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I. ABKHAZIA
1. Abkhazia Gets Recognition Boost After Poll
18.12.2009, IWPR
READ MORE: http://www.iwpr.net/EN-crs-f-358582
Bagapsh says his re-election showed Abkhaz desire to be independent. In the wake of his re-election as president of Abkhazia, Sergei Bagapsh declared his victory was proof that Abkhaz were united in their desire to build a strong, independent state.

2. Russian Patrol Boats Arrive in Abkhazia to Guard Border
12.12.2009, Ria Novosti
READ MORE: http://en.rian.ru/russia/20091212/157208271.html
Two Russian patrol boats have arrived in Abkhazia to help the former Georgian republic guard its maritime border in the Black Sea, the Russian Federal Security Service (FSB) said. Under mutual assistance treaties signed last November following Russia’s recognition of Abkhazia and South Ossetia as independent states, Moscow pledged to help both republics protect their borders, and the signatories granted each other the right to set up military bases in their respective territories.
II. ARMENIA

1. PACE Confirms Criticism of Armenian Parliament Probe
   READ MORE: http://www.rferl.org/content/PACE_Confirms_Criticism_Of_Armenian_Parliament_Probe/1913877.html
   The Council of Europe's Parliamentary Assembly (PACE) confirms that its two senior members monitoring the political situation in Armenia have criticized the results of an Armenian parliamentary inquiry into last year's deadly postelection violence in Yerevan, RFE/RL's Armenian Service reports.

2. Armenia Has 90,000 Poor People More
   19.12.2009, Caucasian Knot
   READ MORE: http://www.eng.kavkaz-uzel.ru/articles/12049
   Along with the economic recession, Armenia sees a significant growth of poverty. The count of poor population in the country has increased by 90,000 persons, or by 3 percent as compared with last year. This was reported to journalists by Aristomene Varudakis, representative of the World Bank in Armenia. At the same time, according to his story, the well-developed network of social care in Armenia has prevented a still higher growth of poverty. "Otherwise, it would have doubled," the World Bank official believes.

3. Yerevan Pledge to Support Ailing Diamond Industry
   14.12.2009, New Europe
   READ MORE: http://www.neurope.eu/articles/98179.php
   Armenia’s diamond-processing industry which was once considered a key sector of the national economy is rapidly declining in recent years. To address this problem, the government pledged to attract large-scale foreign investments and provide direct assistance to the diamond industry, Armenia Liberty.org reported.

III. AZERBAIJAN

1. Azerbaijani Public Treats Detection of Drug on Imprisoned Journalist as Provocation
   30.12.2009, Caucasian Knot
   READ MORE: http://www.eng.kavkaz-uzel.ru/articles/12121
   Activists of the civil society are indignant with the statement of the spokesman of the Penitentiary Service that as a result of a search heroin was found on Einullah Fatullaev, editor-in-chief of the "Real Azerbaijan" newspaper, who is serving his prison term. In the opinion of Rashid Gadzhily, director of the Institute of Media Rights, the "detection" of drug on imprisoned journalist Fatullaev is another proof to the fact that he was convicted on far-fetched charges. "It's clear that he couldn't get drugs so easy; the heroin was surely planted on him. It indicates that the Azerbaijani penitentiary system is fit for nothing, and in custody most terrible things can happen even with well-known people," Mr Gadzhily said in his conversation with the "Caucasian Knot" correspondent.

2. Guseinov: President’s Pardon is no Solution to the Problem of Political Prisoners in Azerbaijan
   25.12.2009, Caucasian Knot
   READ MORE: http://www.eng.kavkaz-uzel.ru/articles/12086
   Any act of pardon or amnesty should be welcomed from the viewpoint of humanism; however, the
today’s President’s pardon has not solved the problem of political prisoners in Azerbaijan. This was stated by Emin Guseinov, Director of the Institute of Reporters’ Freedom and Safety (IRFS), in his comments on the order of the head of Azerbaijan. As reported by the "Caucasian Knot" correspondent, he has emphasized that persistent appeals of the international community to release bloggers Emin Milli and Adnan Gadzizade and journalists Einullah Fatullaev and Ganimat Zakhidov, who were recognized by the Amnesty International to be prisoners of conscience, remained unheard.

