

Part 1 of a series about the Caspian Sea Basin

Held on 11th September, 2009, the Akatu summit was attended by Azerbaijan, Kazakhstan, Russia and Turkmenistan. According to Robert Cutler, writing in the Asian Times, it has proved difficult to determine what was actually on the agenda - there was a notable lack of official communiqués. However, it was anticipated that the summit would be an informal event to discuss sub-regional cooperation on a wide range of issues. These included the construction of a railway to Iran and the development of gas pipelines to China. The summit was not going to focus on the status of the Caspian Sea and the division of the seabed. These issues can only be discussed with the participation of all five Caspian littoral states. Yet despite the summit considering issues related to Iran, this country was not invited.

According to some Western media reports Iran is concerned that the summit is an attempt by the four other states to whittle away at its influence within the Caspian Sea Basin. Iran considers the Caspian Sea a 'closed' sea. If, however, the Caspian Sea was to be declared an 'open' sea, Iran's 'share' of the sea would decrease under widely accepted international norms. Iran's influence around the Caspian Sea would potentially be diminished as it would then occupy less than a fifth of the coastline. Iran also disagrees with the other littoral states regarding how the Caspian Sea's natural resources should be divided. The delineation issue emerged after the 1991 break-up of the Soviet Union, when Iran found itself with four Caspian neighbours instead of one. Iran favours an equal division of the CSB reserves. However, Azerbaijan, Russia, and Kazakhstan favour a demarcation method where national sectors are sliced off along a median line.

Turkmenistan favours a solution that would take into account how close to each country's shoreline the various oil and gas reserves are located.

Iran also fears that Russia used the conference to solidify a geopolitical bloc with its former Soviet states. This would further serve to compromise Iran's bargaining position regarding Caspian Sea demarcation. Iran's failure to receive an invitation to the Akatu Summit coincided with an American decision not to invite President Mahmud Ahmadinejad to Barak Obama's reception of world leaders at the UN General Assembly. According to White House Spokesman, Robert Gibbs as "Iran is failing to live up to its international obligations" it should not expect an invitation to this event. The UN meeting and the subsequent G20 meeting in Pittsburgh are potentially a chance to discuss a new tough regime of sanctions against Iran regarding its nuclear programme.

Despite the low-key nature of the summit Turkmenistan was quick to stamp its own influence on proceedings. At the start of the conference the Turkmen press issued a statement made by President Gurbanguly Berdymukhamedov, ostensibly commemorating a national declaration of Oil, Gas, Electrical Worker and Geologists Day. Yet it could also be widely regarded as an attempt

by Turkmenistan to show its determination to diversify its energy exporting routes and strategy. The presidential statement, for example, mentioned the Turkmenistan-China gas pipeline now under construction through Uzbekistan and Kazakhstan. The statement also considered the prospect of Turkmenistan feeding supplies to the West via the Nabucco pipeline to Europe. Consideration was also given to the tentative Turkmenistan-Afghanistan-Pakistan-India pipeline project.

In attempting to diversify its energy exporting routes, Turkmenistan is replicating a strategy already practised by Azerbaijan and Kazakhstan. The President of the State Oil Company of the Azerbaijan Republic (SOCAR) has emphasised in the past that decisions on export destinations are taken on the basis of the definition of markets, volumes of resources and conditions of transportation. Turkmenistan's diversification in its export routes sends a clear message to Russia: any future bargaining over prices for quantities to be dedicated to Russia will be tough going. Turkmenistan simply will have more options as to where its products may go, which is potentially good news not just for China, but also Europe.

It would appear that Azerbaijan took a lot of positives out of this summit. According to Aydin Mirzazade, a Member of the Political Council of the ruling New Azerbaijan Party (NAP), Azerbaijan's, Russia's and Kazakhstan's decision to come to reach a common ground regarding the legal status of the Caspian Sea sets an example for all the littoral states. Furthermore, Russian-Kazakh dialogue on such issues demonstrates that CSB states are seeking ways to resolve the contested status of the Caspian Sea. If this is the case then dialogue between Azerbaijan and Turkmenistan to resolve their territorial issues is theoretically quite possible.

