



BLACK SEA NEWS UPDATE

EU – BLACK SEA OBSERVATORY

24 June 2009

No. 8

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I. ARMENIA

1.

EU Information Centers to be Established in Armenia

11.06.2009, BSANNA News

READ MORE: <http://bsanna-news.ukrinform.ua/newsitem.php?id=9387&lang=en>

Secretary of National Security Council and head of the inter-departmental commission for the coordination of Armenian cooperation with the European institutions Arthur Baghdasaryan received today Hannes Rumm, a member of Estonian parliament and Member of the constitutional and state budget oversight commission, Alexey Makarev, Head of the Armenian- European Policy and Legal Advice Center (AEPLAC), Assistant to the head of the Center Kate Kasemets and expert Tigran Chorokhyan.

II. GEORGIA

1.

Georgia: Opposition Leader Wants EU Help for Deputy Minister Post

18.06.2009, Eurasianet.org

READ MORE: <http://www.eurasianet.org/departments/news/articles/eav061809d.shtml>

Opposition leader Salome Zourabishvili has appealed for European Union help in her bid to be named Georgia's deputy interior minister. Zourabishvili, who served as Georgian foreign minister from 2004 to 2005, has declared herself ready to assume the post in response to an earlier offer from President Mikheil Saakashvili for opposition members to work as deputy ministers in his government. After a June 18 meeting with the European Union's special envoy to the South Caucasus, Peter Semneby, Zourabishvili declared her interest in the deputy interior minister post "the central proposal for dialogue."

2.

Georgia, US Strategic Partnership Council Planned

17.06.2009, Civil.ge

READ MORE: http://www.civil.ge/eng/_print.php?id=21125

An inaugural meeting of the U.S.-Georgia Strategic Partnership Council will be held in Washington on June 22 based on the charter signed between the two countries in January, Philip H. Gordon, the U.S. assistant secretary of state, said. The meeting will be chaired by Secretary of State Hillary Clinton and Georgian Foreign Minister Grigol Vashadze. Interior Minister, Vano Merabishvili, is also expected to visit the United States. In his prepared statement before the Subcommittee on Europe of the House Foreign Affairs Committee, Gordon said that the move "reaffirms our commitment to deepen cooperation with Georgia."

3.

Opposition Alliance Reports on Arrest of its Activists

17.06.2009, Civil.ge

READ MORE: http://www.civil.ge/eng/_print.php?id=21129

An opposition Alliance for Georgia said on June 17, that ten of its activists had been arrested in last few days in various parts of Georgia mainly with charges related to illegal possession of firearms and one with drug-related crime. The Alliance, which unites New Rights Party, Republican Party and a political team of Irakli Alasania, said that apart of Tbilisi, arrests were conducted in Gori, Lanchkuti, Chokhatauri, Chiatura, Tkibuli and Adigeni. According to the Republican Party most of the arrested persons are its activists. "Lots of people are behind these [arrested] persons – their families, friends and supporters and the authorities should stop challenging the people; otherwise they will receive an adequate response. I declare it with full responsibility," Tina Khidasheli of the Republican Party said on June 17.

4.

Senior US Diplomat Reaffirms Georgia Support

10.06.2009, Civil.ge

READ MORE: <http://www.civil.ge/eng/article.php?id=21086>

Visiting US Assistant Secretary of States for Europe and Eurasia Affairs, Philip H. Gordon, reiterated that Washington "stand by Georgia, we stand by its territorial integrity and we stand by its democracy." Speaking at a joint news conference with Georgian Foreign Minister, Grigol Vashadze, Gordon, who took the post of the State Department's point man for European and Eurasian affairs in mid-May, said that President Obama would raise Georgia during his meeting with his Russian counterpart when he visits Moscow on July 6-8.

5.

Saakashvili Offers Opposition Deputy Interior's Post

10.06.2009, Civil.ge

READ MORE: http://www.civil.ge/eng/_print.php?id=21084

President Saakashvili said that he had offered the opposition, behind the ongoing protest rallies, to take posts of deputy ministers in some of the key ministries – the proposals, which has already been rejected by the opposition. Speaking at a live televised session of the government, Saakashvili said that he had offered this proposal while meeting with Levan Gachechiladze, an opposition politician, late on June 9. He said that although “situation is not ripe” yet in Georgia for a coalition government because of lack of trust between the opposition and the authorities, it was possible to offer representatives of, as he put it, “radicals” to take executive posts in some of the ministries.

