

**AN ISN-SPONSORED QUARTERLY ELECTRONIC PERIODICAL  
INSTITUTE FOR SECURITY AND INTERNATIONAL STUDIES, SOFIA**

**BLACK SEA REGIONAL PROFILE: THE SECURITY SITUATION AND THE  
REGION-BUILDING OPPORTUNITIES**

**(April – June 2004)**

**# 22**

**© Institute for Security and International Studies (ISIS), Sofia, 2004**

**ISSN 1311 – 3259**

## **I. Introduction**

In the last three months, the Black Sea-Caspian Sea region experienced great power interactions and influences in geopolitical, geostrategic, and geo-economic terms, but at the same time took on a stronger role in the ‘Greater (Wider, Broader) Middle East’. Though the local Black Sea, Caucasian, and Caspian Sea geopolitical, strategic and economic agendas preserve specific meanings of their own, the larger framework of the tasks concerning the ‘Greater Middle East’ provided a kind of an instrumental function of the area comprised by the basins of the two seas and their adjacent territories. Definitely, the political elites of the countries from the Black Sea-Caspian Sea area perceive the importance of the problems in which they are directly involved in the region relative to the pending issues of the ‘Wider Middle East’ in a new way – they are degraded in the priority list of topics the big and influential power centers of the world care about. To the extent that the countries from the region reach this level of awareness, their respective strategies of coping with the variety of issues would be shaped accordingly, including finding respective constructive roles in ameliorating the ‘Broader Middle East’ together with the involved leading powers of the world and those that followed them. The fight against “terrorism” in the Greater Middle East and the “democratization” of the region are the main tasks to be tackled in the short- to mid-term. There has been a growing understanding among the leading countries of the world that “if the region of the Greater Middle East is abandoned to dictators and terrorists, it will be a constant source of violence and alarm. If that region grows in democracy, prosperity, and hope, the terrorist movement will lose its sponsors, lose its recruits, and lose the festering grievances that keep terrorists in business”.<sup>1</sup>

Six summits have offered solid arguments in this direction: the G-8 summit, the EU summit, the US-EU summit and the NATO summit in June as well as the EU-Russia summit and the NATO-Russia high-level talks in the last three months. The US-sponsored concept of the democratization of the Greater Middle East has been definitely confirmed and promised support by the G-8 states, and EU and NATO have also

---

<sup>1</sup> <http://bucharest.usembassy.gov/WF/100/04-06-07/eur109.htm>

confirmed the validity of the concept, turning it into a proactive policy of change of the region.

It is of special significance to mention the path taken by the EU. On 9 June, the EU set out a detailed strategy for Iraq, giving priority to preparations for elections and economic reconstruction in its aid program in both the short term and the medium term. The medium-term objectives of the EU include the development of a stable and democratic Iraq, the founding of an open, stable, sustainable and diversified market economy, and its economic and political integration into the region and the open international system, according to a recent World Bank press release.<sup>2</sup> The European Commission underlines the immense difficulties in the coming months in Iraq, when the moderate forces wanting to create stability and security will find themselves targets of violence. On 8 June, the UN Security Council approved a resolution that offered an opportunity for the EU to support Iraqi efforts to give their country a fresh start. At the October 2003 Madrid donors' conference on Iraq, the EU pledged more than €1.25 billion. The EU member countries and the EC understand that they all have a stake in rebuilding Iraq, Chris Patten, the EC Commissioner on External Affairs, said on 9 June. EU is ready to offer more than humanitarian assistance – sending advisers for the drafting of a new Iraqi constitution, a special envoy to Baghdad and eventually moving its office from Amman, Jordan to the Iraqi capital. At the EU-US summit in Ireland on 25-26 June, non-proliferation, fighting terrorism, reconstruction of Afghanistan and Iraq were major focal points of discussion and agreement.

## **II. Profile Background of the Black Sea – Caspian Sea Area**

### **1. Geopolitical, Geo-economic, and Geo-strategic Tendencies**

**1) Russia-Japan.** On 14 April, Russian President Vladimir Putin told an informal Russian-Japanese working group meeting that he hoped they could remove all impediments to the development of bilateral relations. The meeting was attended by the head of Rosneft, Sergey Bogdanchikov, and the construction of an oil pipeline from western Siberia to Nakhodka was probably discussed. On 21 April, Energy Minister

---

<sup>2</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,date:06-10-2004~menuPK:278083~pagePK:34392~piPK:34427~theSitePK:4607,00.html>

