former Georgian republic of South Ossetia will vote on Wednesday to censure the government of Prime Minister Vadim Brovtsev, a parliament spokesman has said. If the majority of lawmakers vote to dismiss the government, this will be the third change of South Ossetia’s cabinet since the August 2008 war, which gave South Ossetia independence from Georgia. The decision to carry out the crucial vote was taken on Tuesday, after a group of lawmakers filed a relevant request to the parliament. The lawmakers accuse the government of misusing budget funds and criticize the cabinet for failing to draw up the 2010 draft budget and a program of social and economic development of the republic.
9. Official: Time needed to resolve Nagorno-Karabakh conflict for Armenia expired months ago
05.05.2010, Trend News
The time Armenia asked for to resolve the Nagorno-Karabakh conflict has expired, Azerbaijani Presidential Administration Foreign Relations Department head Novruz Mammadov said. "Armenia has asked for two weeks in connection with resolving the Nagorno-Karabakh conflict. But it took several months. There was no response," Mammadov told media. He said the OSCE Minsk Group is continuing to work to resolve the conflict. "The co-chairmen said Armenia will soon express its position. Raising questions is the true way to resolve the conflict. Armenia should understand this. This should be a kind of message to the presidents of the co-chairing countries that Azerbaijan agrees with their proposals. It is necessary to to exert pressure on Armenia to solve the conflict," Mammadov said.

10. 'Danger of resumption of military action in Karabakh'
05.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14850
'Formats other than the OSCE Minsk Group can exist for the settlement of the Karabakh issue.' The diagnostics of conflicts in the South Caucasus is on a very low level, director of South Caucasus Institute for Regional Security of Georgia Alexander Rusetsky told a press conference, analyzing the issues of conflict resolution and establishment of peace in the region. He sees a danger of resumption of military action in Karabakh. The South Caucasus Institute for Regional Security has published a book, which notes that the conflicting parties should not suffer because of the ambitions of the international community. "International structures have actually failed many processes targeted at maintenance of peace. The effectiveness of their activity gives occasion to think that international organizations have serious problems with the attempts to maintain peace," Alexander Rusetsky said.

11. South Ossetian leader in Russia to discuss reconstruction
05.05.2010, Radio Free Europe/Radio Liberty
READ MORE: http://www.rferl.org/content/South_Ossetian_Leader_In_Russia_To_Discuss_Reconstruction/2033636.html
The leader of the breakaway Georgian region of South Ossetia was in Moscow to discuss Russian assistance on reconstruction and infrastructure projects, RFE/RL's Echo of the Caucasus reports. Eduard Kokoity, the president of the unrecognized republic of South Ossetia, held talks with Regional Development Minister Viktor Basargin in Moscow on May 4. The two sides discussed Russian assistance on several construction projects in South Ossetia, the South Ossetian news agency RES reported. It said that among other things, specific talks were held about repairs on some important roads and the renovation of some private and municipal buildings in the capital, Tskhinvali. Kokoity noted the importance of Russian financial resources in rebuilding facilities in South Ossetia that were damaged or destroyed during the August 2008 Russian-Georgian war. Russia has pledged hundreds of millions of dollars in aid to help develop South Ossetia, which has an estimated total population of 60,000 people. Moscow and three other countries have recognized South Ossetia's independence from Georgia.

12. 'Armenia’s unconstructive position on Karabakh issue to affect it negatively'
04.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14816
Turkey is a big country and the opening of borders with Armenia will not bring it a special dividend.
The situation around the ratification of the Turkish-Armenian Protocols retards the process of solving the Karabakh problem, deputy chairman of the parliamentary Committee for Security and Defence Aydin Mirzazade said. 'However, Armenia and international circles protecting it should know that the damage from this will be primarily caused to Armenia', said A. Mirzazade in an interview with the official website of the ruling Yeni Azerbaijan (New Azerbaijan) party on Tuesday. 'Turkey is a big country and the opening of borders with Armenia will not bring it a special dividend', added the MP.

Separatist Abkhazia approves law on state borders
04.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14815

The de facto parliament of the puppet regime of Georgia's one of two breakaway regions of Abkhazia has approved the Law on State Borders. According to the Russian news agencies, the decision was made based on the resolution adopted by the so-called National Council of Abkhazia on October 24, 2008. The Georgian side assesses the decision as yet another provocation. The Georgian politicians also claim that the document has no force whatsoever since it will not be recognized by the international community.