III. GEORGIA-RUSSIA

1.

Russian Military Chief Accuses Georgia of Preparing Aggression

18.06.2009, Jamestown Eurasia Daily Monitor

READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35140&tx_ttnews%5BbackPid%5D=7&cHash=0da8e31e45

The top Russian military commander, the Chief of the General Staff and First Deputy Defense Minister Army-General Nikolai Makarov during the Paris air show this week said: "Georgia is saberrattling and preparing weapons to resolve its territorial problems by any means." Makarov accused NATO of supporting Georgian aggressive intentions and E.U. observers of ignoring Georgian rearmament and war preparations. Makarov stated that the Russian army and the FSB Border Guards in Abkhazia and South Ossetia are preparing together with local forces and forming new military infrastructure. He confirmed that the defense ministry will permanently station "somewhat less combat troops in Abkhazia and South Ossetia" than the previously announced 3,700 soldiers in each region.

2.

Georgian Officer Defects, Appears on Moscow Radio

18.06.2009, Reuters

READ MORE: <http://www.reuters.com/article/worldNews/idUSTRE55H48Q20090618>

A Georgian lieutenant turned up on a popular Russian radio station on Thursday and asked for political asylum in Russia, saying he had deserted his unit in protest at President Mikheil Saakashvili's policies. Russia defeated Georgia in a five-day war last August. But earlier this year a Russian army sergeant defected to Georgia, handing a public relations coup to Tbilisi's pro-Western government. The Russian deserter said at the time he had fled to Georgia because conditions in his unit were unbearable.

3.

EU to Put Blame for S.Ossetian War on Georgia?

18.06.2009, Russia Today

READ MORE: http://www.russiatoday.com/Top_News/2009-06-18/EU_to_put_blame_for_S.Ossetian_war_on_Georgia.html

The European Union commission investigating the five-day war in the Caucasus last August is to put most of the blame for the conflict on Georgian President Saakashvili. However, Russian and South Ossetian participants are not lily-white either. The commission headed by Swiss diplomat Heidi Tagliavini has established that the Georgian attack on South Ossetia was pre-planned and was not a response to “Russian aggression”, as Saakashvili has been claiming ever since, reports German

newspaper Der Spiegel. It cites unpublished documents, which came into its possession.

4.

Russia to Cut Troops in Abkhazia, S.Ossetia - General Staff

17.06.2009, Ria Novosti

READ MORE: <http://en.rian.ru/world/20090617/155274434.html>

Russia's military is planning to cut the number of troops deployed at military bases in Abkhazia and South Ossetia, the chief of the Russian General Staff said on Wednesday. "The number of Russian troops deployed at these bases will be somewhat reduced, since the initially announced number is perhaps too large," Gen. Nikolai Makarov said at the Paris Air Show. The General Staff had said earlier it would deploy 3,700 troops in each South Ossetia and Abkhazia. "Our [Russian] troops are stationed there to stabilize the situation in the region and protect the territorial integrity of new independent states of South Ossetia and Abkhazia. Therefore, the military contingent there will not be too big," he said.

5.

Russia Vetoes Plan to Extend UN Mission in Georgia

16.06.2009, The Guardian

READ MORE: <http://www.guardian.co.uk/world/2009/jun/16/russia-vetoes-georgia-unitednations-mission>

Russia last night vetoed a plan to extend the UN's mission in Georgia, causing an angry response from the west and setting Moscow on a collision course with Washington ahead of a visit to Russia by Barack Obama. Russia rejected an attempt to extend the mandate of UN observers in Georgia's breakaway republic of Abkhazia. The UN has maintained a small but effective presence there since separatist rebels established a de facto state following the 1992-93 war. The US said it "deeply regrets" Moscow's veto. The move strengthens Russia's grip over Abkhazia following its invasion of Georgia last August. Moscow now says that Abkhazia and South Ossetia, Georgia's other breakaway region, are independent states.

6.

Medvedev Speaks on Russia's Red Lines on Georgia

15.06.2009, Civil.GE

READ MORE: <http://www.civil.ge/eng/article.php?id=21107>

Russia is ready to discuss issues related with stability in the Caucasus with western powers, but Moscow has two "red lines" in respect of Georgia, Dmitry Medvedev, the Russian president, said in an interview with China Central TV. The first one, he said, was recognition of Abkhazia and South Ossetia. "Our decision is irreversible; the decision we have taken was certainly painful," Medvedev said. The second "red line", he said, was Moscow's "attitude towards the current regime in Tbilisi".