Viktor Khristenko said that it was highly likely that the Russian government would back a proposal to build a pipeline from western Siberia to Nakhodka (to Japan), but the rival plan for Angarsk-Daqing (to China) pipeline could not be entirely ruled out. The reason for the 'pro-Japanese' solution is that Japan has the resources to invest in developing Siberian and Russian Far Eastern economy, develop jobs, and reverse the region's depopulation. Russia will also be able to develop through Japanese partnership its Pacific presence and reach beyond Japan, including to the US. In contrast to the Japanese option, the route to Daqing would serve only China – using its position as a leading East Asian energy buyer, it could dictate the prices and tariffs. At the same time, Japan is more interested in getting alternative energy sources from Russia after the increased threats of Middle East instabilities. This strengthens Russia's bargaining position, though the construction of the Japanese option would be twice as expensive as the Chinese one. The developments in the Far East of Russia induce inclinations of more cooperative attitude of Russia in the Black Sea-Caspian Sea area.

**2) China-Russia.** Russian Defense Minister Sergey Ivanov visited China in the middle of April and met with his Chinese counterpart, Tsao Ganchuou. They declared that their bilateral military-technical cooperation was in the mutual interest of the two countries and did not threaten any third country. The stability of the bilateral links contributed to the stability of the Asia-Pacific region, said the Russian defense minister. The two defense ministers confirmed their interest in cooperating in the fight on terrorism and on bringing back stability to Afghanistan and Iraq.

3) EU-China. While the EU announced at the end of April that it would not lift the 15-year arms and trade embargo on China, there were indications later in May that the EU might lift the sanctions. On 1 June, the US Department of State declared the US' concern about such an act. "In our view, lifting the ban would not contribute to regional stability and would send the wrong signal to China regarding its continued poor human rights record," State Department spokesman Richard Boucher said.<sup>3</sup>

4) Russia-USA. In the middle of May, Russian and US generals and officers participated in a joint staff military exercise "Torgau-2004" in Moscow and the region around the capital. Sixty US generals and officers of the Operation Group of the US Army in

---

<sup>3</sup> <http://www.eubusiness.com/afp/040602020847.bumziz9>

Southern Europe took part in the exercise. The command and staff officers trained joint peacekeeping contingencies. A similar exercise took place one year ago at a US military base.

5) NATO-Russia. On 31 May US Ambassador to Russia, Alexander Vershbow told a seminar in Murmansk on NATO-Russia cooperation that the new mission of the alliance was “to project stability beyond its borders to help foster security in the wider world”<sup>4</sup>. Meeting the new security threats of today required expanded integration and cooperation, he said. The NATO-Russia Council has already achieved solid progress in areas of practical cooperation. Concluding a Status of Forces Agreement by Russia and NATO, engaging in more military exercises with NATO would improve the interoperability of Russian and Allied forces. In addition, the ambassador said the US was ready to work with NATO and Russia to help promote the Broader Middle East Initiative proposed by the US president as a means of bringing stability and democracy to the Middle East.

6) USA-Japan. US President George Bush and Japanese Prime Minister Junichiro Koizumi held bilateral talks in advance of the G-8 summit on 8 June. They discussed the reconstruction of Iraq, the situation in North Korea, UN reform, and other issues of common concern. Tokyo pledged to help reconstruct Iraq with financial and military aid. Bush vowed continued US support for Japan’s efforts to win a seat on the UN Security Council, according to a White House statement.<sup>5</sup> Earlier, on 13 April in Tokyo, US Vice President Richard Cheney had thanked Japan for taking lead against terrorism. “Your country is using every instrument of its national power - diplomatic, economic, and military - to defeat the threat to our shared civilization,” Cheney said.<sup>6</sup> Deployments of Japanese navy and army forces in the Indian Ocean, Afghanistan, and Iraq are of particular importance for the fight on terrorism. Cheney also commended Japan “for its efforts to disrupt terrorist financing, improve aviation safety, and rebuild Afghanistan and Iraq”, according to a US State Department press release.<sup>7</sup> G-8. On 8-10 June, the leaders of the G-8 states convened their annual meeting at Sea Island, Georgia, US. They issued an Action Plan on Global Non-Proliferation on 9 June. “The G-8 Plan endorses

---

<sup>4</sup> <http://usinfo.state.gov/is/Archive/2004/Jun/08-730008.html>

<sup>5</sup> <http://www.allamericanpatriots.com/m-news+article+storyid-1283.html>

<sup>6</sup> <http://usembassy.state.gov/ethiopia/wwwh1413.html>

<sup>7</sup> Ibid.