Currently, Turkmenistan has proven reserves of 546 million barrels of oil, with possible reserves in areas already explored estimated at more than 2 billion barrels. Proven reserves of natural gas are estimated at 3 trillion cubic metres. In comparison, Azerbaijan has an estimated 1.2 billion barrels of oil reserves. A significant source of Azeri oil is the Gunashli field located 100km off the Azeri coast. Both Turkmenistan and Azerbaijan have a vested interest in the effective division of unexplored parts of the Caspian Sea that may also contain natural resources. Such issues are currently focussed on the satisfactory division of three major oil fields.

In seeking to resolve this issue Azerbaijan wants to take the tip of the Absheron Peninsula as the main point of division. However, Turkmenistan argues that because the Caspian Sea is a confined environment it would be sensible to draw the median line through the middle, equidistant at all points from the main shoreline.

Azeri-Turkmen territorial claims may potentially be complicated by Turkmenistan's current plans for the development of its navy. In the build-up to the Akatu Summit, Turkmenistan's president outlined plans to acquire two new missile ships and create a new naval base on the Caspian Sea. Justifications for such developments included Turkmenistan's commitment to protecting its coastline from 'outside encroachments.' These include trans-border criminals, terrorists and 'any other force that may choose to violate Turkmenistan's sea borders.'

Turkmenistan's decisions prompted immediate criticisms from Azerbaijan. This even resulted in the Azeri foreign ministry calling for the demilitarisation of the Caspian Sea. Potentially

underpinning Azerbaijan's criticism is the fact that the Turkmen fleet is part of the Caspian Sea Flotilla alongside Russia and Kazakhstan. Currently under Russian command, the flotilla consists of twelve combat vessels. Yet the quality of such vessels is generally mixed. Many of the ships are old gunboats that have seen many years service. However the flotilla also consists of three new vessels, including its flagship the Tartarstan. The flotilla also includes three submarines and a marine brigade.

Despite Turkmenistan's intentions to increase its naval strength it seems highly unlikely that the Caspian Sea Flotilla will deviate from its current objectives. These include guarding the littoral states' borders and combating terrorism. Indeed all recent flotilla exercises in the Caspian Sea have focussed upon the interception of terrorist activities. Furthermore, the current status of the flotilla reflects a range of contemporary issues pertinent to security within and around the Caspian Sea basin. At a meeting of the Working Group on the Legal Status of the Caspian Sea in 2006 Russia's Foreign Minister Lavrov indicated that demilitarisation simply did not respond to present day realities. Demilitarisation would effectively mean disarmament in the face of rising terrorist threats and cross-border criminal activities. Militarily, most of the Caspian Sea states do not pose a threat on their own. Before the decision was made to expand, Turkmenistan's navy consisted of six vessels and 500 personnel. In comparison, the Azeri navy currently possesses five patrol and coastal combatant craft, two mine warfare vessels, five amphibious landing ships and a logistics vessel.

Turkmenistan's assertive stance at the summit may also have impacted on Russian objectives regarding the development of a Caspian Economic Cooperation Organisation. One of Russia's motivations for creating a bloc is to forestall plans by Azerbaijan and Turkmenistan to export oil and gas to the West without it going through Russia. Creation of a regional bloc may complicate this and force CSB states to completely resolve the legal status of the Caspian Sea. A Caspian Bloc may also allow Russia to be influential within decisions to regarding pipelines running across the CSB. Russia could, for example, use a veto to reject a westward flow of pipelines. Turkmenistan appears to oppose such objectives.

Despite vaguely outlining an agenda focussed upon regional cooperation, the Akatu summit could not fail to address issues related to the legal and geopolitical status of the Caspian Sea. Turkmenistan arguably took a range of steps that ensures that the Caspian Sea basin will continue to be viewed through 'great game' lenses for some time to come. As a result, China and the West can remain optimistic that the region will make a significant contribution to their energy requirements. In doing so, both Russia and Iran will have to continue to work hard to achieve their geopolitical objectives. As the region's two largest littoral states opportunities may present themselves for either state to take the lead in resolving territorial disputes. Yet as all the other Caspian Sea states have recently demonstrated, the role of outside influences within the region is also significant.