

## **The third stage of the energetic game in Eurasia**

The events happening in the energetic topic in the Caspian region at the recent period seem as the new stage of the energetic fight in Eurasia. Since the process of mass production of oil and gas mainly at the last 19th and early 20th centuries this region had witnessed several stages. The processes of establishment of independent states and commencement of the energetic fight in the region happened in start of 20th century were terminated upon occupation of the entire region excluding Iran by Russia and later establishment of huge empire named USSR. The energetic fight at the Caspian regions was mainly weak up to finish of the Cold War due to absolute hegemony of USSR. Exclusions here were the disputes happening in connection with energy production and transportation in Iran and appropriately occurred changes of power and regime as well as the initiatives of Fascist Germany to appropriate the Caspian oil during the Second World War.

Upon finish of the Cold War a “great game” started in the region due to the energetic factors and other ones connected to the region. The “Great game for energy” was devoted to production and transportation of energetic reserves in the Caspian region. The new independent states out of the Russian Federation and the western countries having different interests and serious energetic demands were demonstrating activeness for removal of the old system connected to production and transportation and establishment of alternativeness in the new stage. Subsequently, the start of 1990 was the commencement of the “great game” and up to present, saying generally, two main stages were left behind. First of these stages was conclusion of the Treaty of Century and laying-up of the Baku-Jeyhan oil pipeline and the second was exploitation of the Shahdeniz gas deposit and Baku-Arzurum gas pipeline. Presently the third stage of the process envisaging laying-up of the Nabucco pipeline has commenced and the gas extracted from the Caspian Sea by Azerbaijan, Turkmenistan and Kazakhstan is planned to be delivered to the western markets namely through this pipeline. This stage like other ones is also accompanied by

specific processes and problems. Although more interests contradict in this stage like in other ones the steps of Turkey, the Russian Federation and Iran besides the young stages in the region are more worthy for attention.

It's necessary to note among the events happened in this sphere in the recent months the mutual visits of the high-authorized officers including the ministries of energy of the Russian Federation and Turkey and, the ceremony of conclusion of the NABUCCO project in Ankara and, the joint exercises held by Iran and the Russian Federation in the Caspian Sea and, at last, the non-official conference held upon the initiative by Dmitry Medvedev, the President of the Russian Federation with participation of the presidents of Azerbaijan, Kazakhstan and Turkmenistan.

High-level visits were made from Turkey to RF in start of July and from Turkey to RF in start of August. Firstly, Ahmad Davudoglu, the Minister of Foreign Affairs of Turkey and Taner Yilmaz, the Minister of Energy visited Moscow on 1st and 2nd July hereby multiplying the number of the official visits being intensively made during recent periods. The most interesting information in these visits regarding the relations of Turkey and Russia appeared on the agenda of the meeting of the Russian-Turkish Intergovernmental Commission. 15 new projects were provided for discussion regarding strengthening the development of the relations between two countries in wider spectrum at the negotiations continued under chairmanship by Igor Sechin, Russian Deputy Prime-Minister and Taner Yilmaz, the Minister of Energy of Turkey. The main messages in the negotiations were submitted in the issues of development of cooperation in the energetic field. Sechin underlined that Russia was interested in cooperation with Turkey in sphere of atomic energy and noted the possibility of reduction of the costs by the Russian "Atomstroyeksport" Company acting as the only enterprise providing offer for the tender of construction of the "Akkuyu AES" held in November 2008. Another branch of the energetic cooperation between the ministers was continuation of the discussions regarding the "Blue Stream-2" Project.

Let's remind that the Russian "Kommersant" Newspaper in its issue dated on May 18, 2009 notified that Russia has offered construction of the Black Sea part of the "Eastern Stream" project in the offshore sector belonging to Turkey instead of Ukraine and Ardoghan principally treated to this offer positively. But upon the discussions held in Moscow Igor Sechin, Russian Deputy Prime-Minister declared official offer to Turkey to participate at the "Eastern Stream" project. Taner Yilmaz's positive attitude to this topic and Ahmad Davudoglu's declarations regarding "absence of boundaries for development of the relations between two countries" were estimated as agreement of Turkey with this offer.