key elements of the US Proliferation Security Initiative (PSI), which seeks to prevent international trade in nuclear weapons materials and technology”<sup>8</sup>. The PSI “core group” now includes all G-8 members (USA, Canada, the United Kingdom, Japan, Germany, France, Italy and Russia). The leaders also agreed on the need to strengthen the IAEA by making the adoption of the IAEA’s Additional Protocol a precondition for importing certain nuclear technologies. The Protocol expands the IAEA’s tools to verify nuclear activity. The G-8 states agreed to strengthen the Nuclear Suppliers Group (NSG) guidelines accordingly by the end of 2005. G-8 leaders listed North Korea as a non-proliferation “challenge” and expressed concern over Iran’s nuclear program and its failure to comply fully with its international obligations as disclosed in detail by the IAEA Director-General’s report. On 9 June, the G-8 leaders issued a Plan to Support Middle East Reform that would lead to a modernization of the vast region and “move the democracy promotion agenda forward”<sup>9</sup>. They “issued a plan of support for reform efforts in the broader Middle East and North Africa, underscoring their commitment to working with governments, business leaders and nongovernmental organizations in the region striving to effect political, economic and social development. The plan calls for the establishment of several new forums and initiatives to provide a framework for coordinating development and reform efforts.”<sup>10</sup> A Forum for the Future will be created to facilitate periodic ministerial meetings between G-8 and Middle Eastern governments. Business leaders and civil society representatives from the participating countries will accompany the official meetings. A micro-finance initiative is expected to provide affordable credit to more than two million potential entrepreneurs. The plan aims to halve the illiteracy rate in the region over the next decade. A Democracy Assistance Dialogue will be established with the goal of sharing information and lessons learned regarding democratization efforts. The region’s business and investment climate is expected to be strengthened by the creation of a Private Enterprise Development Facility under the auspices of the International Finance Cooperation (IFC). Representatives of development and financial institutions will be brought together in a Network of Funds. It will help coordinate resources devoted to institutional capacity-building. A Task Force on

---

<sup>8</sup> <http://usinfo.state.gov/ei/Archive/2004/Jun/09-240826.html>

<sup>9</sup> [http://www.usip.org/newsmedia/releases/2004/0608\\_nbmeast.html](http://www.usip.org/newsmedia/releases/2004/0608_nbmeast.html)

<sup>10</sup> <http://www.usembassy.de/policy/foreign.htm>

Investment made up of business leaders from the region and the G-8 countries will be established to identify and resolve problems related to trade and investment. Bilateral projects between G-8 and Middle East countries add to the picture. The G-8 leaders backed the Iraqi interim government “as it seeks to rebuild its nation. They pledged support and assistance for the electoral process in Iraq, leading to elections no later than 31 January 2005. Political reforms in Iraq require respect for human rights, as well as respect for pluralism on the way to democracy and rule of law. The G8 leaders stressed, however, that distinctiveness ‘must not be exploited to prevent reform’”.<sup>11</sup> In addition, the US State Department said, “G8 leaders have pledged to pay for and organize training for about 75,000 troops worldwide by 2010 and to equip some of them to improve rapid deployment of peace support operations where they are needed, especially those led by the United Nations in sub-Saharan Africa”.<sup>12</sup> Also, the G-8 leaders decided to “establish a Gendarme (Constabulary) Center of Excellence in Italy to increase capabilities and interoperability of gendarme forces for peace support operations and support other existing centers dedicated to that purpose. President Bush has proposed a program that would provide approximately \$660 million over the next five years to increase U.S. funding for peace support operations, including those established under this initiative”.<sup>13</sup>

## **2. Terrorism/Post-Conflict Rehabilitation in Iraq and Afghanistan, Other Security Threats**

**1) Terrorism.** In the last three months, terrorist and counter-terrorist activities took place in the Black Sea-Caspian Sea region as well as in the Greater Middle East. In the end of March, Chechen terrorist Shamil Basaev threatened to attack Russia with chemical weapons and to kidnap children over 10 years of age. He also threatened attacks on Orthodox Christian churches. Terrorist activities of al-Qaida and its affiliated national terrorist networks enlarged the territorial scope of the attacks. Uzbekistan, Saudi Arabia, and Pakistan became special targets of terrorist attacks in a terrorist effort to deter the governments from engaging in the anti-terrorist and counter-terrorist activities. The US secretary of defense told an international security conference in Singapore on 4 June the war on terrorism would be long and that, despite some successes in Asia in the fight

