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I. ARMENIA

1. Armenia Says NATO Support for Azerbaijan Prompted Pullout
   08.05.2009, Radio Free Europe/Radio Liberty
   READ MORE: http://www.rferl.org/articleprintview/1624565.html
   Armenian Defense Minister Seyran Ohanian says his country's main reason for canceling its participation in the NATO military exercises in Georgia was NATO Secretary-General Jaap de Hoop Scheffer’s support for Azerbaijan, RFE/RL’s Armenian Service reports. Ohanian said on May 6 that de Hoop Scheffer expressed his support for Azerbaijan's territorial integrity in the Nagorno-Karabakh conflict after talks with Azerbaijani President Ilham Aliyev in Brussels last week. Ohanian added that "the OSCE and its Minsk Group, and many other countries [always] refer to all norms of international law, including peoples' self-determination, territorial integrity, and nonuse of force."

2. How Will Dashnaks' Withdrawal from Ruling Coalition Impact on Armenian Political Landscape?
   READ MORE: http://www.rferl.org/articleprintview/1619219.html
   It is still too early to assess the long-term repercussions of the April 27 withdrawal by the Armenian Revolutionary Federation – Dashnaktsutsiun (HHD) from the four-party coalition government to protest the signing last week of a "road map" for normalizing relations with Turkey. The leader of one of the three remaining coalition parties has expressed concern that the HHD move may weaken the coalition, while parliament speaker Hovik Abrahamian on April 29 invited the HHD not to relinquish the branchmanships of two parliamentary committees. HHD parliament faction head Vahan Hovannisian announced on April 30 that the party has accepted that offer, Noyan Tapan reported.

3. Yerevan and Tehran Strengthen Economic Cooperation
   29.04.2009, Jamestown Eurasia Daily Monitor
   READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34916&tx_ttnews%5BbackPid%5D=7&cHash=965654ea7b
Armenia and Iran have agreed to deepen their already close relationship by pressing ahead with several large-scale commercial projects, mostly related to energy supplies. The two neighboring states formalized these plans during Armenian President Serzh Sargsyan's recent official visit to Tehran. Iranian leaders used the trip to reaffirm, in unusually strong terms, their commitment to enhance political and economic cooperation with Yerevan. "The Iranian government and nation have enthusiastically welcomed the expansion of amicable ties with the Armenian nation and government," Iran's Supreme Leader Ayatollah Ali Khamenei said on April 14 as he received Sargsyan and Iranian President Mahmoud Ahmadinejad after their two-day negotiations.

II. ARMENIA-AZERBAIJAN-TURKEY

1. Armenia & Azerbaijan Inch Ahead in Karabakh Talks
   07.05.2009, REUTERS
   READ MORE: http://www.reuters.com/articlePrint?articleId=USL71003358
   Armenia and Azerbaijan inched ahead in talks over settling their dispute over the Nagorno-Karabakh enclave on Thursday, mediators said. Armenian President Serzh Sargsyan held talks with his Azeri counterpart Ilham Aliyev in Prague, another in a series of meetings aimed to resolve the conflict over the Armenian-controlled enclave in Azerbaijan. "They were able... to reduce their differences on basic principles and generally agree on the basic ideas they came here to discuss," said U.S. Deputy Assistant Secretary Matthew Bryza, a co-chairman of the Minsk Group of countries mediating the talks.

2. Minsk Group Sees Breakthrough in Karabakh Negotiations
   07.05.2009, Radio Free Europe/Radio Liberty
   READ MORE: http://www.rferl.org/articleprintview/1623738.html
   After the May 7 meeting of the presidents of Azerbaijan and Armenia in Prague, Matthew Bryza, one of three co-chairs of the OSCE's Minsk Group, called it "the most substantive exchange of views between the presidents so far." The Minsk Group oversees negotiations on the Nagorno-Karabakh frozen conflict. In an interview with RFE/RL's Azerbaijani Service, Bryza, who is also U.S. deputy assistant secretary of state for European and Eurasian affairs, said there was a "conceptual breakthrough." "You have to have conceptual breakthroughs and then technical breakthroughs. So, conceptually I would say, we pretty much had that today. Now we have to create the technical breakthroughs," Bryza said.

3. Turkish President to Meet his Azeri, Armenian Counterparts in Prague
   06.05.2009, Hurriyet Daily News
   Turkish President Abdullah Gul will meet separately his Azerbaijani and Armenian counterparts on the sidelines of a European summit in the Czech capital of Prague on Thursday, diplomats said. Gul will meet Azerbaijan's President Ilham Aliyev and Armenian President Serzh Sargsyan in Prague, where the leaders are scheduled to attend an Eastern Partnership summit, diplomats told the Anatolian Agency. The meetings come as diplomatic traffic intensifies in efforts aimed at solving long-standing disputes in the region. Turkish Prime Minister Tayyip Erdogan will also meet Aliyev in the capital Baku on May 13 and Russia's Prime Minister Vladimir Putin in the Black Sea resort of Sochi on May 16.
4. Turkey Prioritizing its Relations with Azerbaijan  
06.05.2009, Jamestown Eurasia Daily Monitor  
READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34956

The recent uncertainty surrounding Turkish-Azeri relations is giving way to a new period of optimism, ahead of high level diplomatic contacts. Turkish President Abdullah Gul and Prime Minister Recep Tayyip Erdogan will meet Azeri officials in a bid to reassure Baku of Ankara's intention to protect Azerbaijan’s interests during the Turkish-Armenian reconciliation process.

5. Turkey Tries to Calm Azerbaijan over Thaw with Armenia  
04.05.2009, Radio Free Europe/Radio Liberty  
READ MORE: http://www.rferl.org/articleprintview/1621258.html

Turkey's new Foreign Minister Ahmet Davutoglu has sought to ease Azerbaijan's concerns over efforts by Turkey and Armenia to restore ties. Ankara and Yerevan are engaged in talks to end years of hostility. Last month, they announced a road map to reestablish ties, including reopening a border closed in 1993. Azerbaijan, Turkey's Muslim ally and a key supplier of natural gas, has reacted angrily to those talks because it fears losing leverage over Armenia in the dispute over Nagorno-Karabakh. Davutoglu, appointed to the post in a wide cabinet reshuffle on May 1, met Azerbaijani Deputy Foreign Minister Araz Azimov in Ankara on May 4 to discuss Azerbaijani concerns over the road map, a Turkish Foreign Ministry spokesman said.

6. Baku Calling for Openness in Turkish-Armenian Relations  
04.05.2009, Jamestown Eurasia Daily Monitor  
READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34946&t x_ttnews%5BbackPid%5D=7&cHash=b624184a37

Most Azerbaijani politicians as well as the general public believe that the recent developments in Turkey’s bilateral relationship with Armenia were aimed only at influencing Barack Obama’s April 24 statement. Supposedly, Turkey wanted to provide a reason for Obama to avoid using the word "genocide" when referring to the events of 1915. Now that Turkey has avoided this potential degradation in its relations with the United States, one of its closest allies, the question remains as to whether Turkey and Armenia will continue taking steps towards each other, or if their declared intention to normalize bilateral relations was only a tactical move.