Georgian expert warns of war danger in Karabakh
04.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/world/news/48104/

The current processes in the South Caucasus are inadequate, since the parties directly involved in the conflict are often not engaged in its resolution, according to a Georgian expert. “Processes which are supposed to be peaceful are not such, as a matter of fact. They hamper resolution of conflicts,” said Alexander Rusetski, executive director of the South Caucasus Institute of Regional Security. “To resolve the existing problems the ideological motives should be examined. “Regional conflicts should be denationalized and a common approach should be developed,” he said. Commenting on the Armenian-Turkish dialogue, he said that Turkey intensified activities to prevent strengthening of Russian factor in the South Caucasus, specifically after the war in South Ossetia. “Although the dialogue seems to be really frozen, the Protocols created a good basis to end the lingering hostility,” Mr. Rusetski said. As to the Karabakh conflict settlement, he said the danger of war still persists. He also added that the population and natives of Karabakh should take part in the negotiations.

'Armenia choose the worst option of Armenian-Turkish process development'
04.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14763

'Ve already have negative tendencies in the Karabakh issue.' Out is about ten possible options of Armenian-Turkish process development the one chosen by the Armenian authorities is the worst, ex-foreign minister of Armenia Vartan Oskanyan said in an interview with "Yerkir media" TV channel. He thinks that in the created situation it would be more correct not to take anything, as in that case pressure would be imposed upon Turkey. 'But to choose an option which is practically equal to having done nothing, but at the same time it was officially announced about freezing of the process, means that at present Turkey was given a free hand', - Oskanyan said and added that over the past 18 months Armenia did not manage to fulfill the tasks put against it, but Turkey managed to reach implementation of the two out of the three pre-conditions put forward and is working for implementation of the third one.
16. Abkhazia has been fooled by Russia
03.05.2010, Guardian
READ MORE: http://www.guardian.co.uk/commentisfree/2010/may/03/abkhazia-russia-european-georgia

Anna Matveeva is right to remind us that Abkhazia was once the favoured holiday destination of the Soviet elite. But she omits to mention it is also the homeland of thousands of ethnic Georgians who were expelled from their properties in a brutal ethnic cleansing exercise implemented by the Russian-supported separatists. Their homes now lie in ruins, as they live in temporary housing in Georgia dreaming of the day they will return. The sad truth, as Matveeva hinted at in her article, is that the Abkhaz people were fooled by Russia. The Kremlin stirred up paranoia over Georgian intentions, armed separatist fighters and deployed troops before the invasion of 2008 under the guise of security. But the Russian objective was not to help the Abkhaz gain independence or to hand them the lands of ethnic Georgians, it was to subsume the territory into the greater Russia and to destabilise the government of Georgia, so that Georgian ambitions to join the Euroatlantic community were snuffed out. The reality is now dawning on the Abkhaz: instead of independence they have got Russian annexation. Thousands of Russian soldiers and workers have moved in, and they are not likely to be heading back anytime soon, if ever. The rivers and coastlines of Abkhazia are being pillaged to provide construction materials for the Sochi Olympics, threatening environmental disaster in the years to come. Russian companies, such as Rosneft, are scouring the land searching for assets to exploit.

17. Levon Shirinyan: Azerbaijan incapable to resolve Karabakh conflict
03.05.2010, PanARMENIAN
READ MORE: http://www.panarmenian.net/eng/politics/news/48036/

Azerbaijan is incapable to resolve Karabakh conflict, an Armenian expert said. “Instead of parrying Azerbaijan’s bellicose statements, Armenia should threaten itself,” Levon Shirinyan said during a joint news conference with Turkologist Artak Shakaryan on May 3. “Return of any liberated region would be equal to treason,” he said. Meanwhile, Artak Shakaryan didn’t support the suggestion to issue threats. “Armenia has an image of a country standing for peaceful resolution of conflicts. This distinguishes it from Turkey and Azerbaijan. Militant statements can damage our strategic plans,” he said.