### Azerbaizjan, Iran to Boost Relations

14.12.2009, New Europe

READ MORE: http://www.neurope.eu/articles/98169.php

Azerbaijani Foreign Minister Elmar Mammadyarov will pay an official visit to Iran. Azerbaijani outgoing ambassador to Iran Abbasali Hasanov said at a press conference held on the occasion of ending his diplomatic mission in Iran that the Foreign Minister’s visit would take place on December 14. Hasanov said Mammadyarov would meet with the Iranian foreign minister Manuchohr Mottaki and discussed with him wide range of issues.

### IV. GEORGIA

1. **In Georgia, Electricity Supply to Refugees from South Ossetia Will Resume After Payment of Debts**

26.12.2009, Caucasian Knot

READ MORE: http://www.eng.kavkaz-uzel.ru/articles/12099

Supply of electric power to refugees from South Ossetia, living in Skra village, Gori District (Eastern Georgia), will be resumed only after they pay their debts to the “Telasi” electricity distribution company. The "Caucasian Knot" correspondent was informed about it at the press service of the company. According to the press service, the total debt for already consumed energy makes 22,000 laris (about 13,200 US dollars).

2. **Georgian Conflict Exploitation Concerns**

24.12.2009, IWPR

READ MORE: http://www.iwpr.net/EN-crs-f-358651

Georgians displaced by the war between Russia and Georgia last year and those who choose to remain in areas outside of Tbilisi’s control appear to be being exploited by the government, some analysts believe. Some 26,000 Georgians fled South Ossetia last year after Russia repelled a Georgian attempt to regain control of the region, and many now live in a newly-built settlement called Tserovani. Tserovani is right by the main road between Tbilisi and Gori, and it is a constant reminder of the human cost of the war since passers-by cannot help but notice the neat rows of identical houses.

3. **Commissioner Outlines EU Georgia Priorities**

16.12.2009, Civil.ge

READ MORE: http://www.civil.ge/eng/article.php?id=21789

EU is “deeply committed” to further assist Georgia in tackling its multiple challenges, but to succeed with this assistance, Georgia also “must deliver more” with its commitments, an outgoing EU Neighborhood Commissioner, Benita Ferrero-Waldner, said on December 15. Speaking at the European Parliament on December 15, Ferrero-Waldner laid out those three priority areas in which, she said, Georgia had “to deliver more” – democratic reforms; demonstrating “strategic patience” towards its breakaway regions and preparation for new EU-Georgia Association Agreement.
4. **EBRD to Invest $450 mln in Georgia in 2010**  
**14.12.2009, New Europe**  
READ MORE: [http://www.neurope.eu/articles/98177.php](http://www.neurope.eu/articles/98177.php)  
The European Bank for Reconstruction and Development (EBRD) recently announced plans to invest $450 million throughout 2010 in Georgia's pipeline, energy, corporate and financial sectors, a press release read. Olivier Descamps, the EBRD Business Group Director for Southeast Europe, Caucasus and Central Asia said that the aim of his visit to Georgia was estimation of the financial crisis's impact on the banking sector and real economy and also to see the response and country’s strategy, run by the Georgian government.

### V. GEORGIA-RUSSIA

1. **Russia To Allow First Postwar Georgia Flights**  
READ MORE: [http://www.rferl.org/content/Russia_To_Allow_First_Postwar_Georgia_Flights/1918658.html](http://www.rferl.org/content/Russia_To_Allow_First_Postwar_Georgia_Flights/1918658.html)  
Russia has given permission for a second attempt to resume air links with Georgia following last year's war between the two countries, Interfax said today, after Georgian Airways canceled flights earlier this week. Russian President Dmitry Medvedev announced last month a series of moves to restore ties between the Georgian and Russian peoples, but said there would be no official contacts as long as Mikheil Saakashvili remained Georgian president. Moscow blamed Tbilisi when charter flights planned for December 29 and 30 were canceled on December 28 by Georgian Airways, which said Russian permission came too late to organize the flights.