7.

Disagreements Persist over Georgian Territories

15.06.2009, The Wall Street Journal

READ MORE: <http://online.wsj.com/article/SB124483077927210549.html>

Echoing last year's divisions over the war in Georgia, Moscow squared off with the West at the United Nations Security Council on Monday over a decision on whether to renew an international monitoring mission in one of the conflict zones. Russia's ambassador to the United Nations, Vitaly Churkin, told reporters in New York he would veto a draft resolution aimed at extending the United Nations Observer Mission in Georgia, if it was brought to a vote. The 129-strong observer mission's current mandate expires at midnight.

8.

Stalin Residence Symbol of Abkhaz Independence

11.06.2009, Reuters

READ MORE: <http://in.reuters.com/article/lifestyleMolt/idINTRE55A2GR20090611>

Army green and nestled amongst lemon trees, the luxurious dacha once belonging to the Soviet Union's most notorious leader is hidden on a cliff top overlooking Abkhazia's lush Black Sea coast. It was here that the mustachioed, hyper-paranoid Josef Stalin plotted and entertained party officials and his mistresses for 20 years. He hung chandeliers absconded from murdered Czar Nicholas II and watched Charlie Chaplin films in an airy, wood-paneled cinema.

IV. MOLDOVA

1.

Date Set for New Moldovan Election

18.06.2009, European Voice

READ MORE: <http://www.europeanvoice.com/article/imported/date-set-for-new-moldovan-election-/65206.aspx>

Moldova is to hold another general election on 29 July because opposition parties twice blocked the election of a new president by parliament. The opposition says that the parliamentary elections of 5 April were rigged by the ruling Communists of Vladimir Voronin, the outgoing president who has been elected speaker of parliament. Under the constitution, parliament is dissolved automatically if two consecutive attempts to elect a president fail. The Communists hold 60 seats in the 100-seat parliament and fell one vote short of the quota needed to elect their candidate, Prime Minister Zinaida Greceanii.

2.

Moldova Crisis is an Opportunity for the EU

10.06.2009, Radio Free Europe/Radio Liberty

READ MORE: http://www.rferl.org/content/Moldova_Crisis_Is_An_Opportunity_For_The_EU/1751041.html

Events in Moldova have provided the European Union's fledgling Eastern Partnership an early and excellent opportunity to prove its relevance and responsiveness to the six participants. The partnership was launched on May 7 in Prague to lackluster reviews as several key European leaders -- most notably Gordon Brown, Nicolas Sarkozy, and Silvio Berlusconi -- failed to show up. Many who did come crossed their fingers that a notorious invitee, Alyaksandr Lukashenka, would stay far away. As it turns out, the Belarusian leader didn't make it and neither did then- (and still-) acting Moldovan President Vladimir Voronin.

V. RUSSIA

1.

Why EU-Russia Frictions Look Set to an End

06.2009, Europe's World

READ MORE: <http://www.europesworld.org/NewEnglish/Home/Article/tabid/191/ArticleType/ArticleView/ArticleID/21412/language/en-US/WhyEURussiafrictionslooksettoanend.aspx>

Russia's dwindling oil and gas earnings won't greatly change Europe's often fractious relationship with its great neighbour, says Christopher Weafer. But Russia is changing for a number of other reasons, making this a good time for the EU to improve its relations with the Kremlin. When oil peaked on \$147 a barrel in July 2008 Russia earned about \$1.3bn a day from its energy exports. Now

that has dropped to around \$500m a day and Russia is in shock because its easy source of wealth seems in jeopardy. Could this be a catalyst for change, leading in particular to a review of its often difficult relationship with the European Union?

2.

Russian Army Brigades in S.Ossetia, Abkhazia to Hold Drills

18.06.2009, Ria Novosti

READ MORE: <http://en.rian.ru/russia/20090618/155286910.html>

Russian army brigades based in South Ossetia and Abkhazia will take part in a large-scale strategic exercise in the Caucasus next month, the Ground Forces commander said on Thursday. Army Gen. Vladimir Boldyrev said the Caucasus-2009 exercise, due to take place in late June-early July, would comprise a series of operational drills with North Caucasus District troops, including South Ossetian and Abkhazian brigades, as well as units of the Black Sea Fleet, the Caspian Flotilla, and the Air Force command.