7. Mountain Chess - Recent Moves towards a Peace Deal May Come Unstuck  
30.04.2009, The Economist  
READ MORE: http://www.economist.com/world/europe/PrinterFriendly.cfm?story_id=13577983

A HIGH-STAKES chess game is being played out in the south Caucasus. It involves America, Armenia, Azerbaijan, Russia and Turkey. Unlike chessplayers, though, all the participants can win in this game, it is hoped, if they agree on a common aim: peace between Turkey and Armenia, which would help to thaw the frozen conflict between Armenia and Azerbaijan over the (mainly Armenian) territory of Nagorno-Karabakh.

8. Armenian Oppositionist Says Road Map 'Meaningless'  
READ MORE: http://www.rferl.org/articleprintview/1619110.html

A leading Armenian opposition group has told RFE/RL's Armenian Service that the proposed Turkish-Armenian "road map" for normalizing relations is "meaningless" until the country’s human rights abuses are addressed and the text of any agreement is made public. Levon Zurabian, a leading

Black Sea News Update No. 5
member of the Armenian National Congress (HAK), added in remarks on that Armenian officials lack a popular mandate for opening diplomatic relations with Turkey. He said that opposition groups have "serious reasons" to think Ankara is flirting with Turkish reconciliation so that the West will "turn a blind eye" to the country's human rights record, particularly its imprisonment of dozens of opposition activists.

Turkey and Armenia's Rapprochement Watched Carefully by Azerbaijan

On April 22, the Foreign Ministries of Turkey, Armenia and Switzerland issued a joint announcement saying that Ankara and Yerevan had agreed to work toward improving their relations within the framework of a roadmap under Swiss auspices. United States' diplomats were also closely involved in the talks which preceded the deal. Although the decision appears as a breakthrough in resolving this long-term dispute, significant obstacles remain before the completion of the rapprochement.

III. AZERBAIJAN

1. Azerbaijan-EU Cooperation is at high Level: Azerbaijan President

"We appreciate the level of cooperation between Azerbaijan and the European Union, and the agenda of bilateral cooperation with this organization is wide," - said the President of Azerbaijan Ilham Aliyev on April 29 in Brussels at a meeting with the EU High Representative for Common Foreign and Security Policy Javier Solana, AzTV television channel reported.

IV. GEORGIA

1. Dozens Injured in Georgia in Protesters' Clash with Police

Opposition activists clashed with Georgian police officers in Tbilisi on Wednesday night, leaving dozens of people injured, in the first outbreak of violence since widespread antigovernment protests began on April 9. The fray began when activists climbed a barricade surrounding a police station, demanding the release of three young members of an opposition group accused of assaulting a television news anchor. Police officers with clubs beat the protesters, who responded with sticks and stones.

2. Georgia Needs a Different Path to Democracy

As bipartisan supporters of the Republic of Georgia's aspirations to become a fully functioning, Western-oriented democracy, we have followed with dismay the increasingly unproductive "dialogue" attendant to demonstrations against the current regime that began on April 9. Both sides – government and opposition – bear responsibility for the resulting rhetorical and political stalemate,
which if left unresolved could escalate into violence or instability. We urge an alternative course, one that requires both sides to offer something to the other and to acknowledge that neither side has all the answers.

3. Georgian Opposition Doubts Claims of Military Coup
05.05.2009, Radio Free Europe/Radio Liberty
READ MORE: http://www.rferl.org/articleprintview/1622019.html
Having failed to mobilize more than a few thousand people in support of their demands for President Mikheil Saakashvili’s resignation, Georgian opposition leaders announced on May 2 a planned change of tactics, beginning on May 4. They see the announcement by the Georgian authorities on May 5 of an alleged Russian-orchestrated military coup by a tank battalion stationed at the Mukhrovani military base as a crude attempt to thwart their plans to block temporarily major access roads to Tbilisi. Mukhrovani was the scene of two earlier mutinies, in 2001 and 2004. Conservative Party leader Zviad Dzidziguri told journalists in Tbilisi on May 2 that the opposition protests will continue "for another two-three weeks," during which protest actions will be extended to other major towns. He said a mass march of opposition supporters from western Georgia to Tbilisi is also planned.

4. Irakli Alasania Ready to Meet with Saakashvili
02.05.2009, Trend News:
Leader of Alliance for Georgia Irakli Alasania confirmed his readiness to launch dialogue with the government representatives during the meeting with the EU special representative for South Caucasus Peter Semnebi. "I confirmed at the meeting that we are ready to listen to government’s arguments. Our chief demand is for Saakashvili to step down," he told reporters. Alasania said he is "ready to give arguments for Saakashvili’s resignation during the dialogue." "We expect the time and venue of the dialogue to be announced," he said. He said the opposition will continue peaceful demonstrations.

5. EU Envoy again Calls for Talks in Georgia
02.05.2009, Radio Free Europe/Radio Liberty
READ MORE: http://www.rferl.org/articleprintview/1620309.html
EU Special Envoy for the South Caucasus Ambassador Peter Semneby met in Tbilisi on May 1 with opposition leaders who continue to demand the resignation of President Mikheil Saakashvili, and with parliament speaker David Bakradze, who advocates talks with the opposition on political reform. It was Semneby’s second attempt in just over a week to persuade the two sides to modify their stance in order to reach some kind of consensus and end the three-week standoff in Tbilisi.

6. Georgian President Hails Process of Political 'Cleansing'
READ MORE: http://www.rferl.org/articleprintview/1619251.html
President Mikheil Saakashvili on April 29 again downplayed the impact of the campaign the Georgian opposition launched three weeks earlier to force his resignation. Public support for the opposition protests has been far lower than hoped for, but one opposition leader claimed on April 29 that 150 members of Saakashvili's United National Movement have left that party and joined the opposition ranks. That claim has not been independently confirmed. On April 30, former parliament speaker Nino Burjanadze admitted that the opposition needs to take "more effective and serious actions" in order to achieve its goal of forcing Saakashvili to step down. She claimed that most
Georgians support the opposition demand that Saakashvili should resign
Speaking in Rustavi on April 29, Saakashvili reaffirmed the authorities’ readiness for talks with the opposition. He expressed regret that, since many opposition lawmakers elected to parliament in May 2008 chose to surrender their mandates, it is not possible to resolve contentious issues through discussion and debate within parliament.

V. GEORGIA – RUSSIA

1. Risk Increasing of Russian Intervention in Georgia
07.05.2009, Jamestown Eurasia Daily Monitor
READ MORE: http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=34961&tx_ttnews%5BbackPid%5D=27&cHash=b22c1df13e
The situation in Georgia appears to be deteriorating rapidly. Last month the Georgian opposition parties began street protests in an effort to force President Mikhail Saakashvili to resign. Since April 9 massive rallies by opposition supporters failed to compel Saakashvili to yield, and the number of demonstrators steadily decreased. Western diplomats repeatedly urged the Georgian opposition to begin a political dialogue with the authorities, but without any results, as the radical opposition continued to demand Saakashvili’s unconditional resignation.

2. Russia Denies Involvement in Alleged Georgian Military Coup
06.05.2009, Radio Free Europe/Radio Liberty
READ MORE: http://www.rferl.org/articleprintview/1622819.html
Twenty-four hours after the Georgian authorities announced the surrender of most participants in a mutiny at the Mukhrovani military base east of Tbilisi, the circumstances surrounding the alleged coup and the motives of the participants remain unclear. At the same time, the Russian Foreign Ministry has emphatically rejected as “preposterous” allegations that the mutineers were acting at Moscow’s behest.