2. **FSB Defector Describes 'Amoral' Conditions in South Ossetia**  
READ MORE: [http://www.rferl.org/content/FSB_Defector_Describes_Amor al_Conditions_In_South_Ossetia/1912997.html](http://www.rferl.org/content/FSB_Defector_Describes_Amoral_Conditions_In_South_Ossetia/1912997.html)  
Twenty-five-year-old Vitaly Khripun, a border guard with the Russian Federal Security Service (FSB) in South Ossetia, defected from his post on December 21 and has asked for political asylum in Georgia. Khripun was serving in the Java district along the administrative border that has separated South Ossetia from Georgia proper since last year’s five-day war between Russia and Georgia.

3. **Tbilisi Slams Russia’s Plan to Build new Road in Caucasus**  
**14.12.2009, New Europe**  
Deputy Chairman of the Russian Government Sergey Ivanov and its Transport Minister Igor Levitin recently paid visit to Sokhumi to discuss investment in air and rail transport in the de facto republic, The Messenger reported. The Russian delegation also plans to construct a new road connecting the North and South Caucasus through the mountains as according to them it would ease the transportation of cargo between the North and South Caucasus, said Abkhazian leader Sergey Baghapsh.

4. **EU Monitors Call Russia to Pull Out from Perevi**  
**11.12.2009, Civil.ge**  
READ MORE: [http://www.civil.ge/eng/article.php?id=21773](http://www.civil.ge/eng/article.php?id=21773)
EU Monitoring Mission in Georgia called on Russia to honor its commitment under the six-point ceasefire agreement and to withdraw its forces from the village of Perevi at breakaway South Ossetia’s administrative border. The village is located outside the breakaway region’s administrative border and administratively falls under the Sachkhere district. The village remains under the Russian control since the August war.

## VI. MOLDOVA

### 1. Moldova’s Former Interior Minister Indicted for April Crackdown


[READ MORE](http://www.rferl.org/content/Moldovas_Former_Interior_Minister_Indicted_For_April_Crackdown/1913866.html)

The Moldovan Prosecutor’s Office says former Interior Minister Gheorghe Papuc and former Chisinau police chief Vladimir Botnari have been charged with “negligence at work with extremely serious consequences,” RFE/RL’s Moldovan Service reports. If found guilty, they could go to prison for up to seven years. Papuc and Botnari reportedly led the police response to the antigovernment demonstrations in Chisinau on April 7, after the controversial general elections won by the Communist Party, which was voted out of power in repeat elections held on July 29.

### 2. On Track. Moldova Wants EU Integration, but Needs to do its Homework First

**18.12.2009**, CEPS


Negotiations for a new Association Agreement between the European Union and Moldova are scheduled to begin on 12 January 2010, but, according to CEPS researcher George Dura, moves towards further visa liberalisation and a deep and comprehensive free trade area with the EU will largely depend on the sustainability and operability of the new government.

## VII. ROMANIA

### 1. Controversial Minister to Oversee EU Funds in Romania

**22.12.2009**

[READ MORE](http://euobserver.com/9/29194)

A glamorous former advisor to the Romanian president has been nominated as minister for regional development, in charge of billions of euros in EU aid to a country struggling with corruption and maladministration. In a skyrocketing career, the 36-year-old Elena Udrea is currently minister of tourism in a caretaker government led by Romania’s Emil Boc. Following Mr. Boc’s upcoming re-appointment as prime minister, Ms Udrea is to add the regional development portfolio to her tourism job, putting her in control of €3.7 billion from the EU budget for 2007 to 2013, for the sake of improving housing, infrastructure and tourism.

## VIII. RUSSIA

### 1. Medvedev Slashes Interior Ministry Budget

Black Sea News Update No. 20

**READ MORE: [http://www.rferl.org/content/Medvedev_Slashes_Interior_Ministry_Budget/1913161.html](http://www.rferl.org/content/Medvedev_Slashes_Interior_Ministry_Budget/1913161.html)**

Russian President Dmitry Medvedev has ordered a one-fifth cut to the staff of the 1.4 million-strong Interior Ministry after a series of scandals involving the police. If implemented, the reform could affect at least 280,000 people and would amount to one of the most ambitious reforms of Russia's bloated bureaucracy since the 1991 fall of the Soviet Union.