Sergey Ivanovich, the Russian Minister of Energy and Vladimir Putin, the Russian Prime-Minister visited Turkey consequently on August 4th and August 6th. Serious progresses regarding the aforesaid issues were achieved during these visits. Upon Putin's negotiations with Radjab Taib Ardoghan, his Turkish colleague they concluded 12 official documents envisaging development of cooperation of the energetic, cosmos, commercial, customs, cultural, sport, food safety and fishing fields.

At it's obvious, the main topic of the Putin's visit to Ankara was AES and energetic cooperation between Russian and Turkey. Upon the discussions held between two countries regarding these topics Russia and Turkey concluded documents envisaging cooperation in the fields of gas, oil and atomic energy. The intergovernmental minutes regarding gas cooperation envisage regulation of 4 main issues. Firstly, according to the minutes two countries approved prolongation of the Gas Purchasing Agreement concluded in 1984 and expiring in 2011. Upon this minutes Russia accepted increase the amount of the gas transported to Turkey through the western corridor via Bulgaria. Secondly, upon the minutes Turkey expressed own approval for passing the "Eastern Stream" from the Black Sea part belonging to Turkey. However, Ardoghan, the Turkish Prime-Minister underlined necessity of avoiding to estimate this step as refusal of Ankara from Nabucco. Thirdly, Russia and Turkey decided to lay-up the "Blue Stream - 2" pipeline prolonging the "Blue Stream" project to Cyprus, Israel, Syria and Lebanon. Fourthly, the minutes envisage

construction of natural gas reservoir in Turkey by Russia.

Generally, cooperation of Russia and Turkey in the “Southern Stream” project may be characterized as occurrence of new situation in the energetic fight happening in the Eurasian geography. This process is conditioned between Russia and Turkey by three necessary factors:

Firstly, in recent periods there are essential changes conditioning the intensive cooperations in the relations between Turkey and Russia. The new strategic conceptions occurring in the foreign policies of Russia and Turkey after the cold war have strengthened the necessity of the cooperation process between two countries. Thus, the position of Turkey has great significance for global provision of multipolar international system and prevention from strengthening the western influence on Eurasia within this frame. Again, Russia is playing important role of global and regional partner for Turkey completely leaving the cold war rhetoric and commencing to apply the course of “360-degree foreign policy”. During the period from the end of the cold war till the start of 2000 the cooperation process between Russia and Turkey mainly removing the “syndrome of mutual distrust” caused by the previously existing historical competition is one of the factors able to significantly impact on the balance in Eurasia intending to determine the fate of the global fight of power. The both country understand that the energetic competition gradually strengthening in the global system has a great potential to cause significant influence on this necessary cooperation between them. The offer of Russia regarding cooperation in the “Southern Stream” project and positive treatment of Turkey to this offer create opportunity for removal of this peril.

Secondly, the energetic factor prevails in the strategic concepts of the both countries and the practice of the past periods causes different attitude to this issue. Thus, the “energetic superpower” strategy of Russia having globally significant energetic resources causes necessity for controlling the energetic resources in all regions of the world and particularly in Eurasia. Within the frames of this strategic goal Russia continues controlling in particular

the energetic resources of Eurasia and even turns it into monopoly. In direction of this goal, the significance of the position of Turkey acting as a regional country of power and transit for Russia keenly fighting with the West evidently appeared at the last period. Thus, the cooperation of the West with Turkey provided operation of the Baku-Tbilisi-Jeyhan oil pipeline and the Baku-Tbilisi-Arzurum gas pipeline negatively impacting on the energetic monopoly of Russia in Eurasia despite of the keen resistance of Russia. Considering this experience Russia doesn't want implementation of NABUCCO as a new project able to negatively impact the Russian leadership in the European gas market.