3. Georgian War Games Begin amid Russian Criticism
06.05.2009, Radio Free Europe/Radio Liberty
READ MORE: http://www.rferl.org/articleprintview/1622414.html
NATO has launched military exercises in Georgia under a storm of criticism from Russia and following a rebellion in the Georgian military. Russia has condemned the monthlong war games as “muscle-flexing” on its southern border, where it sent tanks and troops in August last year in a five-day war to crush a Georgian assault on breakaway South Ossetia. Georgia said on May 5 it had put down a mutiny at a tank base east of the capital, Tbilisi, and accused Russia of trying to disrupt the exercises and foment a wider rebellion against President Mikheil Saakashvili. Russia said the accusations were “insane” and accused Saakashvili of trying to shift the blame for weeks of opposition protests demanding he resign over his record on democracy and last year’s disastrous military defeat.

4. Georgian Leader Mikhail Saakashvili Claims to Have Crushed Army Mutiny
06.05.2009, The Times
READ MORE: http://www.timesonline.co.uk/tol/news/world/europe/article6229551.ece
Nato military exercises due to begin in the country today. A tank battalion surrendered at an army base outside Tbilisi, the capital, after a stand-off with forces loyal to President Saakashvili. The Interior Ministry said that the rebellion was part of a wider conspiracy to cause a “full-scale military riot” linked to the Nato exercises. However, it dropped earlier claims that Russia was funding a coup
aimed at assassinating Mr Saakashvili. Officials close to the President told *The Times* that there was no firm evidence of Russian involvement in yesterday’s events or of any organised attempt at a coup.

### 5.

**Georgia Says Russia Planned Coup**  
06.05.2009, EurActiv


Georgia said today (5 May) that a Russian-planned coup plot had been uncovered within the military of the former Soviet republic and a rebellion was under way at a military base near the capital. The interior ministry said those involved in the plot had received money from Russia which has criticised NATO military exercises in Georgia due to begin on Wednesday (6 May). "The main aim of this uprising was to disrupt the NATO military exercises," Defence Minister David Sikharulidze told Reuters. "We are in negotiations with the soldiers at the Mukhrovani base and I hope this uprising will end soon."

### 6.

**Russian Border Guards Defend S. Ossetia, Abkhazia**  
03.05.2009, PR-inside.com

READ MORE: http://www.pr-inside.com/russian-border-guards-defend-s-ossetia-r1224343.htm

Russian border guards said Saturday they have begun defending the de facto borders between Georgia and its two breakaway regions. The deployment quickly followed the signing of a deal that formalized Russia’s control over the borders of South Ossetia and Abkhazia, the regions at the center of last summer's brief war. Russia has kept thousands of troops in the two regions since the fighting, including in border areas. The US and European Union consider this a violation of the cease-fire, which called for all troops to be pulled back to positions held before the war. The deployment of border guards – who fall under the command of the Federal Security Service, the main successor to the KGB – came just days before the start of NATO exercises in Georgia.

### 7.

**Russia Deploys Troops along Georgia’s Internal Border**  
03.05.2009, Telegraph


Hundreds of troops mounted their first patrols along the contested frontier three days after Dmitry Medvedev, the Russian President, announced that Moscow was assuming formal control over the boundaries of the two rebel provinces. The President's declaration prompted accusations from Georgia that Russia was attempting the stealth annexation of the two regions, which were at the heart of last year's war in the Caucasus. Both the European Union and the United States strongly condemned Russia's actions, saying they violated Georgia's territorial integrity and contravened two ceasefire agreements signed to end the five-day conflict.

### 8.

**Russia Digs In alongside Breakaway Territories**  
02.05.2009, New York Times

READ MORE: http://www.nytimes.com/2009/05/03/world/europe/03russia.html

Russian border guards on Saturday began taking up long-term positions along the boundaries of South Ossetia and Abkhazia, an arrangement that will probably mean sustained tension in the two breakaway Georgian territories. Security treaties signed on Thursday in Moscow between Russia and the two territories called for joint patrols in South Ossetia and Abkhazia for an unspecified period along the boundaries that separate the enclaves from the rest of Georgia. The State Department expressed "serious concern" over the arrangement, saying it violated Georgia's territorial integrity.
and broke commitments made in a cease-fire agreement reached last fall. The territories were at the heart of a war last August between Russia and Georgia; the conflict raised tensions between Moscow and the West to a level not seen since the end of the cold war. Heavy Russian armor poured into both territories after Georgia attacked Tskhinvali, the capital of South Ossetia. Russia then officially recognized South Ossetia and Abkhazia as sovereign nations, despite protests from Europe and the United States, and promised to guarantee their security.

9.
US, NATO, EU Concerned over Russia Deal with Separatists
01.05.2009, Radio Free Europe/Radio Liberty
READ MORE: http://www.rferl.org/articleprintview/1619643.html
The United States, NATO, and the European Union have expressed serious concern over border defense agreements signed by Russia and the separatist Georgian regions of Abkhazia and South Ossetia, saying the treaties go against ceasefire deals brokered after last summer's Georgian war. U.S., NATO, and EU statements said the deals contravene Russia's commitments under the August 12 EU-brokered ceasefire agreement that ended the brief war between Russia and Georgia last August. Under the deal, signed on April 30 in Moscow by Russian President Dmitry Medvedev the separatist leaders of the two regions, Russia has formally taken responsibility for the defense of Abkhazia's and South Ossetia's de-facto borders with the rest of Georgia.

10.
Georgia Says Russia's Accords with its former Republics 'Provocation'
01.05.2009, RIA Novosti
READ MORE: http://en.rian.ru/world/20090501/121404702-print.html
The signing of border protection agreements by Russia, South Ossetia and Abkhazia is a regular provocation aimed at legitimizing the occupation of Georgia, the South Caucasus country's Foreign Ministry said Friday. Russia signed Thursday joint border protection agreements with the two former Georgian republics. NATO said the documents were in a breach with earlier reached agreements and "not in the interests of long-term peace and security in the South Caucasus region." "Georgia sharply criticizes the so called agreements signed by the Russian Federation and the representatives of the puppet regimes of Abkhazia and South Ossetia on April 30," the ministry said. "In reality the 'agreements' are another attempt by Russia to increase its military potential on Georgia's occupied territory and legitimize the occupation," it said. Under the agreements, Russia will guard the Abkhaz and South Ossetian borders, including maritime frontiers, until both republics form their own border guard services. The agreements, for an initial five years, can be renewed upon their expiration.

11.
PACE Adopts Resolution on Georgian – Russian Conflict
30.04.2009, The Messenger
The Parliamentary Assembly of the Council of Europe once again underlined its protest against the presence of Russian troops in the Georgian breakaway regions of Abkhazia and South Ossetia on April 29. A resolution on the war between Russia and Georgia was adopted in the late afternoon by 133 votes to 0, with 13 abstentions. It is assumed that these 13 were the Russian delegation. None of the Assembly members who spoke in the debate took a pro-Russian line apart from the Russians themselves. The debate contained much criticism of Russia's aggressive politics towards Georgia.