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**2.**

**Russia Plans new Generation of Nuclear Weapons**

24.12.2009, Financial Times

**READ MORE: [http://www.ft.com/cms/s/0/31a3b23e-f0a5-11de-839a-00144feab49a.html](http://www.ft.com/cms/s/0/31a3b23e-f0a5-11de-839a-00144feab49a.html)**

Russia will work on a new generation of atomic weapons to strengthen its nuclear deterrent, President Dmitry Medvedev said on Thursday, just hours after Moscow test-fired one of its most feared missiles. Mr. Medvedev said that Russia and the United States were close to a landmark deal on cutting arsenals of Cold War nuclear weapons, but that Moscow would still push ahead with the development of new strategic offensive weapons.

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**3.**

**Russia Aims to Modernise without Compromise**

17.12.2009, Financial Times


The latest buzzword in Moscow is modernisation. Everyone in Russia's chattering classes is using it, from President Dmitry Medvedev to assorted economists, commentators, bankers and businessmen. It seems to mean many things – from investing in technology to rooting out corruption and cutting back the state's role. It is a response to the shock of the economic crisis that has hit Russia harder than others in the Group of 20 leading developed and developing economies and underlined its failure to diversify from an energy-based economy.

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**IX. UKRAINE**

**1.**

**The Difficulty of Being Ukraine**


Ukraine holds presidential elections next month, and the outcome is likely to spell the epitaph of the Orange Revolution. The euphoria of 2003-04, when a grand display of "people power" reversed a rigged election, has long faded. The country of 46 million has been one of the hardest hit by the global financial meltdown, suffering a sharp currency devaluation and a projected 14 percent drop in G.D.P. this year.

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**2.**

**Oranges are not the only Fruit**

17.12.2009, The Economist


The good news is that nobody can predict the result of Ukraine’s presidential election on January 17th, a sign of a healthy democracy. The incumbent, Viktor Yushchenko, who swept to power in the “orange revolution” in 2004-05, is almost certain to be voted out. But a second round of voting is likely to be needed between Yulia Tymoshenko, the prime minister and former orange ally of Mr Yushchenko, and Viktor Yanukovich, a former prime minister who was the anti-Yushchenko loser then. In the fluid world of Ukrainian politics, allies become enemies and vice versa. Russia strongly
backed Mr Yanukovich in 2004. This time, the Kremlin would settle for either frontrunner and has also promised no gas war this Christmas.

3. Ukraine: Democratic Dangers
17.12.2009, Chatham House
On January 17, Ukrainians go to the polls for the third time since President Viktor Yushchenko took office five years ago. The country has since evolved from a virtual democracy into an immature democracy. There is little danger that this process will unravel, but every danger that it will go no further. Add to this the political misuse of the H1N1 flu epidemic, a dire economic crisis and niggling deals with Russia; the election remains open and it is not clear what problems it will solve.

4. Ukraine-EU Summit a Failure?
The Ukraine-European Union (EU) summit held in Kyiv on December 4 failed to move the country closer to the West. An association agreement, viewed in Ukraine as a serious step toward EU membership, was not signed because a free trade zone accord which is part of the agreement was not prepared. Very little progress was reported on EU visa regime liberalization for Ukraine. Similarly, Kyiv was told to sort out its gas relations with Russia. The summit’s results were predictable, given Ukraine’s political instability and lack of progress in reforming the economy.

5. Ukrainian Banking System Gets Hard Lessons From Crisis
14.12.2009, New Europe
READ MORE: http://www.neurope.eu/articles/98156.php
One of the main features of the Ukrainian banking system is restructuring and the main reason is the hard times and lessons from the economic crisis. There are only 10-15 banks out of almost 180 that are strong enough to collect important resources to survive. At the same time, in 16 Ukrainian banks are under administration and in the process of going bankrupt. Analyst Yuriy Romanenko in Khreshchatyk compared the situation with the crisis times in Turkey when only 35 banks survived a collapse there in the market. His forecast for Ukraine is that no more than 50 banks will survive.