---

<sup>11</sup> <http://japan.usembassy.gov/e/p/tp-20040610-13.html>

<sup>12</sup> <http://usinfo.state.gov/ei/Archive/2004/Jun/10-154999.html>

<sup>13</sup> [http://www.g8usa.gov/f\\_061004g.htm](http://www.g8usa.gov/f_061004g.htm)

against al-Qaida, the world was closer to the beginning than to the end of this war. The cooperation of the states from the broader region in the fight on terrorism is crucial. At the end of April, US FBI Director Robert Mueller visited China to underline US support for the Chinese government in its fight against what the Chinese regime describes as “separatist terrorists” that have financial links with al-Qaida. But some terrorism experts question the significance of those alleged links, which have been used to justify periodical crackdowns in Xinjiang province (see ISN Security Watch of 23 April 2004). The FBI has had an office in Beijing since 2002. At the end of April, Georgian Prime Minister Zurab Zhvania visited Washington to confirm his country’s readiness to continue the joint fight on terrorism, including by providing a modest contribution to the occupation forces in Iraq. In the beginning of April, Russian Defense Minister Sergei Ivanov told his US counterpart that Russia would stay firmly in the anti-terrorist coalition. At the end of May, Russian and US financial authorities in Washington announced an ambitious agenda to strengthen their partnerships in combating terrorist financing and money-laundering.

The implementation of the Greater Middle East democratization project posed a serious conundrum for all autocratic governments in the region: how to accept the “soft” power of democracy without falling victims to the “hard” power of terrorism. Anyway, the only solution to this dilemma would be implementing this project and adapting the existing systems to its requirements.

## **2) Post-Conflict Rehabilitation in Iraq**

**a. Dealing with Terrorism.** Daily violence in Iraq destabilizes the security situation. The Iraqi resistance kills Iraqi policemen, soldiers, and officials of the interim administration on a regular basis. The transfer of power to the Iraqi authorities at the end of June will mark the beginning of a major test for the people of this country in the next few months. At the end of April, a Ukrainian soldier was killed in Kut in central Iraq. In a controlled leak to the Russian press by the Russian Foreign Intelligence Service at the end of May, it was alleged that Chechen terrorists had been entering Iraq through Syria since June 2003. The reports claimed that some 200-300 Chechen fighters were in Iraq. The headquarters of the Iraqi resistance allegedly coordinates the activity of the Chechen fighters from Syria, according to the leaks. In this situation, the US and Armenia signed a military

cooperation agreement at the end of April allowing the use of the two countries' airfields in Europe to refuel. The Armenian government has decided to send an army transport company, a company of minesweepers, and three military medical doctors to Iraq. On 21 June, South Korea decided to send 3'000 more troops in Iraq – the third biggest contribution to the Coalition Forces after the US and UK. The decision was taken one day after the decapitation of a 33 year-old South Korean in Iraq by the “Jamaat al Tauhid i Jihad” terrorist group, which is allegedly linked to al-Qaida. The Netherlands, Hungary, and Italy decided to uphold or prolong the mandate of their troops in Iraq.

**b. UNSC Resolution 1546.** On 8 June, the UN Security Council adopted Resolution 1546, initiated by the US, Great Britain, and Romania. The resolution confirmed the leading role of the UN in the post-conflict rehabilitation of Iraq. The resolution provides international recognition of the interim government taking office on 30 June as well as support for the US-led coalition forces. The latter need to consult the interim government for any major military operation in the country. The interim government has the right to order the US and other troops to leave the country. The mandate of the multilateral forces, according to the resolution, expires in January 2006. On 9 June, Russian President Putin commented at Sea Island, Georgia, US that the adoption of the resolution marked a major step forward for Iraq and signaled a renewed international commitment to its reconstruction.

**c. Iraqi Interim Government.** The president of the Iraqi interim government, Ghazi al-Yawer took part in the G-8 summit on 9 June. He told the press that the Iraqi people was committed to moving toward democracy and establishing a source of stability in the Middle East. On 23 June, al-Yawer declared that his government wanted to have NATO fully involved with the stability of his country. Various forms of NATO engagement are under consideration and were considered at the Istanbul Summit of the alliance, too.

**3) Post-Conflict Rehabilitation of Afghanistan.** On 14 June, Afghan President Hamid Karzai announced in Washington during his visit to the US that 3.8 million people had already registered to vote in the coming elections. 35 per cent of the registered voters were women. Afghanistan is slowly recovering from the shocks of the Taliban regime, and the present government is extending its services throughout the nation and providing

new roads, schools for 5 million children, and clinics. Building government institutions remains a priority of the post-conflict rehabilitation activities in the country.