3.

Russia's Ideological Crusade against Ukraine

12.06.2009, Jamestown Eurasia Daily Monitor

READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35123&tx_ttnews%5BbackPid%5D=7&cHash=8d8cf0b6e0

According to an interview with Ukraine's Ambassador to Russia Konstantyn Hryshchenko, the country's bilateral relationship with Russia has sunk to its lowest level since the disintegration of the Soviet Union, testimony to the Russian state control of the media and its ideological crusade against Ukraine (www.profil-ua.com, June 6). In the weekly Glavred magazine on May 20 its front cover declared: "Beware Ukrainophobia!" The Levada Center recently found that 62 percent of Russians hold a negative view of Ukraine with only the United States and Georgia being seen in a worse light. At the same time, 91 percent of Ukrainians hold positive views of Russia, a reflection of media pluralism and the lack of state directed propaganda against Russia. Analyzing these polls, the head of the Center for Military-Political Research in Kyiv summarized this relationship in his headline: "We like them but they do not like us" (www.pravda.com.ua, May 5).

VI. UKRAINE

1.

EU Holds Gas Talks with Ukraine

18.06.2009, Financial Times

READ MORE: <http://www.ft.com/cms/s/0/63fd194e-5b6a-11de-be3f-00144feabdc0.html>

The foreign ministers of Germany and Poland held talks in Ukraine on Wednesday aimed at assessing how the EU can help assure the battered country's stability. Frank-Walter Steinmeier of Germany and Poland's Radoslaw Sikorski called on Ukraine's leaders to put aside bitter differences, but held out the possibility that EU countries could rent capacity in Ukraine's vast underground gas storage tanks in an effort to avoid a repeat of this year's cuts when hundreds of thousands of people in Europe were left without heat. "We want to help, because Ukraine is feeling the global crisis particularly keenly," Mr Steinmeier said, "But the effects of the crisis can only be ameliorated when the main political powers are united."

2.

EU Ministers Warn Crisis-hit Ukraine

17.06.2009, EUbusiness

READ MORE: <http://www.eubusiness.com/news-eu/1245250925.24>

The foreign ministers of Germany and Poland warned Ukraine Wednesday to end its chronic

political feuding in order to receive more international assistance for its crisis-battered economy. The unusual joint visit by Frank-Walter Steinmeier of Germany and Poland's Radoslaw Sikorski came as the European Union and Russia compete for influence in Ukraine, which saw its old pro-Moscow elite swept from power in 2004. Steinmeier said Berlin and Warsaw were "particularly concerned" about Ukraine – which has borders with four EU states as well as Russia – as it faces a double-barrelled political and economic crisis. "A political crisis clearly because the blockade in parliament and between the president and the government has dragged on so long, and of course an economic crisis that has hit Ukraine particularly hard," he told reporters.

3.

Ukraine Seeks Gas Billions from European Banks

17.06.2009, EurActive

READ MORE: <http://www.euractiv.com/en/energy/ukraine-seeks-gas-billions-european-banks/article-183232>

Ukraine needs \$4 billion in credits to buy Russian gas for its underground storage areas and hopes to raise the funds through European banks, Prime Minister Yulia Tymoshenko said on 16 June. "We are talking about four billion dollars," Tymoshenko told a news conference after meeting EU officials in Luxembourg. "We are today working on the idea of borrowing these credit resources in European banks and the European side is favouring this as well as the Russian side." She said she believed Naftogaz was "going to be able to have the credit resources necessary in order to do this operation".

4.

Ukraine, EU Sign Association Agenda

17.06.2009, BSANNA NEWS

READ MORE: <http://bsanna-news.ukrinform.ua/newsitem.php?id=9420&lang=en>

Ukraine and the European Union has today signed a Ukraine-EU association agenda in Luxemburg at the 13th meeting of the Council for Cooperation between Ukraine and the European Union, Prime Minister Yulia Tymoshenko announced this after the meeting. "This is the document to give a new road map and it raises our cooperation to a fundamentally new level," the Premier said.

5.