X. BLACK SEA
1. Abkhazia for the Integration of the Black Sea
23.12.2009, Today's Zaman
READ MORE: http://www.todayszaman.com/tz-web/detaylar.do?load=detay&link=196394
The break-up of the Soviet Union had far-reaching consequences on Turkey’s close neighborhood. The business minded population of the Turkish Black Sea cities, helped by the geographical and cultural proximity, started penetrating into their rediscovered neighborhood. In the 90’s, Abkhazia rose as a major destination for people and commodities originating from the Turkish Black Sea coast. A bus connection was established between Trabzon and Sukhum. Some 3000 Turkish businessmen, most of them of ethnic Abkhazian origin, left in the early 90’s for Sukhum. The establishment of a direct maritime connection between Sukhum and Trabzon in 1994 sustained a continuous flow of passengers. A ferry called Ritza operates twice a week between Trabzon and Sukhum till 1996. The ferry was usually fully booked.
XI. CAUCASUS

1. U.S., Russia Vying for Bigger Sway in South Caucasus
27.12.2009, Xinhuanet

The South Caucasus, a strategically important area and a key route for energy supplies from the oil and gas-rich Caspian Sea to Europe, has been the site of tougher rivalry between Washington and Moscow in the past year. Moves of the three Caucasus nations, include Georgia’s withdrawal from the Commonwealth of Independent States (CIS), a U.S.-Georgia partnership deal and a landmark fence-mending accord between Armenia and Turkey, also fueled the race for greater influence in the region.

2. Abnormalisation: The Bumpy Road to Turkish-Armenian Rapprochement
17.12.2009, CEPS

On 10 October in Zurich, the Armenian and Turkish foreign ministers signed an agreement to establish diplomatic relations and open their common border (closed by the Turks in 1993 out of solidarity with Azerbaijan, with which Armenia was then at war). Four days later Armenian President Serge Sargsyan made good his pledge to visit Turkey for the second leg of a World Cup qualifier between the Turkish and Armenian national teams.

12.12.2009, Trend News

Azerbaijani First Deputy Parliamentary Speaker thinks the United States, who recognizes Azerbaijan’s territorial integrity, should not help Nagorno Karabakh. "We cannot regard the U.S. support to Nagorno-Karabakh without any notification or explanation as correct. The U.S., who recognizes the territorial integrity of Azerbaijan, was to coordinate it with Baku," Trend News quoted First Deputy Parliamentary Speaker, Commission on Security and Defence Head Ziyafet Asgerov as saying.

XII. ENERGY

1. EU Welcomes End to Ukraine-Russia Oil Transit Row
30.12.2009, EUobserver
READ MORE: http://euobserver.com/9/29205

Brussels has welcomed assurances from Moscow of an agreement between Russia and Ukraine that will avoid any disruptions to the transit of oil to the European Union. On Tuesday (29 December), the two sides signed a fresh pact for the transit of oil via Ukraine to Europe, with Moscow acceding to a 30 percent increase in fees imposed on the passage of the fuel to EU destinations.

2. Romania Moves Closer to Ratifying Nabucco
30.12.2009, UPI

Southeastern Europe’s proposed natural gas pipeline moved a step closer to reality after the
Romanian president signed a decree allowing parliament to ratify construction. The intergovernmental agreement on the Nabucco project was signed by the prime ministers of Turkey, Romania, Bulgaria, Hungary and Austria in Ankara in July. Earlier this month the Romanian government tabled the bill in Parliament, as have the governments of the other signatory countries, a report by the Romanian national news agency Agerpres said.

3.  
Giant Drilling Rig to Arrive in Turkey
27.12.2009, Hurriyet Daily News
Leiv Eiriksson, a giant oil drilling platform, will pass through the Bosphorus Strait next week to enter the Black Sea where Turkey and Brazil will carry out joint oil explorations. In April, state-owned petroleum companies, Turkey’s TPAO and Brazil’s Petrobras, signed an agreement to search for oil in the Black Sea.

4.  
Azerbaijan to Double Gas Supplies to Russia in 2010
26.12.2009, RIA Novosti
READ MORE: http://en.rian.ru/world/20091226/157383666.html
Azerbaijan will double natural gas supplies to Russia to 1 billion cubic meters per year from 2010, the president of the State Oil and Gas Company said on Saturday. "We have held negotiations. Azerbaijan has a potential to increase gas supplies, we will supply Russia with 1 billion cu m of gas in 2010," Rovnag Abdullayev said.

5.  
Armenia: Nuclear Plant Controversy
24.12.2009, IWPR
READ MORE: http://www.iwpr.net/EN-crs-f-358653
Armenia has cleared the way for a new nuclear power plant, despite green groups’ objections that its location could put capital at risk. Earlier this month, the government approved the creation of Atomstroyexport, a joint Russian-Armenian company that will own the station. “Today we are taking a political decision, we are giving our agreement to the creation of a joint venture with our Russian partners,” said Prime Minister Tigran Sargsyan on December 3.