12.
OSCE Calls for More Monitors in Georgia
30.04.2009, UPI
The tension between Georgia and its South Ossetia separatist region needs additional monitoring, the Organization for Security and Cooperation in Europe says. Ambassador Charalampos Christopoulos, OSCE chairperson-in-office special representative, said Thursday that the administrative boundary line between Georgia and South Ossetia remains an ongoing concern, the OSCE reported. In August 2008 South Ossetia was the site of a violent confrontation between the Russian and Georgian militaries. The situation in the region remains tense and has led to some OSCE monitors' unlawful detention.

OSCE Special Representative Says Organization's Georgia Monitors are Needed on Both Sides of Administrative Boundary Line
30.04.2009, OSCE
READ MORE: http://www.osce.org/item/37425.html?print=1

The OSCE’s unarmed military monitoring officers in Georgia need to be deployed on both sides of the administrative boundary line, the OSCE Chairperson-in-Office’s Special Representative, Ambassador Charalampos Christopoulos, said today. In a speech to the OSCE’s Permanent Council, Christopoulos welcomed the commitment to strengthen security in the region demonstrated at a first meeting on working-level Mechanisms to deal with security-related incidents that took place last week as “a major step forward”.

VI. MOLDOVA
1.
Moldova to Face EU Investigation
03.05.2009, New Europe
READ MORE: http://www.neurope.eu/print.php?id=94107

Moldova's President Vladimir Voronin has accepted European Union demands to begin a dialogue with opposition parties and open an investigation into post-election riots which shook his country three weeks ago, EU officials said. The EU’s top diplomat, Javier Solana, visited Moldova. During the visit, Voronin undertook to begin a reconciliation dialogue with opposition politicians before the first session of parliament next week, Solana’s spokeswoman Cristina Gallach said. Voronin also agreed to invite opposition figures and international humanrights experts to join a committee investigating the violence that broke out between students and police following Moldova’s parliamentary election on April 5.

2.
Alarm at EU Passports for Moldova
04.05.2009, BBC
READ MORE: http://news.bbc.co.uk/2/hi/europe/8029849.stm

The EU will this week launch talks with six Eastern European neighbours on closer relations - including Moldova, which only last month was rocked by violence following a disputed election. Moldova is Europe's most impoverished country and its 4.1 million people can only travel to the EU if they have a special visa. But Romania has offered passports to up to one million Moldovans - alarming both Moldova and some in the EU, says the BBC’s Oana Lungescu.

3.
A Roadmap for Moldova
01.05.2009, European Voice

The crisis in Moldova continues. To help the country, the EU must pay more attention – and sustain its attention. Moldova’s die has been cast. A re-count of votes of the 5 April parliamentary elections...
has put the Communist Party within one seat of the three-fifths majority it needs in the parliament to elect its chosen candidate as president. But confirmation of the vote and the swearing in of a new parliament on 25 April, should not be seen as resolving a crisis that has so far resulted in three deaths and the torching of the assembly building. Rather, this political crisis is just beginning.

VII. RUSSIA

1. Gazprom's Murky Games in Hungary

05.05.2009, Jamestown Eurasia Daily Monitor

READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34948&t x_ttnews%5BbackPid%5D=7&cHash=b2a0221c67

Gazprom may be preparing to take over a large part of the Hungarian domestic gas distribution network. A new, highly opaque deal is in the works as a result of which Hungary's energy security could be threatened. On April 28 Emfesz KFT, a major Hungarian gas distribution company owned by Ukrainian businessman Dmytro Firtash, announced that it will stop importing gas from RosUkrEnergo (RUE), a company based in Zug, Switzerland and will instead buy gas from an unknown company, RosGas AG, also located in Zug.

VIII. RUSSIA – WEST

1. Russia Says Ready to Move Forward on NATO Ties

08.05.2009, Radio Free Europe/Radio Liberty

READ MORE: http://www.rferl.org/articleprintview/1624262.html

Russia's envoy to NATO has said Moscow was ready to go ahead with restoring ties with the alliance despite tit-for-tat expulsions of diplomats and controversial military exercises in Georgia. Dmitry Rogozin suggested the expulsions of two Russians from Brussels and two alliance officials from Moscow, along with the NATO exercises, could be part of a plot to sabotage U.S. President Barack Obama's policy of improving relations. "It is time to put a full stop in this story and restore relations as soon as possible," Rogozin said from Brussels during a video link with Moscow journalists. "We will go ahead with restoring relations."

2. Whose backyard? - Russia and the West Fume and Fudge over the Countries in between

08.05.2009, The Economist

READ MORE: http://www.economist.com/world/europe/PrinterFriendly.cfm?story_id=13635619

CAN Europe pull off America's trick? The European Union wants to bolster stability and prosperity in ex-Soviet countries on its borders, while improving ties with Russia on other matters. That is pretty much what Barack Obama's new administration has managed. It has separated the issues where agreement is reachable, such as arms control, from those where it isn’t, such as the future of countries such as Georgia. The EU's efforts, however, look quite puny. At a two-day summit in Prague ending on Friday May 8th it launched an “Eastern Partnership” which is supposed to create closer political and economic ties with six countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

3. EU Launches Eastern Plan in Russia's Backyard

08.05.2009, EurActiv
The European Union yesterday (7 May) launched a plan to foster closer political and economic ties with six former Soviet republics, while attempting to persuade Russia that it is not trying to muscle in on its sphere of influence. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, all of which are poor East European and Caspian countries mostly bordering Russia, are suffering from the economic crisis, and the EU is keen to avert political instability in a region that carries all its gas imports from Russia. The 'Eastern Partnership', with funding of 600 million euros ($799 million), will aim to promote democratic reform, economic integration and energy security in the six states. "This is not anti-Russian," said Czech Deputy Prime Minister Alexandr Vondra, whose country holds the rotating EU presidency.

Neighbourhood Watching - Trouble in Georgia and a Pow-Wow in Prague Point to new East-West Tensions

07.05.2009, The Economist

PRECISELY what happened behind the barrack gates of a Georgian tank battalion near Tbilisi on May 5th is unclear. The Georgians say they quelled a mutiny and foiled a conspiracy to overthrow President Mikheil Saakashvili, probably inspired by Russian intelligence. Russia, predictably, denied involvement. Then on May 7th protesters from Georgia's opposition, who have been demanding Mr Saakashvili’s resignation, clashed with police in Tbilisi in the first outbreak of violence since their demonstrations began in early April. It is clear that Georgia remains extremely tense. Any provocation could easily become a pretext for renewed conflict. Both Russia and Georgia were quick to link the mutiny to NATO exercises that started in Georgia on May 6th. Georgia said it was a bid to derail the exercises, Russia that it was proof of NATO’s folly. Holding the exercises in a psychiatric hospital would be more appropriate than holding them on the territory of the Georgian state, thundered Dmitry Rogozin, Russia's irascible NATO ambassador.

Creating Good Neighbors in Russia's Backyard

07.05.2009, The Moscow Times.

European Union policy toward its neighbors to the east is in trouble, despite the launch of its new Eastern Partnership. European public opinion is increasingly introspective and sporadically protectionist. So what is to be done about the "gray zone" to Europe's east – the six countries that now lie between the EU and Russia? Inaction is unacceptable. The region has been badly hit by the economic crisis, made all the worse by internal political turmoil and serious security dangers.