European Union not Approving Ukraine's Participation in Negotiations to Set Up 'Grain OPEC'

17.06.2009, BSANNA NEWS

READ MORE: <http://bsanna-news.ukrinform.ua/newsitem.php?id=9421&lang=en>

The European Union does not approve Ukraine's participation in negotiations to set up the 'grain OPEÑ', association of Kazakhstan, Russia and Ukraine for pursuing a common policy on the world grain market, EU Commissioner for Agriculture and Rural Development Mariann Fischer Boel informed following completion of negotiations with Agricultural Policy Minister Yuriy Melnyk, UKRINFORM reports.

VII. BSEC

1.

Integrated Energy Transport Network Required for Black Sea Zone

13.06.2009, Financiarul.ro

READ MORE: <http://www.financiarul.ro/2009/06/13/integrated-energy-transport-network-required-for-black-sea-zone/>

Speaker of the Romanian Chamber of Deputies Roberta Anastase told a meeting on Friday in Bucharest of the Parliamentary Assembly of the Black Sea Economic Cooperation organisation (BSEC) that an integrated energy transport network is required for the Black Sea zone in order to capitalise on the region's potentials. "The countries in the Black Sea region should focus on improving

economic cooperation in the current economic context, particularly for establishing an integrated energy transport network,' said Anastase.

VIII. EASTERN PARTNERSHIP

1.

The EU's "Eastern Partnership" with Former Soviet States Holds the Key to Relations with Russia
06.2009, Europe's World

READ MORE: <http://www.europesworld.org/NewEnglish/Home/Article/tabid/191/ArticleType/ArticleView/ArticleID/21413/language/en-US/TheEUsEasternPartnershipwithformerSovietstatesholdsthekeytorelationswithRussia.aspx>

The joint Polish-Swedish initiative for strengthening the EU's ties with Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine is taking shape, says Radoslaw Sikorski, Poland's Foreign Minister. He explains why it will also be crucial to improving the European Union's relations with Russia. A fundamental tenet of Polish foreign policy is to support eastern European countries' democratisation and economic transformation. States based on liberal democratic political systems and on modern market economies are going to be more credible EU candidates and also become more attractive partners. That's why Poland has repeatedly tabled initiatives designed to strengthen the EU policies towards eastern Europe. E

2.

Extend a Hand to Eastern Europe
18.06.2009, The Wall Street Journal

READ MORE: <http://online.wsj.com/article/SB124527840353824969.html>

A fundamental tenet of Polish foreign policy is to support eastern European countries' democratization and economic transformation. First during the spring 2009 European Council and then at the Eastern Partnership Summit held in Prague last month, the EU adopted a joint Polish-Swedish proposal for deepening cooperation with six Eastern and South Caucasus States – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The European Commission laid down in December a new structure for tightening cooperation with these eastern partners, adding a missing dimension to the emerging architecture of the EU's relations with neighboring countries.

IX. BLACK SEA

1.

Black Sea Region Has no Alternatives to Found the Grain Pool
19.06.2009, AgriMarket.Info

READ MORE: <http://www.agrimarket.info/showart.php?id=77589>

According to Arman Evniev, the Deputy Minister of Agriculture of Kazakhstan, the Black sea region has no alternatives to found the grain pool of exporters. The foundation of such organization will allow increasing the effectiveness of usage of ports, grain terminals and other infrastructure, and reducing transport and transit costs, he explained.

2.

Measures for Improving Water State in the Black Sea
11.06.2009, FOCUS Information Agency

READ MORE: <http://www.focus-fen.net/index.php?id=n184018>

Black Sea region for basin management determines condition of water and environmental goals on the base of the worked out analysis for anthropogenic influence over shallow and underground waters.

X. CAUCASUS

1.

EU Envoy Says Turkey Takes "Tactical Step Backwards" on Armenia Thaw

18.06.2009, Hurriyet Daily News

READ MORE: http://www.hurriyet.com.tr/english/world/11889967_p.asp

Turkey has taken a "tactical step backwards" on normalizing relations with Armenia because of fierce domestic reaction to the move, the EU's envoy to the region told Reuters in an interview published on Wednesday. "A step back was taken by the Turkish side ... but this is not a U-turn," EU South Caucasus envoy Peter Semneby said in the interview conducted at the end of a visit to Moscow last week. "We expect the conversations will continue," Semneby said. Ankara and Yerevan agreed in April on a "road map" deal for U.S.-backed talks that could lead to the normalizing of ties and the opening of their border, which Turkey closed in a show of support to Azerbaijan in 1993 after Armenian occupation of Azeri territories in the disputed Nagorno-Karabakh region.