18. Bagapsh ‘Cautiously Optimistic’ over Abkhaz Recognition by Ukraine, Belarus
02.05.2010, Kyiv Post

Sergey Bagapsh, said on April 29 that he was “cautiously optimistic” about possible recognition of Abkhazia by Ukraine and Belarus, Abkhaz news agency, Apsnipress, reported. “Of course, it is important for us that Ukraine recognizes Abkhazia, that Belarus finally closes this issue, especially if we take into consideration that we had already held negotiations with them. I understand well that each country has its own problems, [each governments has] its opposition, there is influence of the West, financial structures… If it [recognition] happens we will be very happy, because Belarus, Russia and Ukraine as well as other CIS countries are our friendly states. We do not ask unconditional recognition, we offer to build relations,” Bagapsh was quoted by Apsnipress.
19. Yanukovych to recognize Abkhazia, South Ossetia?
02.05.2010, New Europe
READ MORE: http://www.neurope.eu/articles/100641.php
The President of Ukraine Victor Yanukovych states that it is necessary to consolidate international efforts in order to develop and introduce new approaches towards recognition of independence of peoples at the territory of the frozen conflicts. According to an Unian correspondent, the President of Ukraine Victor Yanukovych said this at the press conference in Strasbourg answering questions about position of Ukraine concerning recognition of Abkhazia and South Ossetia. Ukraine is ready to support the process of provision of equality of democratic values, peoples' rights at the territories of the frozen conflicts, said Yanukovych. He underlined that Ukraine flatly objects to the practice of double standards.

20. Baku admits Turkey unlikely to mediate on Karabakh
02.05.2010, Armenia.Az
READ MORE: http://www.news.az/articles/14659
The Azerbaijani Foreign Ministry has acknowledged that Turkey is unlikely to become one of the OSCE Minsk Group mediators on the Karabakh conflict. 'The agreement of both sides of the conflict, i.e. Azerbaijan and Armenia, is needed to change the format of the Minsk Group. In this case Armenia is against the inclusion of Turkey in the format, as it has repeatedly said,' Azerbaijani Foreign Ministry spokesman Elkhan Polukhov told 1news.az on Saturday. He was commenting on remarks by Russian Foreign Ministry spokesman Andrey Nesterenko that Moscow had not received a proposal to include Turkey as an OSCE Minsk Group co-chair. 'Anyway, the agreement of all parties is needed in order to make this proposal reality. Considering that the ratification of the protocols on the normalization of Armenian-Turkish relations has been suspended, such an agreement is unlikely,' Nesterenko said.

21. Armenian nationalist politician closes doors on dialogue
02.05.2010, Hurriyet Daily
Claims of sovereignty over Nagorno-Karabakh are threatening to draw Armenia and Azerbaijan into a new conflict at the slightest provocation. Although international peacemakers are actively working to settle the disputes, political experts are worried that the slightest wrong step could fuel antagonism between the two parties. Manvel Sargsian, who organized the Karabakh movement against Azerbaijan in Yerevan in 1987, told the Hürriyet Daily News & Economic Review that Russia was fueling the problem by “supporting the Azeris” in the policy to “remove the Armenians from the region.” Sargsian was Armenia’s Nagorno-Karabakh representative after the armed clashes came to an end in 1994. The Armenian politician also said it is not possible for Armenia to make “the smallest concession” in the Nagorno-Karabakh issue, comments that show how mired the region's problems are in nationalism.

XVIII. SECURITY
1. Russia's Black Sea navy is burden for Ukraine
10.05.2010, Kyiv Post
Ukraine - Russia's Black Sea fleet might not carry much weight in strict military terms but its
presence in the port of Sevastopol will burden Ukraine's future for generations to come, critics of the move say. Ukrainian President Viktor Yanukovich argues his country will save billions of dollars from the trade-off involving the extension of the fleet's lease to 2042 in exchange for cheaper gas, vital for the economy. But his critics, who see the Russian navy's presence as an affront to Ukrainian independence, say Yanukovich has made a fatal error for the nation and handed the political opposition a stick with which to beat him for the rest of his time in power. The issue sparked riots in parliament and former prime minister Yulia Tymoshenko, around whom the opposition has marshalled forces, is promising street demonstrations in the capital Kiev on Tuesday. The problem touches on the wider issue of Ukraine's often muddled sense of national identity since independence in 1991 and the dangers, as some critics see it, of allowing a too-close relationship with its old Soviet master.

2.