Moscow Playing Hard-Ball in its Quasi-Partnership with NATO

06.05.2009, Jamestown Eurasia Daily Monitor

The last thing that NATO needed on the eve of its controversial military exercises in Georgia was a mutiny, and that is exactly what happened yesterday. The details are still scarce and rumors run rife, as they always do in the South Caucasus, but perhaps the only definite conclusion is that Russia's warnings about the "destabilizing character" of such exercises in Georgia –still in shock and denial after the August war- have suddenly acquired credibility. That does not make Moscow the mastermind behind an alleged coup, and President Mikhail Saakashvili’s accusations may reveal more about his state of mind than about the activities of Russian special services, which are hardly capable
7. Lavrov Drops NATO Talks over Expulsions
06.05.2009, REUTERS
READ MORE: http://www.reuters.com/article/worldNews/idUSTRE54425720090505?feedType=RSS &feedName=worldNews

Russian Foreign Minister Sergei Lavrov has dropped plans to attend a meeting of the NATO-Russia Council this month in protest at NATO's expulsion of Russian diplomats, Russia's NATO envoy said on Tuesday. NATO said it regretted Russia's decision and hoped a new date would soon be agreed for the talks. Russia had already pulled out of a planned meeting among senior military staff on May 7 in protest at NATO war games that are due to start in Georgia on May 6. A spy scandal resulting in the expulsion of the diplomats has further exacerbated tensions.

8. Georgia is Focal Point in U.S.-NATO Russian Tension
04.05.2009, New York Times
READ MORE: http://www.nytimes.com/2009/05/05/world/europe/05iht-politicus.html

Early last month at the start of his first tour of Europe, Barack Obama had what he called “a terrific meeting” with Dmitri A. Medvedev, the Russian president. The “terrific” aspect remains something of a mystery. After offering up the superlative at a news conference in Strasbourg, the American president furnished no further details. Perhaps Mr. Obama was referring to hopeful notions involving discussions on nuclear arms limitations that will begin with a meeting at the foreign minister level in Washington this week. Then again, he may have been dipping into the part of his vocabulary that found “strong and unanimous support” from European allies for his approach to Afghanistan. This has turned out to be zero new combat troops to fight alongside the U.S. forces now mounting strength there.

9. Relations between Russia, West Sour again
01.05.2009, CNSNews

Just weeks after the U.S. and Russian leaders met at the G20 summit, signaling a new era after a period of strained relations, the optimism generated by that encounter was looking premature Thursday amid a series of heated disputes. A deepening Russia-NATO row over spying coincided with differences over the two sides’ activities in Georgia, the Westward-leaning former Soviet republic invaded by Russia last summer. Angry about planned NATO military exercises in Georgia, the Kremlin upped tensions by formalizing the deployment of Russian guards on the “borders” between Georgia-proper and two breakaway regions now effectively under Moscow’s control.

10. NATO-Russia: in which Direction will we Hobble now?
30.04.2009, RIA Novosti
READ MORE: http://en.rian.ru/analysis/20090430/121380870-print.html

NATO-Russia relations, surface-frozen after last August’s conflict in the Caucasus, were put into a microwave on April 28 when the NATO-Russia Council (NRC) held in Brussels a meeting at ambassadorial level for the first time since the war in South Ossetia. The ambassadors are working on the agenda of the NRC ministerial meeting, scheduled for May 19. This meeting is expected to become an arena where the big thaw can take place. At least, both sides are talking about it.
However, the question is how they are going to melt the ice, or what are they hoping will thaw?

11. Why Europe Should Listen to Medvedev  
30.04.2009, European Voice  
Russia is not the most neutral player in the energy game, but the EU should not dismiss its president’s ideas outright. The Czech government, in its capacity as president of the EU’s Council of Ministers, will host a meeting in Prague next week with central Asian republics. The purpose is to discuss possible energy routes to bring gas from the region to western European markets, bypassing Russia. Last Friday (24 April) Bulgaria, one of the countries worst hit in January by disruption to gas supply from a dispute between Russia and Ukraine, organised a separate energy meeting. The Sofia summit, which was attended by representatives of Caspian and central Asian republics as well as by EU officials, also addressed possible alternative energy routes to Europe and the responsibilities of supplier, transit and energy-importing countries. Two days ago (28 April) Sergei Stanishev, Bulgaria’s prime minister, went to Moscow for talks with Vladimir Putin, the Russian prime minister, about a new gas route, South Stream, which is supposed to bring Russian gas to the western European markets through Bulgaria.

12. Nato ‘Expels Russian Diplomats’  
30.04.2009, BBC  
READ MORE: http://news.bbc.co.uk/go/pr/fr/-/2/hi/europe/8026794.stm  
Russia has confirmed Nato has expelled two of its diplomats from Brussels, reportedly in retaliation for a spy scandal involving an Estonian official. In a statement, the Russian foreign ministry described the expulsions as "outrageous" and a "crude provocation". Nato diplomats claimed the Russians were undercover intelligence agents. The official, Herman Simm, was jailed for 12 years in February by an Estonian court for passing Nato defence and diplomatic secrets to Moscow. The court where the former head of Estonia’s national security system was tried did not reveal which country he spied for, but investigators said Mr Simm passed nearly 3,000 documents to Russia.

13. Interview: West Should Monitor Russia better  
28.04.2009, EurActiv  
There is "little appetite" today in the Western world to monitor Russia’s "influence operations" and "active measures" vis-à-vis the EU, Ariel Cohen, a senior researcher with the conservative US Heritage Foundation, told EurActiv in an interview.

 IX. UKRAINE

1. Moscow Pressuring Ukraine on its EU Pipeline Deal  
08.05.2009, Jamestown Eurasia Daily Monitor  
READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34965&tx_ttnews%5BbackPid%5D=7&cHash=eff49eddca  
Ukrainian Prime Minister Yulia Tymoshenko, commencing talks with her Russian counterpart Vladimir Putin in Moscow on April 29, said that a "certain confrontation" in the gas trade between the two countries will soon become history. She had planned to meet Putin on April 8, but Moscow
re-scheduled the visit in the wake of the March 23 Ukraine-EU agreements on modernizing Ukraine's gas pipelines -which Moscow rejected. There was apparently no confrontation in Moscow this time, but Tymoshenko achieved less from her visit than she expected. The only promise that she secured from Putin was that Ukraine will not be fined for buying less gas in January-April. However, she failed to secure either a $5 billion loan or an agreement on gas for storage in the underground reservoirs for next winter.

2.
The Ukrainian-Russian Cultural Conflict
06.05.2009, Jamestown Eurasia Daily Monitor
READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34955&tx_ttnews%5BbackPid%5D=7&cHash=ec434eae04

Discussions over the many conflicts between Ukraine and Russia have focused on the more well known: the status of the Russian language, unpaid energy bills and gas pipelines, withdrawal of the Black Sea Fleet, Russia's invasion of Georgia, support for Crimean separatism, and future NATO membership. What is less widely known is the undeclared Ukrainian-Russian cultural war that is as bitter as any other aspect of the poor state of the bilateral relationship between Ukraine and Russia.