2.

Lives Frozen by Conflict

12.06.2009, Institute for War & Peace Reporting

READ MORE: http://www.iwpr.net/index.php?m=p&o=353248&s=f&apc_state=hENfcrs353248

With no sign of Karabakh stand-off being resolved, refugees will remain in legal and economic limbo, their lives frozen by the frozen conflict. By Karine Ohanian in Stepanakert, Seymur Kyazimov in Baku and Gegham Vardanian in Yerevan (CRS No. 497, 12-June-09) Some 15 years have passed since a ceasefire was signed in the Nagorny Karabakh conflict, yet the people forced out of their homes by the fighting have still not found peace. They still suffer from homesickness, poverty, discomfort and legal difficulties. Refugees in Armenia, Azerbaijan, and Karabakh – a majority-Armenian territory that broke free of Azeri control with the collapse of the Soviet Union, and unilaterally declared independence – have told IWPR how they feel abandoned in the student hostels, old hotels, schools and offices they now call home.

3.

US Envoy Upbeat on Turkey-Armenia Relations

10.06.2009, Radio Free Europe / Radio Liberty

READ MORE: http://www.rferl.org/content/US_Envoy_Upbeat_On_TurkeyArmenia_Relations/1751225.html

In Armenia on the first stop of his first tour of the region, the new top U.S. diplomat for Europe and the former Soviet Union sounded optimistic about prospects for the normalization of Turkish-Armenian relations. "I have only been in office for two weeks, but it seemed to me that there are such important and even historic developments going on in Armenia and the region that I should try to come out here as soon as possible," U.S. Assistant Secretary of State Philip Gordon told journalists on June 9. After holding what he called "excellent and productive talks" with President Serzh Sarkisian and Foreign Minister Eduard Nalbandian, Gordon also criticized the Armenian authorities' handling of the May 31 municipal elections in Yerevan.

4.

Advice for Armenia on Resolving the Karabakh Dispute

09.06.2006, Radio Free Europe/Radio Liberty

READ MORE: <http://www.rferl.org/articleprintview/1750389.html>

The conflict between Armenia and Azerbaijan over the Nagorno-Karabakh region of Azerbaijan has lasted more than 20 years and has resulted in the occupation of 20 percent of the territory of Azerbaijan. The conflict also caused the displacement of 1 million refugees and internally displaced persons, as well as the destruction of thousands of homes, schools, hospitals, and Azerbaijani historical monuments. Almost every day brings new violations of the cease-fire along the Line of

Contact, often resulting in the deaths of soldiers and civilians. The level of interaction between the two neighbors is hardly conducive to thinking about confidence building and trust in the decades to come.

XI. ENERGY

1.

Gazprom Executive Confirms Production and Investment Woes

19.06.2009, Jamestown Eurasia Daily Monitor

READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35150&tx_ttnews%5BbackPid%5D=381&cHash=b38d5f8b5f

Briefing the press on June 16 in Moscow, Gazprom deputy chairman Aleksandr Ananenko lifted a curtain corner on the company's investment and output prospects in the short-to-medium term (Interfax, June 17). Gazprom is set to substantially reduce capital expenditures in the next few years, starting with a 22 percent capex cut this year: from 640 billion rubles in 2008 to a target figure of 500 billion rubles in 2009. Moreover, Gazprom plans to reduce production in the same short-to-medium term frame, from the 550 billion cubic meters (bcm) of gas extracted in 2008 to 523 bcm anticipated for 2012. In the short term, these measures are responding to lower international demand for gas in the midst of a recession. In the medium term, however, the cuts in production and capital expenditures reflect Gazprom's own difficulties, including: main fields approaching the stage of depletion, chronic failure to open new fields, shortage of investment capital, losses incurred on the internal market, and the debt burden.

2.

Romgaz Takes First Step towards Black Sea Resources

19.06.2009, financiarul.ro

READ MORE: <http://www.financiarul.ro/2009/06/19/romgaz-takes-first-step-towards-black-sea-resources/>

Romanian natural gas producer Romgaz, based in Medias, received, from the National Agency for Mineral Resources (ANRM) the approval to prospect the Black Sea continental shelf, after the Economy Minister, Adriean Videanu, has announced ever since April that it will try to introduce the state company in the available areas in the Black Sea, after the ruling of the Court in the Hague early this year, that granted Romania the property right over a wide perimeter of the shelf. The permit for prospecting Muridava East has not been granted by auction and that denies Romgaz the right start exploiting the area.