6.  
Nabucco is About a New Europe
23.12.2009, UPI
The Nabucco natural gas pipeline for Europe is indicative of new developments in the region amid a sea change in energy diplomacy, officials said. Former German Foreign Minister and Princeton Professor Joschka Fischer lauded the Nabucco pipeline as a symbol of European evolution.

7.  
EU to Open Talks with Russia on Nuclear Energy Deal
22.12.2009, Eubusiness
European Union countries on Tuesday agreed to start negotiations with Russia on nuclear energy cooperation, the bloc’s executive said. The move is part of a broader push to secure stable energy supplies long-term, after the EU struggled in recent winters to guarantee gas supplies from major energy exporter Russia. "This is an important step, which will give a new impetus to EU-Russia relations in the energy sector," Energy Commissioner Andris Piebalgs said in a statement.
**8. Russia Cuts Gas Flow to Armenia**


[READ MORE](http://www.ft.com/cms/s/0/01d6c000-e894-11de-9c1f-00144feab49a.html)

Russia halted gas supplies to Armenia after two bombs were found close to a pipeline in southern Russia, officials said on Monday, but Armenia’s gas importer said it had enough reserves to supply consumers. A trunk gas pipeline in Russia’s Ingushetia region was shut down late on Sunday after several explosive devices were found nearby, a police official in Ingushetia told Reuters.

**9. Europe Needs All the Pipelines It Can Get, Says Finland’s FM**

13.12.2009, New Europe

[READ MORE](http://www.neurope.eu/articles/98048.php)

The European Union needs all three planned pipeline projects to bring Russian, Caspian and Middle East gas supplies to Europe, Alexander Stubb, Finland’s foreign minister, told New Europe. “We need Nord Stream, we need Nabucco and we need South Stream. Nord Stream will provide 10 percent of the gas consumption of the European Union,” Stubb said, asked if Nord Stream would increase the EU’s energy reliance on Russia.

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**XIII. SECURITY**

1.

**Nerpa Nuclear Attack Submarine Enters Service with Russia’s Navy**

28.12.2009, RIA Novosti

[READ MORE](http://en.rian.ru/russia/20091228/157398549.html)

Russia’s Nerpa nuclear attack submarine, damaged in a fatal accident during tests in November last year, has entered service with the Russian Navy after successfully passing final trials, a Pacific Fleet spokesman said Monday. The submarine was officially commissioned in the town of Bolshoy Kamen in the Primorye Territory in the Russian Far East, home to the Amur shipyard Vostok repair facility which carried out the submarine’s repairs.

2.

**NATO – Russia: Partners for the Future**

17.12.2009, Carnegie Moscow Center


NATO Secretary General Anders Fogh Rasmussen dedicated his first major policy speech, delivered in September 2009 at Carnegie Europe in Brussels, to relations with Russia, laying out an initiative for cooperation between the Alliance and the Russian Federation in the sphere of missile defense. Three months later, the secretary general paid his first trip to Moscow. Rasmussen’s negotiations with Medvedev, Putin and Lavrov primarily covered the problems of NATO-Russia cooperation in Afghanistan. The relationship is moving ahead, but it may remain fairly limited, as a consequence both of the uncertainty of the prospects of U.S./NATO operation in Afghanistan, from Russia’s point of view, and of the limited material and other resources available to Moscow.

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**XIV. TRANSPORT**

1.

**Optimisation of Central Asian and Eurasian Trans-Continental Land Transport Corridors**

17.12.2009, CEPS

There is at present an overlapping but inadequately coordinated combination of strategic transcontinental transport corridors or axes stretching across the Eurasian landmass, centered on or around Central Asia. There are three such initiatives - from the EU, China and the Asian Development Bank, and the Eurasian Economic Community. This paper reviews these several strategic transport maps, and makes proposals for their coordination and rationalisation. So far the EU Central Asia strategy has not paid much attention to these questions. However the EU’s own initiatives (the Pan-European Axes and the TRACECA programme) are in need of updating and revision to take into account major investments being made by other parties.