3.
Ukraine Witnessing Rise of Radicalism
01.05.2009, Jamestown Eurasia Daily Monitor
READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34937&tx_ttnews%5BbackPid%5D=228&cHash=2d718627b8

As elections approach in Ukraine, controversial historical and linguistic issues are high on the agenda within a country divided along regional and cultural lines. The nationalists including President Viktor Yushchenko, often perceive Moscow's hand behind this, while their opponents complain that the Ukrainian language and right-wing values are being imposed by the authorities. This confrontation rarely results in violence but this year might prove an exception as the impact of the global financial crisis has hit Ukraine especially hard -radicalizing society. Incidents have thus far included a radical youth fatally stabbed and two bookshops vandalized. This situation may further deteriorate as the government fails to respond to the problem while the Russian media, popular within eastern Ukraine persistently hypes the issue.

X. EASTERN PARTNERSHIP

1.
EU Launches 'Eastern Partnership'
08.05.2009, BBC
READ MORE: http://news.bbc.co.uk/go/pr/fr/-/2/hi/europe/8040037.stm

The European Union has launched a plan to forge close political and economic ties with six former Soviet republics in exchange for democratic reforms. The Eastern Partnership Initiative agreed in Prague is intended to bolster stability in the region, but without the prospect of eventual EU membership. The EU will invest 600m euros (£535m; $804m) in the project up to 2013. Russia has accused the EU of trying to carve out a new sphere of influence in what Moscow sees as its own backyard.

2.
Joint Declaration of the Prague Eastern Partnership Summit
07.05.2009, EU
The Heads of State or Government and representatives of the Republic of Armenia, the Republic of Azerbaijan, the Republic of Belarus, Georgia, the Republic of Moldova and Ukraine, the representatives of the European Union and the Heads of State or Government and representatives of its Member States have met in Prague to bring their relationship to a new level by establishing the Eastern Partnership and have adopted the following Joint Declaration:

### 3. Eastern Partnership - The EU’s Accidental Sphere of Influence
06.05.2009, Radio Free Europe/Radio Liberty

READ MORE: http://www.rferl.org/articleprintview/1622923.html

Much to the EU’s surprise, its Eastern Partnership initiative has landed it straight in the middle of great-power politics. What started in 2003 as an essentially technocratic drive to advance reforms in the post-Soviet space has now become a tug-of-war with Russia over influence in the region – specifically, Belarus, Ukraine, Moldova, Georgia, Armenia, and Azerbaijan. Formally, the EU’s response remains one of disavowal. The EU eschews any talk of spheres of influence – or so goes the refrain in Brussels. Yet the prospects of visa-free travel, free trade, support to institution-building, and financial aid that the EU is holding out to its six eastern partners are openly construed by Russia as a bid to gain the upper hand in a region where Moscow itself claims "privileged interests."

### 4. Don’t Let the EU’S Eastern Neighborhood Initiative become a Paper Tiger
05.05.2009, Eurasianet

READ MORE: http://www.eurasianet.org/departments/insightb/articles/pp050509_pr.shtml

A EurasiaNet partner post commentary by Vladimir D. Shkolnikov of Freedom House On May 7, the Czech Presidency of the European Union will host a summit of highlevel representatives of six former Soviet republics – Belarus, Ukraine, Moldova, Armenia, Georgia and Azerbaijan. The purpose for the gathering is the kickoff of the EU’s new initiative called Eastern Partnership, the brainchild of Poland and Sweden. The initiative aims for deeper EU engagement with the six countries that, by virtue of their west-of-the-Ural-Mountains location, are at least hypothetically eligible for EU membership. Given the precarious position of these six countries, the Eastern Partnership is an urgently needed idea, although its current form is flawed.

### 5. Beyond Zero-Sum Thinking in the East
04.05.2009, European Voice


The Eastern Partnership risks exacerbating rather than easing energy risks unless Russia is brought on board. The European Union’s energy security has been severely tested over the past year. The conflict in Georgia last August underlined the possible dangers of diversification into the post-Soviet space, with bombs landing in the vicinity of several crucial gas and oil pipelines, including the South Caucasus pipeline and Baku-Supsa, while the Russian-Ukrainian gas stand-off caused shivers across Europe in January, many of them literal.

### 6. Global Insight: EU’s Eastern Diplomacy Needs Tailoring
03.05.2009, Financial Times

READ MORE: http://www.ft.com/cms/s/0/eca92dd4-37ff-11de-9211-00144feabdc0.html

One of the European Union’s great strengths is its ability, as a prosperous, democratic community of like-minded states, to export political and economic stability to its neighbours. This strength will be put to the test on Thursday when the EU launches its “Eastern Partnership”, an initiative to forge closer ties with six ex-Soviet states between the bloc’s eastern border and Russia.
7. 'Old' and 'New' Europe Split by EU Eastern Partnership Project

30.04.2009, EU Business

READ MORE: http://www.eubusiness.com/news-eu/1241119022.58

Tensions between "old" and "new" Europe revived ahead of an EU summit with six ex-Soviet states over a draft statement drawn up for the meeting by the Czech EU presidency, diplomats said Thursday. Leaders of the 27 European Union nations will meet up in Prague on May 7 with counterparts from Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine at the inaugural meeting of the EU's Eastern Partnership. The partnership is aimed at accelerating political and economic reforms in the region in return for EU support and concessions on trade and travel.

8. EU's Eastern Partnership Strains to Juggle Interests, Values


READ MORE: http://www.rferl.org/articleprintview/1618551.html

The draft of a document slated for release at an upcoming EU Eastern Partnership summit suggests the bloc is grappling with the task of making the program an ideal fit for all of its prospective partners. While the European Union will have numerous opportunities to revise the declaration, the result so far is a document that tends to emphasize mutual interests rather than values. The debate over its wording reflects the inconvenient reality that just two of the six countries slated for the Eastern Partnership have held reasonably democratic elections, and most fall far short of the democratic and rights standards promoted by the EU itself. The gathering, set to take place in Prague on May 7, will bring together the 27 EU leaders with representatives of prospective partners Belarus, Ukraine, Moldova, Georgia, Armenia, and Azerbaijan.

XI. CAUCASUS

1. Ankara Said Using the Nurjilar Movement against Russia

06.05.2009, Georgian Daily

READ MORE: http://georgiandaily.com/index.php?option=com_content&task=view&id=11409&Itemid=65

In the last ten days, Russian commentators have suggested that Ankara's recent agreement with Yerevan represents part of a larger Turkish effort to expand Ankara's influence throughout the Caucasus and thus constitutes a threat to Russia's position not only in the three South Caucasus countries but in the North Caucasus republics as well. Now a Moscow specialist on security affairs has suggested that Turkey is making use of the Nurjilar movement, an Islamic group that the Russian Supreme Court declared to be extremist in April 2008, to project power through Azerbaijan into the North Caucasus and especially into Dagestan.

