



ENVIRONMENTAL ISSUES OF THE CASPIAN SEA

The Caspian Sea is the largest endorheic body of water with a unique environmental system and abundant natural resources. Therefore, issues arising in the area are crucial to the countries sharing its waters (Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan).

Concern over the environmental health of the Caspian Sea has caused the five Caspian littoral states to adopt (2003) and ratify (August, 2006) the Framework Convention for the Protection of the Marine Environment of the Caspian Sea, known as the Tehran Convention, an agreement that aims the environmental protection of the Caspian Sea and its regions. Nonetheless, the Convention has more of an informative nature, leading the Caspian countries to address new guidelines that possessed certain jurisdictional regulations.

In the last couple years the littoral states have entered to an active phase of the negotiation process regarding the environment of the Caspian Sea. As a result of the environmental dialogue, the following documents were signed: the Protocol concerning Regional Preparedness, Response and Co-operation in Combating Oil Pollution Incidents (Akhmet Yassawi, 2011), the Protocol on the Protection of the Caspian Sea against Pollution from Land based Sources and Activities (Moscow, 2012) and the Protocol on the Conservation of Biological Diversity (Ashgabat, 2014).

Moreover, during the Fourth Caspian Summit in Astrakhan in 2014 an Agreement on the Conservation and rational use of water and biological resources of

the Caspian Sea was signed. In a framework of this agreement, a moratorium banning commercial fishing of the Caspian sturgeon has finally entered into force. An initial idea of the moratorium has been suggested during the Third Caspian Summit in Baku in 2010. However, an agreement to prohibit sturgeon catching was reached subsequently during the 34th meeting of the Commission on Aquatic Bio resources of the Caspian Sea in Astrakhan in December, 2013.

Despite the progress, environmental issues are far from being solved due to both objective and subjective reasons. Thus far, the countries are not ready to make final decisions regarding the ecological problems, especially when the proposed solutions counter their national interests. Clear example of the described situation is a delay in signing the Protocol on Environmental Impact Assessment in a Trans-Boundary Context. In a framework of the Protocol, the countries would be able to resolve an issue of the Trans-Caspian Gas Pipeline (TCP) construction without reaching an agreement about the legal status of the Caspian Sea.

While Azerbaijan and Turkmenistan support the idea of a construction of the TCP, Russia and Iran are strongly opposed to the idea. On the one hand, Turkmenistan and Azerbaijan believe that it is their sovereign right to implement the construction of the pipeline. On the other hand, Russia and Iran are harshly opposed to the construction of the TCP without consensus of all five littoral states. Russia and Iran insist that

their opposition is due to environmental concerns.

According to the Iranian Caspian Sea Doctrine, the environment of the Caspian Sea is one of the major issues and it should be protected from any sources of pollution, especially production and transportation of oil and gas. Iran believes that transportation of petroleum products via pipelines on the seabed is a major threat to the environment of the Caspian Sea and it should be avoided. One of the arguments presented is that the waters of the Caspian Sea are highly corrosive and might cause an irreversible environmental catastrophe. Iran suggested that oil and gas pipelines should run through the onshore territory of Iran instead, making the construction of the pipeline easier and more economically sound. Allegedly environmental concern is a way of veiling Iran's being excluded from projects concerning the gas exports to the European Union due to strained relations with the West.

Similarly, Russia argues that the Caspian Sea is a closed system and any pollution due to TCP will remain in the waters without being able to find an outlet (which is likely to happen due to high seismic activity of the region). Russia and Iran want to stay key figures in the oil and gas export of the Caspian gas by controlling the distribution of the natural resources. Ultimately, environmental issues of unsustainable exploitation of the Caspian resources cannot be separated from the geopolitical and economical dispute over the territory of the Caspian Sea.