Russia plans to invest heavily in Sevastopol base – ambassador
09.05.2010, Global Security


Russia is planning to focus on the development of social and military infrastructure in the port of Sevastopol on the Crimean Peninsula, the Russian ambassador to Ukraine said on Sunday. Russia's lease of the Black Sea Fleet's base in Sevastopol has been extended for 25 years after the current lease expires in 2017 in a deal simultaneously ratified by the Russian and Ukrainian parliaments in April. The lease may be further extended by five years. "We must invest in the social infrastructure of the [Black Sea] fleet. It is necessary, I believe, to develop the coastal infrastructure [of the base] and seriously modernize its military hardware while investing in the city because it hosts the Black Sea Fleet," Mikhail Zurabov told reporters after a military parade in Sevastopol.

3.

Russia to build $3bn Black Sea naval base
08.05.2010, Armenia.News

READ MORE: http://www.news.az/articles/15130

Russia will complete construction of a new naval base at the Russian Black Sea port of Novorossiysk by 2020 at a price of 92 billion rubles ($3bn). 'Under a special federal program through 2020, 92 billion rubles will be allocated for the construction of the base,' Prime Minister Vladimir Putin said on Friday. He added that 13.5 billion rubles had been disbursed to date. Nikolay Abroskin, head of the SpetsStroy company that is building the base, said construction began in 2005 and would proceed in three stages. He said the first stage would be completed this year, the second in 2016 and the third in 2020. He said three berths and other coastal facilities with a total area of 8 hectares had been built, worth a total of 26.9 billion rubles. Abroskin added that the deepwater part of the work would be completed in 2011.

4.

Problems of Russian fleet's deployment in Ukraine will be resolved, says Ukraine's foreign minister
07.05.2010, Kyiv Post


Ukraine and Russia will successfully resolve all problems surrounding the presence of the Russian Black Sea Fleet in Crimea, Ukrainian Foreign Minister Kostiantyn Hryschenko told Interfax. "The problem is that both the required political atmosphere and the political will to tackle these issues were absent in the past few years. But today we have all the tools needed to reach agreements," he said. Kyiv and Moscow have developed a mechanism to resolve all their disputes, the minister said. "For example, the Ukrainian-Russian sub-commission for the Black Sea Fleet held a session last week, and we immediately sensed the difference in Russia's approach. We are all committed to finding a
logical solution to this problem," Hryschenko said. Russian sailors deployed in Ukraine should receive the appropriate IDs, the minister said. "But we must avoid creating any artificial problems. The movement of Russian vessels and scores of other problems will stop making headlines. They will be tackled through joint work and in a calm atmosphere," he said. Commenting on the principles regulating the entry of Russian naval ships into their base in Ukrainian territory, Hryschenko said that "all such agreements remain valid."

5.
Ukraine and NATO sign air situation data exchange memorandum
06.05.2010, Kyiv Post
Ukraine and NATO have a signed a memorandum of understanding (MOU) on Air Situation Data Exchange (ASDE). The ceremony of signing was held in NATO headquarters on May 5. The agreement was signed by General Ivan Svyda, Ukrainian Chief of Defence, General İlker Başbuğ, Turkish Chief of Defence, and Admiral James Stavridis, NATO’s Supreme Allied Commander Operations. The memorandum of understanding will enable Ukraine to exchange information with NATO by mutual agreement about the air situation in certain regions of the territory of Ukraine and neighbouring countries belonging to the alliance. This is the second memorandum in the sphere of air situation data exchange Ukraine has signed. In an interview with reporters, Svida noted that the agreement aims to ensure the transparency of the air traffic, minimizes possible air traffic violations during international flights, and makes a crucial contribution to international aviation safety.

6.
Russia’s Medvedev orders plan for development of naval base
01.05.2010, Global Security
Russian President Dimitry Medvedev instructed the Russian Defense Minister to prepare a plan within the next month for the development of the Russian Black Sea Fleet base in Ukraine's Sevastopol. "Prepare a suitable plan for the development of the Black sea Fleet naval base in Sevastopol with other government bodies within a month and submit it for my approval," Medvedev said at a meeting with Anatoliy Serdyukov on Saturday. Russia's lease of the base in Sevastopol was extended for 25 years after the current lease expires in 2017 in a deal simultaneously ratified by the Russian and Ukrainian parliaments on Tuesday. The lease may be further extended by five years. Medvedev said the draft should improve living conditions for the Navy officers living on the base.
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