2. Russia Accuses Azerbaijan, Georgia of Abetting Transfer of Funds to North Caucasus Resistance

04.05.2009, Radio Free Europe/Radio Liberty

READ MORE: http://www.rferl.org/articleprintview/1621351.html

Three days after the Georgian Foreign Ministry rejected as unfounded Russian allegations that Chechen militants are again using Georgian territory as a base from which to launch acts of terrorism in Chechnya, Russian Prosecutor-General Yury Chaika on April 30 accused both Georgia and Azerbaijan of failing to take effective measures to curtail the flow of funds to the North Caucasus resistance. In his annual report on law and order in Russia in 2008, Chaika alleged that in most cases the cash is transferred from sponsors abroad by couriers who enter the Russian Federation via
Azerbaijan or Georgia, if necessary bribing Russian border guards.

3.

Lay to Rest Ghosts of War in the Caucasus

04.05.2009, Financial Times

READ MORE: http://www.ft.com/cms/s/0/0ded51f4-38d8-11de-8cfe-00144feabdc0.html

While the rest of the world struggles with the first crisis of globalisation, the Caucasus is still stuck in a pre-1914 age of clashing Great Powers. As last August’s conflict in Georgia painfully showed, nowhere else in the wider Europe is war such a danger. Yet this May could be a bright moment. Russia, the US, the European Union and Turkey – the constellation of powers with an interest in this unfortunate region – are in brief alignment. They have an opportunity to begin to defuse what is the least visible and the most dangerous threat to the region and its many energy pipelines: the unresolved Armenian-Azerbaijani conflict over Nagorno-Karabakh.

4.

Georgia’s Azeri Minority Treated as ‘Second-Class Citizens’

04.05.2009, Radio Free Europe/Radio Liberty

READ MORE: http://www.rferl.org/articleprintview/1621243.html

The motivation of Farda Gadirov, the young Azeri man from Georgia who killed 13 people and wounded 13 more in the bloodbath at Azerbaijan’s State Oil Academy on April 30, remains a subject of conjecture. But his biography is typical of that of many members of Georgia’s ethnic-Azeri community, some 200,000 of whom have left Georgia since 1992, either to escape perceived discrimination or in search of employment.

XII. ENERGY

1.

EU Agrees Deal on Energy Links with ‘Southern Corridor’

08.05.2009, Radio Free Europe/Radio Liberty

READ MORE: http://www.rferl.org/articleprintview/1624233.html

PRAGUE -- The European Union has agreed on joint goals with supplier and transit states at talks in Prague aimed at establishing long-term energy and transport links with the Middle East and Central Asia. The “Southern Corridor-New Silk Road” summit brought together leaders and ministers of the EU and Azerbaijan, Georgia, Turkey, Turkmenistan, Uzbekistan, Kazakhstan, and Egypt -- all either key suppliers of natural gas, crucial transit countries, or both. Two suppliers -- Azerbaijan and Egypt -- and two key transit states -- Turkey and Georgia -- agreed to give “the necessary political support,” and, where possible, “technical and financial assistance” to the construction of planned pipelines and transport routes needed to bring gas from the Caspian Basin region and the Middle East to the European market.

2.

Major Energy Pipelines in Central/South Europe

08.05.2009, REUTERS

READ MORE: http://www.reuters.com/articlePrint?articleId=USL7102562620090508

Here are some key facts on major oil or gas pipelines in central and southeastern Europe: NABUCCO - A 7.9 billion euro ($10.69 billion) project to transport gas from Turkey to Austria through Bulgaria, Romania, and Hungary. Construction of the 3,300-km (2,050 mile) pipeline is scheduled to start in 2011 and first deliveries are expected in 2014 with an initial annual capacity of 8-10 bcm. It could transport up to 31 bcm of gas a year from Central Asia and the Middle East to Europe by 2020, reducing dependency on Russian gas, and may be used to bring Iranian gas to Europe. Austrian oil and gas group OMV (OMV.VI: Quote, Profile, Research, Stock Buzz) heads the consortium which
includes Hungary’s MOL MOLB.BU, Turkey’s Botas, Bulgaria’s Bulgargaz, Romania’s Transgaz (TGNM.BX: Quote, Profile, Research, Stock Buzz), and German utility RWE (RWE.DE: Quote, Profile, Research, Stock Buzz).

07.05.2009, EurActiv
The European Parliament yesterday (6 May) formally endorsed a compromise reached with the Council to spend €3.98 billion to strengthen the bloc’s energy security by upgrading its grids and building clean coal and offshore wind capacity. The energy projects are part of a €5 billion economic recovery plan, which also allocates further €1.02 billion to broadband Internet connections and rural development. The projects are intended to help Europe to recover from recession by creating jobs and putting it on track for a sustainable and green future. The bulk of energy funding - €2.37 billion - is allocated to gas and electricity interconnections, including €200 million for the Nabucco gas pipeline. A further €565 million is allocated to offshore wind energy farms and €1 billion to setting up carbon capture and storage (CCS) demonstration plants.

4. Petrobras, TPAO Sign Black Sea rig Accord
06.05.2009, Offshore
READ MORE: http://www.offshore-mag.com/articles/print_screen.cfm?ARTICLE_ID=361264
Petrobras and Turkish Petroleum Corp. (TPAO) have signed a farm-out agreement for the drilling rig Leiv Eiriksson to operate in the Black Sea. The accord follows the signing of a drilling service agreement between Petrobras and Ocean Rig last month, through which Petrobras secured the right to use the drilling unit in the Black Sea for a three-year period. Under the terms of the farm-out, TPAO will use the Leiv Eiriksson to drill one of its seven wells in the Black Sea, with the possibility to extend the services to additional wells. The rig should arrive in Turkey late this year, and drilling operations are slated to begin on the Sinop well, which Petrobras will operate, in 1Q 2010.

5. EU Pipeline Gets Boost amid Slump
06.05.2009, The Wall Street Journal
READ MORE: http://online.wsj.com/article/SB124156815330789749.html
The economic downturn is giving glimmers of hope to the European Union’s efforts to build a supply route for natural gas from the Caspian Sea region. Falling demand and prices for fuel have cut Russia’s appetite to buy up Central Asian gas, potentially freeing up fuel for the EU’s beleaguered Nabucco pipeline project, analysts say, though it still faces huge obstacles. If built, the pipeline would eventually bring 31 billion cubic meters of gas per year to the EU. A summit Friday in Prague will for the first time, according to EU officials, bring together presidents, prime ministers and other leaders from all the players — including Turkey, Azerbaijan, Iraq and Egypt — needed to build gas pipelines to the EU from the Caspian Sea region and the Middle East.

6. EU Seems to be Getting Serious about Southern Energy
05.05.2009, Radio Free Europe/Radio Liberty
READ MORE: http://www.rferl.org/articleprintview/1622033.html
It would be fair to say that the noises Brussels is making ahead of the May 8 Southern Corridor energy summit suggest the European Union is finally getting serious about ensuring the diversity of its energy supplies. The bloc has invited to the Prague summit representatives from Turkmenistan, Uzbekistan, Kazakhstan, Azerbaijan, Georgia, Iraq, Egypt, and Turkey. All are either key suppliers of
natural gas, crucial transit countries, or both. Only two major regional players are missing. Qatar has not been invited -- "for the time being," said one EU official without elaborating. Iran would be invited to participate "when circumstances permit" said another official, in an allusion to the country’s internationally controversial nuclear program.