**4) Nuclear Proliferation – Iran.** On 18 June, the IAEA announced that Iran had failed to cooperate adequately with the UN agency. This added to earlier international concerns about Tehran's controversial nuclear program. On 18 June, the US authorities accused Iran of bulldozing a suspected weapon site to hide evidence from inspectors. The IAEA investigated a site northeast of Tehran near a military complex in Lavizan-Shian. Until now, the IAEA has only had evidence from satellite images. The IAEA requires better access to Iran's nuclear centrifuge program. The resolution of the IAEA, sponsored by the UK, Germany, and France, underlines that Tehran's assistance has not been as full, timely, and proactive as it should have been, and calls on Iran to allow accelerated cooperation in recovering environmental samples. The IAEA's recent investigations revealed omissions in statements made by Iran about the importation of centrifuge components and laser enrichment tests.

### **III. Conflicts and Post-Conflict Developments in the Black Sea Area**

**1. Chechnya.** On 9 May, Chechen President Akhmad Kadyrov was assassinated in Grozny. Thirteen others were killed and more than 40 wounded. On 11 May, President Putin visited the capital of Chechnya and charged Chechen Prime Minister Sergei Abramov (32) to take over interim authority and organize presidential elections. The killing of the Chechen president took place on the second day of the second presidential mandate of Putin. The attack came after a period of relative calm following the arrest, killing, or surrender of a number of rebel figures. The early presidential elections will take place on 29 August, and the registration for the candidates has been extended until 14 July. Eight candidates have been registered until now, including Interior Minister Alu Alhanov. Since the killing of Kadyrov, insecurity and instability have been permanent features in Chechnya and the neighboring regions. On 21 June, more than 60 people were killed and 200 wounded when about 200 Chechen rebels attacked in the autonomous republic of Ingushetia. The Chechen terrorists killed officials from the Interior Ministry and bombed arms depots. The Chechen attackers allegedly received support from Ingush, Turkish, and Algerian terrorists. Interior Minister and presidential candidate Alhanov

named Chechen rebel leader Shamil Basaev and former president Aslan Maskhadov as the leaders of the attack. Russia sent additional troops to Ingushetia on a permanent basis.

**2. Nagorno-Karabakh.** (1) On 26 March, US Deputy Secretary of State Richard Armitage visited Yerevan and told reporters that the solution of the Nagorno-Karabakh conflict could not be imposed top-down from the outside by the OSCE-mandated Minsk Group. However, the latter could be a facilitator to a rapid resumption of the talks. On 27 March, Armitage met with Azeri officials in Baku and also discussed this issue. (2) On 16 April, US Secretary of State Colin Powell named Steven R. Mann as special negotiator for Nagorno-Karabakh and Eurasian conflicts. Ambassador Mann has been senior adviser for Caspian Basin Energy Diplomacy since May 2001 and will continue to hold these responsibilities in his new position. (3) In the first days of May, the presidents of Azerbaijan and Armenia, Ilham Aliyev and Robert Kocharian, met in the Polish capital Warsaw. This second meeting of the two leaders did not bring clarity to the Nagorno-Karabakh issue. The two sides, however, expressed their will to meet more often, including at the foreign ministers' level.

**3. Transdniester.** On 26-27 April, after a long break, talks resumed on the peaceful settlement of the Transdniester conflict. The withdrawal of the Russian military forces has not progressed. On 21-22 June, the Moldovan and Transdniester leaders were reminded by the OSCE that they needed to speed up negotiations for settling the problems. The OSCE presented a package of draft agreements on a balanced reduction of military forces as well as confidence-building and transparency measures. Both parties to the dispute expressed a willingness to accept an international border-monitoring mission under the auspices of the OSCE.

**4. South Ossetia and Abkhazia.** (1) The president of the self-proclaimed republic of South Ossetia, Eduard Kokoiti, said at the end of May that his aim was to integrate the republic into the Russian Federation. Moscow is a mutually recognized mediator in the conflict between the central government of Georgia and the separatist region. Georgia is trying different approaches to resolve the issue and to stabilize governmental authority over the whole country. (2) The foreign minister of the self-proclaimed republic of Abkhazia, Sergei Shamba, said to the electronic media of his country in the end of May

that soon a national currency would be issued, which would be produced by a big French company. Russia is formally mediating in the conflict between Tbilisi and Sokhumi.

#### **IV. The National Perspectives: Specific Developments**

**1. Georgia.** On 6 May, Adjara's former governor Aslan Abashidze left the country on a late-night flight to Moscow with Russian envoy Igor Ivanov. Georgian President Mikhail Saakashvili said this was the beginning of Georgia's unification and of the restoration of national authority in the autonomous republic. Adjara was put under direct presidential rule pending elections for a new regional governing council. It was hoped that the end of Abashidze's rule in Adjara marked the beginning of a more stable period for the region, including restoration of the rule of law and democratic governance to the republic. The Georgian parliament decided to abolish the security ministry of Adjara.