Politics, Foreign Affairs and Security

- US President Barack Obama has extended political and economic sanctions against Iran for another year.
- Armenian President Serzh Sargsyan approved the concept of constitutional reforms, which implied a transition to a parliamentary system of governance. Reform would be approved during the national referendum, the date of which has not been determined yet.
- The government of Iceland has formally withdrawn its application for membership in the European Union, submitted in 2009.
- During the meeting the Board of the Eurasian Economic Commission ministries and agencies of the Eurasian Economic Union approved the draft Concept of a common power market.
- The second High Level Security Dialogue between the European Union and the Central Asia countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan took place in the Tajik capital Dushanbe. Afghanistan also was invited as a special guest to the Dialogue, which was held at the level of deputy foreign ministers.
- Russian President Vladimir Putin held talks with Kyrgyz counterpart Almazbek Atambayev. This has been the second meeting of leaders since early 2015.
- Factions of People's Democratic Party of Uzbekistan and the Social Democratic Party of Uzbekistan "Adolat" have announced that they would be in opposition to the Bloc of Democratic Forces.
- The United States has started deploying a 3000 strong infantry unit in the Baltics. They would hold a three-month exercise with Latvia, Lithuania and Estonia. Latvia has confirmed more than 120 armored vehicles including tanks have been delivered by the US in the port of Riga.

Economy, Finance and Energy

- The International Monetary Fund assumed that because of its bailout program for Ukraine Kiev would be able to get \$15.4 billion from its creditors.
- The euro has fallen to its lowest level against the US dollar in 12 years after the European Central Bank began its government bond buying program. It fell as low as \$1.0560.
- The KazMunaiGas announced that Exploration and Production profit of the company amounted to 47 billion KZT in 2014, which was 67 percent less than in 2013. In 2013 the profit was 142 billion KZT.
- The production of natural gas in Turkmenistan increased by 5.2 percent in the first two months of 2015, compared to the same period of 2014.
- During the official visit of Iranian President Hassan Rouhani to Ashgabat, heads of two states agreed to increase their bilateral trade from \$3.7 billion up to \$60 billion during the next 10 years.
- Germany's second-largest bank, Commerzbank, has agreed to pay a total of \$1.45 billion to US authorities for violating economic sanctions against businesses in Iran and Sudan.
- Russian analytical agency stated that money remittances from Russia decreased by 10 percent to Uzbekistan and by 6 percent to Tajikistan in 2014 compared to 2013. In 2014 the Russian market of trans-border money remittances by private individuals amounted to \$25 billion, with \$20.9 billion remitted from Russia, including \$18.3 billion remitted to former Soviet republics.
- Kazakh Minister for Investment and Development Asset Issekeshov announced that 3 billion KZT would be invested in new regional exploration works on oil and gas from the public budget and National Fund in 2015.

- The Finance Ministry of Tajikistan announced that Tajik and Swiss officials signed an agreement on the \$9 million aid to improve its water system. This project, which could benefit 140,000 Tajiks living in northern cities and in Khorog, would be completed in 2018,
- The Euratom refused to approve Hungary's plans to expand Paks nuclear power plant and import nuclear fuel exclusively from Russia. According to the European Commission Spokesperson, Hungary was going to appeal against this decision.

Society and Culture

- Coast guards have rescued at least 51 Syrian migrants after their boat sank off Turkey's western Aegean coast. The group comprised 38 men, two women and 11 children.
- Iraqi fighters have begun battling Islamic State militants inside the strategic city of Tikrit as a coalition of government troops and Shiite militia forces tried to uproot the militant insurgency from its strongholds.
- Turkmenistan President Gurbanguly Berdimukhammedov has signed a law that allows holding "peaceful" public rallies in the country starting from July 1. The new law would be aimed at "realizing the constitutional right of citizens to peacefully gather".
- The 9th National Garment Trade Fair "Fashion Industry 2015. Manufacturers and Equipment" took place in Bishkek, hosted by the Kyrgyz Association of Light Manufacturing Enterprises and supported by the USAID Women's Leadership in Small and Medium Enterprises program.