3.

Ukraine Proposed EU to Form Caspian-Black Sea-Baltic Energy Transit Space

18.06.2009, UNIAN

READ MORE: <http://www.unian.net/eng/news/news-321740.html>

Ukraine has proposed the European Union to form a Caspian-Black Sea-Baltic energy transit space within frames of the Energy Charter. Bohdan Sokolovskiy, Ukrainian President's Commissioner for International Issues of Energy Security, said this to a UNIAN correspondent in Brussels on Thursday.

4.

Romgaz Gets Right to Prospect for Black Sea Oil

18.06.2009, financiarul.ro

READ MORE: <http://www.financiarul.ro/2009/06/18/romgaz-gets-right-to-prospect-for-black-sea-oil/>

National Natural Gas Company Romgaz signed with the National Agency for Mineral Resources (NAMR) a licence to prospect for resources on the Black Sea continental shelf - Muridava Est, Adjud,

Ramnicu Sarat and Mizil, the Economy Ministry announced in a release on Wednesday. The two sides also signed the Oil Agreement on exploration-development and drilling on site E VII- 8 Est Depresiunea Panonica. The agreement was signed after Romgaz won the auction organised by NAMR, the company representatives said. Romgaz thus has the possibility to discover new oil reserves in the Black Sea.

5.

Sweden again Calls for Eu Energy Talks with Ankara

14.06.2009, New Europe

READ MORE: <http://www.neurope.eu/print.php?id=94882>

Swedish Prime Minister Fredrik Reinfeldt said on June 9 that the European Union should open talks with Turkey this year on how to bring its energy sector into line with EU laws as part of the country's accession process. Sweden is set to take over the bloc's rotating presidency in July. But opposition from some EU member states means that it may not be possible to do so, Reinfeldt told journalists in Brussels. I would hope to open negotiations on energy issues, but I'm not sure if this is possible ... It would be wise for everyone (in the EU) to engage Turkey in these energy discussions, but I need broader support to be able open these chapters, Reinfeldt was quoted by the press as saying. Energy is one among eight of Turkey's 35 negotiation chapters that are currently suspended because of its refusal to open its air and sea ports to Greek Cypriots.

6.

Surgut Neftegaz Tries Crashing MOL'S Doors

10.06.2009, Jamestown Eurasia Daily Monitor

READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35102&tx_ttnews%5BbackPid%5D=13&cHash=b662d4c942

The Kremlin-connected oil company Surgut Neftegaz has launched judicial proceedings in Budapest's metropolitan court against Hungarian MOL, the most successful private oil and gas company in Central Europe. The Russian company alleges that MOL refuses to register Surgut as a shareholder. Surgut had acquired 21.2 of MOL's shares -the single largest stake in the company- on March 30 surreptitiously from Austria's OMV. That transaction sparked a political scandal as well as marking a bold step in Russian expansion into the energy sector on European Union territory. Surgut's move appeared designed to prepare a takeover of MOL by the cash-rich Surgut from inside, through accumulation of further shares and capture of seats on the board. The Russian company sought representation and voting rights at MOL's annual general meeting (AGM) of shareholders on April 23 and claimed a right to nominate members of the board.

7.

Ankara Reverts to Obstruction on Azerbaijan's Gas Pricing and Transport

08.06.2009, Jamestown Eurasia Daily Monitor

READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35095&tx_ttnews%5BbackPid%5D=13&cHash=f2156cd3de

Participants in the Caspian oil and gas forum, just held in Baku, confirmed that Turkey's AKP government has reverted to obstruction of the Nabucco project for Caspian gas to Europe (Trend Capital, Day.az, Turan, Reuters, June 3-5). The government in Ankara seemed to have adopted a more constructive position during the last two months, but has relapsed into its stalling tactics on Nabucco since the May 17 meeting of the Russian and Turkish prime ministers in Sochi. The AKP government's position threatens to delay the signing of the inter-governmental agreement on Nabucco, which had been planned for May, then June, and now faces a further postponement.

XII. HEALTH

1.