**2. Russia.** The big military exercise "Mobility – 2004" was carried out from 15-30 June on the territory of the Russian Federation. Armored vehicles were transported from Ekaterinburg to the Far East of Russia. More than 50 Il-76, An-22, An-124 and civilian Il-86 aircraft trained their transportation and refuelling abilities. More than 800 special forces were transported from Pskov and the Kola Peninsula in the west of the country to the Far East. According to a statement by the Russian Ministry of Defense, it was the first time civilian aircraft had been used in such exercises. President Putin joined the exercise for a short period.

#### **V. Bilateral, Multilateral Relations in the Black Sea Region. State of CIS, GUUAM and Other Regional Institutions.**

##### **1. Bilateral Relations**

**a. Russia-Ukraine.** On 20 April, the parliaments of the two countries ratified a treaty creating an economic union called the 'United Economic Space'. Thus, the two countries committed themselves to greater economic integration. The union does not yet have a precise role, but the idea was to begin with a free-trade zone and eventually culminate in creating joint economic policy-making institutions. Ukrainian Prime Minister Viktor Yanukovich, a contender for the upcoming presidential election this autumn, considers the union to be a major asset to his political campaign. Opposition parties in Ukraine

protested the creation of the union. On that same day, the parliaments of the two states ratified two bilateral agreements resolving a conflict over their borders in the Sea of Azov and the Kerch Strait. According to the agreement, military ships of third countries would only be able to enter the Strait with the consent of the two signing parties.

**b. Russia-Armenia.** Armenian President Kocharian met with Russian President Putin at the latter's residence in Novo Ogariovo. Their discussions focused on bilateral issues and on the conflict in Nagorno-Karabakh.

**c. Bulgaria-Moldova.** From 19-21 May, Moldovan President Vladimir Voronin visited Bulgaria. He met with Bulgarian President Georgi Parvanov. The Moldovan president thanked Bulgaria for its efforts to find a solution to the conflict in Transdnistria as Chairman in Office of the OSCE. The two leaders discussed ways of easing the visa regime between the two countries. A large Bulgarian minority lives in Moldova.

**d. Ukraine-Bulgaria.** Bulgarian Prime Minister Simeon Coburgotski visited Ukraine from 21-24 May and met with leading Ukrainian officials, including President Leonid Kuchma and Prime Minister Viktor Yanukovich. The Bulgarian delegation discussed options of participating in the privatization of Ukrainian industrial facilities. A joint bilateral commission meeting from 28-29 June in Varna discussed details of the economic exchange between the two countries. The Bulgarian national minority in Ukraine numbers over 230'000 people, whose ancestors mostly settled in the Odessa region in the end of the 18<sup>th</sup> and the beginning of 19<sup>th</sup> centuries.

## **2. Multilateral Relations: Sub-regional Environmental Cooperation in the Southern Caucasus**

OSCE, the UN Environmental Program (UNEP) and the UN Development Program (UNDP) launched an initiative on 10 May in Yerevan, and later in Tbilisi and Baku, to eliminate environmental problems. The basic idea behind the initiative was to ease political tensions. The Environmental Security Initiative (ESI) aims at identifying cases in which environmental degradation may pose threats to human security and contribute to instability, and at suggesting action to deal with them. The pollution of the Caspian Sea is one of the issues to be tackled by ESI. Governmental institutions and NGOs are engaged in implementing ESI. The initiative seems to be a very clever incentive of conceiving a regional approach among security experts of the three South Caucasian countries.

**3. CIS.** (1) On 14 June, the presidents of the CIS states appointed Vladimir Rushailo as Chairman of the Executive Committee (CIS Executive Secretary). Until March 2004, he was the secretary of the Russian president's Security Council, and he has served in Russian governments in 1999-2000 as interior minister. (2) The 20<sup>th</sup> session of the Economic Council of the CIS was convened at deputy prime ministers' level on 25 June in Moscow. Projects on leasing activities, including in agriculture, on the cereals market, on a joint transportation policy by 2010, and on inter-regional and trans-border cooperation within the CIS were discussed. Currently the Economic Council is chaired by the deputy prime minister of Moldova, Vassiliy Iovv.

**4. SCO.** The summit meeting of the Shanghai Cooperation Organization (SCO) was convened from 16-17 June in Tashkent, Uzbekistan. Security issues and Afghanistan dominated the agenda. Afghan President Hamid Karzai also participated in the forum. Cooperation with the countries of the Asia-Pacific region in fighting drug trafficking was also discussed. A Convention for the Privileges and Immunities of the SCO members' representatives was signed. The members of the SCO are Russia, PR China, Uzbekistan, Kazakhstan, and Tajikistan.