7. EU Aims to Solve 'Southern Gas Corridor' Puzzle
05.05.2009, EurActiv

An extraordinary EU meeting in Prague on 8 May will try to break the deadlock over a proposed 'Southern Corridor' for natural gas, as the Czech Presidency tries to drum up support for the Nabucco pipeline project, EurActiv has learned. EU member states and Turkey will be urged to speed up an intergovernmental agreement over the Nabucco gas pipeline in order for it to be signed "by June 2009," according to draft conclusions of the meeting obtained by EurActiv. The Prague meeting, organised by the Czech EU Presidency, will bring together representatives of Azerbaijan, Turkey, Georgia, Turkmenistan and Kazakhstan, alongside the EU institutions. No EU heads of state will be present, despite the meeting being billed as a "summit" by the organisers.

8. Russia-Ukraine Gas Crisis? What Crisis?
04.05.2009, New Europe
READ MORE: http://www.neurope.eu/print.php?id=94125

Russian energy monopoly Gazprom agreed to waive fines on Ukraine for its failure to meet its obligated gas purchases under its current contract. Ukrainian Prime Minister Yulia Tymoshenko met with her Russian counterpart Vladimir Putin on April 29, pledging cooperation on energy. Tymoshenko offered her thanks to Putin for taking the current economic recession into account when considering the fines as the Ukrainian economy suffers under the global market downfall. “I would like to thank (Russia) for its understanding,” Tymoshenko was quoted as saying by the press. “Today, we are taking as much (gas) as we can afford during the crisis.”

9. Azerbaijan: Shah Deniz Production Grows
04.05.2009, Eurasia.net

Production at Azerbaijan's giant Shah Deniz natural gas field has risen to 24 million cubic meters daily, Azerbaijani and Russian news sources reported May 4. In 2008, the daily output averaged 22 million cubic meters. Field operator BP said that production increased despite ongoing drilling, the Regnum news agency reported. BP is preparing for a second production phase when annual output is expected to reach 12 billion cubic meters and, later, 20 billion cubic meters.

10. Carbon Trading Boosts Natural Gas Prospects
04.05.2009, EurActiv

Boosted by carbon trading schemes, natural gas will be the "preferred energy option" in decades to come, experts believe. "High carbon prices are a very strong driver of gas-fired power," Ian Cronshaw, head of the International Energy Agency’s energy diversification division, told liquefied natural gas industry representatives at an energy breakfast organised by Ifri in Brussels last Thursday (30 April). He argued that strong prices of around €25-28 a tonne witnessed at the beginning of last year gave gas-fired companies a big competitive advantage in the UK, for example.
Azerbaijan Looking at Narrow Gas Export Options
01.05.2009, Jamestown Eurasia Daily Monitor
READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34936&tx_ttnews%5BbackPid%5D=7&cHash=e9f2c3d00d
At the oil and gas conference just held in Baku, Industry and Energy Minister Natig Aliyev, confirmed that Azerbaijan strives for access to European markets as the main export destination for Azerbaijani gas and, potentially, for Turkmen gas via Azerbaijan to Europe (Turan, April 27). The significant message in that remark is that Azerbaijan will not willingly sell its gas to Gazprom at Azerbaijan’s border, as the Kremlin proposes. Moscow offers to pay European netback prices for Azerbaijani gas. Assuming that the offer is genuine, it would make little commercial sense for Russia to re-export Azerbaijani gas to Europe as "Russian" gas at the same European netback prices. Moscow's offer is calculated strategically, not commercially. It seeks to pre-empt Azerbaijani gas, diverting it from the European Union's Nabucco and Southern Corridor projects before these get started. In effect, Moscow is racing against the EU in Azerbaijan.

Shah Deniz Phase Two Postponement Officially Confirmed
01.05.2009, Jamestown Eurasia Daily Monitor
READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=34935&tx_ttnews%5BbackPid%5D=7&cHash=e5b127d293
Norway's StatoilHydro company, commercial operator of the gas export pipeline from Azerbaijan's Shah Deniz field, has publicly identified Turkey as stalling on the transit agreement for Shah Deniz gas to Europe. StatoilHydro's latest statements corroborate the concerns of European and Azerbaijani officials on this issue (EDM, March 4, 5, 16, April 20, 27). The Turkish AKP government's stalling hurts Azerbaijan's interests, those of the multinational consortium that develops the giant offshore Shah Deniz field, and European Union interests in the Nabucco pipeline project, the start of which depends on the gas from Shah Deniz.

Russia's EU Trojan Horse Makes a Change
READ MORE: http://ecfr.eu/content/entry/commentary_tcherneva_eu_energy_conference/print
Trojan horses are not what they used to be – or at least some of them are not. Who would have predicted only two weeks ago that one of Russia's most trusted friends in the EU, Bulgaria, would become the arena of bold European action against Russian energy interests? And who would have thought that the Bulgarian Prime Minister would be left hanging for a whole day in Moscow's court, waiting for a meeting with the throne? The energy conference that took place in Sofia on 24-25 April was billed nationally as an "energy Davos." Others, especially in Brussels, were sceptical. Both anticipations were for the same reason: the expected participation of Russian Prime Minister Vladimir Putin. He was the first and most high-ranking guest to confirm his participation, thus implicitly dedicating the summit to advance the South Stream project.

Eurasian Pipelines - A Forecaster's Nightmare
29.04.2009, Business New Europe
READ MORE: http://businessneweurope.eu/story1577/COMMENT_Eurasian_pipelines__a_forecasters_nightmare
The 1990s were a boom decade for Caspian oil. Western companies moved into the region in force. There were three important pipeline projects: Western and national oil companies built the Caspian Pipeline Consortium (CPC); the Baku-Supsa (both to the Black Sea); and the crown jewel, the Baku-Tbilisi-Ceyhan (BTC), to the Mediterranean.

XIII. SECURITY

1. Russia Avoids Negotiations on Preparation to Withdrawal of Black Sea Fleet from Crimea

07.05.2009, BSANNA NEWS


The Russian party is not wishing to speak about preparation to withdrawal of its Black Sea Fleet from Ukraine's territory, Defense Minister Yuriy Yekhanurov stated in an article published by the People's Army newspaper, UKRINFORM reports. "In Sevastopol, the situation is stirred up artificially around a need to withdraw the Russian Black Sea Fleet in 2017", he noted. At the same time, Yekhanurov has repeatedly underscored that Ukraine's position remains unchangeable: in compliance with the agreement of 1997, the Russian Black Sea Fleet should leave Ukraine's territory on May 28, 2017.

XIV. TRANSPORT

1. TRACECA Intergovernmental Commission to Hold 7th Meeting in Kyrgyzstan on 15-16 June

06.05.2009, Azerbaijan Business Center

READ MORE: http://abc.az/eng/news_06_05_2009_34579.html

The days of the 7th meeting of TRACECA (Transport Corridor Europe-Caucasus-Asia) Intergovernmental Commission have been established. Akif Mustafayev, Azerbaijan's national coordinator in TRACECA, says that the session will take place in Issyk Kul (resort zone of Kyrgyzstan) on 15-16 June. "A range of issues, including the one concerning reforms in the TRACECA institutes, is being prepared for consideration at the session.

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The contents of the BSNU are exclusive responsibility of the authors and do not necessarily reflect the opinions of the ICBSS.

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