H1N1 to be Combated on the CIS Level

14.06.2009, New Europe

READ MORE: <http://www.neurope.eu/print.php?id=94901>

CIS countries intend to fight H1N1 flu (pig flu), CIS executive committee said. Decision on preventive actions against virus in the territory of CIS was signed at the meeting in Moscow on June 9. The meeting was held with participation of Belarus, Kazakhstan, Moldova, Russia, Uzbekistan, Armenia, CIS executive committee, as well as heads of leading Russian scientific-research organizations dealing with study of flu.

XIII. SECURITY

1.

Ukraine Demands Russia's FSB Officers out of Crimea

18.06.2009, Radio Free Europe / Radio Liberty

READ MORE: http://www.rferl.org/content/Ukraine_Demands_Russias_FSB_Officers_Out_Of_Crimea_/1757139.html

Russian Federal Security Service (FSB) officers who are working with the Black Sea Fleet must leave Ukraine by December 13, RFE/RL's Russian Service reports. There are currently 19 FSB officers on the staff of the Black Sea Fleet, which is located in the Ukrainian city of Sevastopol in Crimea.

2.

Ukraine May Let Black Sea Fleet Stay in Crimea

16.06.2009, MIG news

READ MORE: <http://mignews.com.ua/en/categ186/articles/357199.html>

After 2017 Black Sea Fleet of Russian Federation may stay in Sevastopol. Kyiv is ready to negotiate on it in the case if it is profitable for Ukraine. A co-chairman of investor council at Cabinet of Ministers Sergey Tyhytko claimed that in an interview with Ukrainskaya Pravda. "The time will come, we will negotiate on it", Tyhytko said. "But we are to get real price for it and be pragmatic. We are too emotional now".

3.

Military Reform Exposes Tension within the Russian Government

16.06.2009, Jamestown Eurasia Daily Monitor

READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35132&tx_ttnews%5BbackPid%5D=7&cHash=5d0c544c67

The failings of the Russian military modernization program are providing an additional source of discontent among the opponents of reform and within the government. On June 1, during a government session Russian Prime Minister Vladimir Putin publicly criticized Defense Minister Anatoly Serdyukov, the Chief of the General Staff Army-General Nikolai Makarov and the Deputy Prime Minister Sergei Ivanov over delays to defense contracts. Putin demanded an explanation from Ivanov: "I have spoken with the directors of enterprises of the defense complex. No-one is concluding the promised contracts with them. Why is it all going so slowly? I do not know what percentages you have. The directors are saying that there is no money, and everything is being done very slowly. Tell the minister [Serdyukov] that we need to get a move on".

4.

Russia Said Planning Military Overhaul

12.06.2009, UPI

READ MORE: http://www.upi.com/Top_News/2009/06/12/Russia-said-planning-military-

[overhaul/UPI-71531244814787/](#)

Russia plans its most significant military overhaul in generations to better deal with regional wars and terrorism, officials say. Analysts reportedly welcome the move as a long overdue transition from a cumbersome military machine designed for a land war in Europe though many officers are said to feel they are being cut adrift. Senior officials told The New York Times the war in Georgia last August exposed severe deficiencies, despite Russia's easy victory.

5.

Russia Plans Major Drills in North Caucasus

11.06.2009, Civil.GE

READ MORE: <http://www.civil.ge/eng/article.php?id=21089>

The Russian Defense Ministry announced on Thursday about the plans to hold major military exercises in North Caucasus from June 29 and July 6. It said in a statement that Kavkaz-2009 drills would feature more than 8,500 personnel, up to 200 battle tanks, 450 armored vehicles and various types of about 250 artillery systems.

6.

Transformation of Russian Combat Training Begins

09.06.2009, Jamestown Eurasia Daily Monitor

READ MORE: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=35098&tx_ttnews%5BbackPid%5D=381&cHash=c903f9a3b5

On June 3 the Collective Security Treaty Organization (CSTO) defense ministers met to consider intensifying military cooperation and formalizing the new rapid reaction forces. They are currently finalizing preparations to hold a CSTO military exercise in Belarus to "test" the new formation. Leanid Maltsaw, the Belarusian defense minister said the numbers earmarked for the exercise have yet to be agreed. However, the decision to host the exercises in Belarus circumvents the issues raised by the Belarusian constitution, which prohibits the deployment of its armed forces beyond its borders, and thus allows the new paper force to at least appear credible.

Black Sea News Update (BSNU) is a fortnightly brief of political and economic developments covering the Black Sea region. It is produced by the **ICBSS**, a think-tank aiming to foster regional cooperation in the Black Sea area.

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