## **VI. State of the Black Sea Regional Cooperation and the Role of EU and NATO**

### **1. Economic Aspects of the Black Sea Cooperation: National and Regional Perspectives**

**a. IMF-Armenia.** The IMF has completed the 5<sup>th</sup> review of Armenia's economic performance under a 3-year program designed to reduce poverty and spur economic growth. On 3 May, the IMF announced the disbursement of about US\$15 million to Armenia.

**b. WB-Armenia.** The WB on 4 May approved three loans of over US\$31 million in support of the continued structural reforms in Armenia. The credits were for the public modernization project, for the municipal and wastewater projects, and for the agricultural reform support project. On 10 June, the WB announced support for several new assistance projects for Armenia, including on an overall strategy for bank operations in 2005-2008. Financing for the various projects could total as much as US\$220 million.

**c. USTDA-Azerbaijan.** On 19 May in Baku, the USTDA awarded more than US\$1 million as a technical assistance grant to the State Oil Fund of Azerbaijan. The grant aims at developing the human resources and institutional capacity of the fund.

**d. WB-Azerbaijan.** On 10 June, the WB approved US\$10 million in assistance for Azerbaijan. The aid was designed to help the country better administer its social protection programs.

**e. International Donors' Conference for Georgia.** Donors from 31 countries and 12 international organizations pledged approximately US\$1 billion for Georgia at a meeting in Brussels on 16 June. This was a significant sign of support for the government of Georgia. The money will support its spending plan and would also be used for urgent investments in energy, governance, poverty reduction, child welfare, infrastructure rehabilitation, and food security.

**f. WB-Moldova.** On 20 June, the WB approved US\$20 million credit for Moldova to continue a rural development project through 2009. The objective is to provide access to better quality education, environment, water, roads, and other services.

## **2. Political and Security Aspects of the Black Sea Regional Cooperation and EU and PfP/NATO Activities**

**a. OBSEC.** A regular meeting of the OBSEC at foreign ministers level was convened on 25 June in Istanbul. The ministers discussed new opportunities of re-invigorating the regional cooperation. After the peaceful changes in Adjara in the Black Sea region of Georgia, Georgia's chances of joining the process of cooperation in the Black Sea area have increased. Both the Georgian authorities and OBSEC institutions should use this new opportunity.

**b. BLACKSEAFOR.** A military exercise of the BLACKSEAFOR (this time without Russian participation) was carried out in the beginning of April on the Bulgarian Black Sea coast. The code name was "Black Sea Star – 2004". It was an exercise in joint activities in humanitarian and rescue situations at sea.

**c. EU-Russia.** As 'Inside Russia and the FSU' (at: [www.RussiaFSU.net](http://www.RussiaFSU.net)) wrote in its June issue, the 13<sup>th</sup> EU-Russia summit of 21 May "was a triumph of common sense". Both sides signed a protocol covering 11'000 trade items that paves the way for EU support for Russia's entry into the WTO. Earlier, the EU-Russia Partnership and

Cooperation Agreement (PCA) had been extended to the union's 10 new members on 28 April in Luxembourg, with guarantees for Russian trade and references to the rights of the Baltic republics' Russian minorities. Thus, Russia minimized its losses from the consequences of EU enlargement while moving closer to WTO membership. EU-Russia relations are now characterized by the EU plan for a 'Wider Europe' adopted in May, which discloses the kind of relations the union would wish to establish with its northern, eastern, and southern neighbors. The EU aims to establish a common economic space with Russia to work together on freedom, security, justice, external security, and on research, education, and cultural matters. The Permanent Partnership Council, which gives Russia the opportunity to participate in debates of common interest at ministerial level, is supposed to play an important role. Days before the summit, Moscow made it clear that Russia had no intention of joining the EU now or in the foreseeable future, either as a full or as an associated member. Russia considers itself militarily and economically self-sufficient. On 22 April, the European Council, headed by President Romano Prodi, visited Moscow to prepare the details of the relations with Russia in view of the upcoming EU enlargement on 1 May.

**d. EU-Ukraine, Moldova, Armenia, Azerbaijan, Georgia.** On 12 May, EC Commissioner on Enlargement Günter Verheugen warned EU's new neighbors that an offer of closer cooperation did not open the door to future membership. If these countries met agreed standards for democratic, economic, and judicial reforms, they would receive increased cooperation and financial support. Eventually, €80 million would be spent per year to build cross-border cooperation with the countries that meet targets set out in these action plans, on top of support already available under other EU programs.

**e. NATO-Russia.** On 7 April, NATO Secretary-General Jaap de Hoop Scheffer visited Moscow – a few days after NATO had admitted seven countries from Eastern, Central, and Southeastern Europe as full members. The secretary-general met with Russian President Putin and Defense Minister Sergei Ivanov. Jaap de Hoop Scheffer told the Russian press that he wanted to prove to the alliance that it needed Russian cooperation, and vice versa. The Russian defense minister confirmed Moscow's readiness to cooperate with NATO in meeting the new threats of terrorism and proliferation of WMD. The two sides signed an agreement of establishing a Russian Liaison Office at the NATO

Operational Command (NOC) in Mons and in Norfolk, Virginia at the NATO Transformation Command (NTC).

**f. NATO-Ukraine.** On 19 April, NATO Secretary-General Jaap de Hoop Scheffer visited Kiev and confirmed NATO's commitment to its partnership with Ukraine, but stressed that future progress depended on Ukraine delivering on its democracy and human rights commitments. The secretary-general praised Ukraine for its contribution to NATO-led and international peacekeeping operations. In the beginning of May, NATO defense ministers discussed defense reform issues at an informal meeting in Poland with their Ukrainian counterpart. On 14 June, the NATO-Ukraine Commission (NUC) met at ambassadorial level in Brussels. It discussed Ukraine's contributions to allied operations and progress toward democratic reforms. From 28-29 June, the NUC met at the level of heads of states in Istanbul during the NATO summit.

**g. PfP Black Sea Navy Exercise.** The scheduled PfP navy exercise "Cooperative Partners 2004" took place in the Black Sea in June. PfP navy vessels and sailors trained various contingencies in a maritime environment.

## **VII. Other External Factors – States and Institutions, Influencing the Black Sea Region: U S A**

**1. US-Azerbaijan.** Political-military talks were held between US Assistant Secretary of State Lincoln Bloomfield and Azeri Deputy Foreign Minister Araz Azimov on 30 April in Washington. The two sides discussed cooperation in the "global war on terrorism", NATO's Individual Partnership Action Plan Initiative (IPAPI), bilateral security cooperation, and regional security issues.

**2. US-Russia.** The US President's National Security Adviser Condoleezza Rice visited Moscow from 14-15 May and met with key figures of the Russian government. She discussed ways how Russia could help Washington deal with the persisting problems in Iraq. Russia does not plan to send troops to Iraq, but if the legitimate Iraqi government asked for Russian troops, its demand would be considered by Moscow.

**3. US-Georgia.** Georgian Foreign Minister Salome Zurbishvili visited Washington on 1 June and met with US Secretary of State Colin Powell. He said there was no military sense in keeping the Russian bases in Georgia. Tbilisi accuses Russia of supporting the separatist regions of Abkhazia and South Ossetia and insists that the bases should be

evacuated within three years. Moscow says 7 to 11 years would be needed to quit the bases. Russian troops were supposed to leave Georgian territory by 2003, according to the agreements of the OSCE Istanbul summit in 1999.

**4. US-Moldova.** US Secretary of Defense Donald Rumsfeld's visit to Moldova on June 26 en-route to Istanbul was intended to encourage Chisinau to participate fully in the Partnership for Peace (PfP) program, which has a stabilizing influence throughout the region; to encourage Moldova to continue along the path of defense reform; and to thank the Moldovan government for its participation in Iraq and other international efforts. Moldova is "of concern" to the US because it borders new NATO member Romania, and because it could rapidly deteriorate without some sort of political settlement in its Transdniester region. The US is not prepared to press for ratification of the CFE Treaty until Russia has fulfilled the commitments it made at the 1999 OSCE Summit in Istanbul, one of which was to withdraw its troops from Moldova. The US position is that these commitments are binding upon Russia, and that Moscow should honor them.

#### **VIII. Conclusions**

The issues of the Greater Middle East are beginning to dominate the problems in the Black Sea-Caspian Sea area in the global security agenda. Quick solutions of the conflicts in this region are crucial for the national fate of the countries there. If Russia could be persuaded to pursue similar interests, significant progress could be made, and the international efforts are strongly focused on this direction.

---

#### **EDITORIAL STAFF:**

Dr. Plamen Pantev, *Editor-in-Chief*  
 Dr. Tatiana Houbenova-Delissivkova  
 Mr. Valeri Ratchev, M. A.  
 Mr. Ivan Tsvetkov, M. A.  
 Dr. Todor Tagarev

#### **CONTACT AND REFERENCES:**

ISSN 1311 – 3259  
 Address: ISIS, 1618 Sofia  
 P. O. Box 231, Bulgaria  
 Phone/Fax: ++(359-2-) 8551 828  
 E-Mail Address: [isis@mgu.bg](mailto:isis@mgu.bg)

---