Turkey also intends to become a globally significant energetic center in order to meet own gradually increasing demand and strengthen own strategic advantage in the international system. Although the successes like Baku-Jeyhan and Baku-Arzurum were achieved at the past period within this frame Turkey understands that competition with Russia causes serious risks for implementation of this strategic goal and restricts its opportunities because keen competition with the country in relation of which the meeting of gas demand is met about 75 percent is a serious paradox. Usage of the energetic weapon Russia owns against the depending countries and mainly Ukraine as means of pressure we evidently expressed the huge amount of the risk. Furthermore, opposite position of a country intending to become a global energetic transitor and center with the biggest gas and most significant oil exporters of this market strictly restricted this goal. Turkey felt this restriction because of failure to sell to the third countries the gas bought from Russia via the "Blue Stream" pipeline. Failure of completion of the energetic cooperation between Russia and Turkey has a great role in the adventure of occurrence of the "Southern Stream". Thus, Turkey intends to implement appropriate energetic strategy allowing the energetic projects both of the West and Russia pass in new stage through its country. Different Turkish authorities express strictness of this intention of Turkey.

The third significant factor conditioning the cooperation of Russia and Turkey in the "Southern Stream" is connected directly to the project itself. Thus, from point of Russia's

view the “Southern Stream” project is exposed to two serious problems. First of all, the management of Kremlin considers this project as a way of discharge of the dependence from Ukraine. However, the most important paradox of this project is that the “Southern Stream” project will pass through the Ukrainian part of the Black Sea. Russia is going to settle this problem by means of passing the “Southern Stream” project through the Turkish part of the Black Sea. Secondly, construction of a new pipeline through the Black Sea the depth of which is rich of many natural obstacles requires a lot of additional expenses. And the existing global economic crisis complicates this financial issue. But if the pipeline passes through the Turkish part of the Black Sea it would significantly reduce the expenditures for the routes paralelly with the “Blue Stream”. Participation of Turkey in the “Blue Stream” project is its movement ahead in direction of its intention of becoming the global energetic bridge. From other hand, hereby Turkey achieves a serious positional opportunity at the NABUCCO discussions. The third issue is that Turkey will acquire certain economic profit upon construction of this pipeline.

Another important event happening in recent periods in the region is the joint exercises of Russia and Iran in the Caspian Sea. Let’s remind that on July 29th and 30th the Russian and Iranian rescues passed joint exercises at the Bandar-Anzaly port it south of the Caspian Sea. 30 rescue vessels, 2 searching helicopters and about 500 specialists took part in these exercises named “Clean and safe Caspian Sea”. The exercises were observed the delegations of Azerbaijan, Kazakhstan and Turkmenistan as well as the representatives of the International Marine Organization.

The purpose of the exercises named “Clean and safe Caspian Sea” was implementation of the international convention of marine rescuing and searching operations as well as prevention of pollution of the sea with oil. Ali Akber Safai, the officer of the Iranian Department of Marine Environment Protection declared about ecologic fight against pollution of the Caspian Sea. Ali Tahiri, the Executive Director of the Iranian Navigation and Ferry Board declared the intention of oficial Tehran to strengthen the Caspian float and

increase the number of the marine cleaning facilities in order to reduce the volume of oil poured into the sea.

Simultaneously, Iran pronounced a declaration regarding pollution of the Caspian Sea mainly by Azerbaijan. But the Azerbaijani side considered these claims of official Tehran as unbiased. Rasim Sattarzade, the Chief of the Department of Ecology and Natural Protection Environment of the Ministry of Ecology and Natural Resources of Azerbaijan Republic said that Iran and Russia have karger deal of pollution of the Caspian Sea. Sattarzade declared via the private “ANS” TV-channel of Azerbaijan that 70% of pollution of the Caspian Sea is admitted by Russia through the Volga river. As another important reason for pollution of the sea he showed the factor of dealing with agricultural activity basing upon Iran (the Iranian inhabitants settled on the Iranian onshore line which number is about 6 million people mainly deal with agriculture).

The last interesting moment at the energetic game in the region was the non-official meeting held in Actau on September 11 and 12, 2009 and Medvedev’s later visit to Turkmenistan with his further achievement of progress in direction of removal of the problem occured in the gas purchasing process with this country. The both steps seemed as success of Russia directed to increase its vactoryes in teh energetic game in Eurasia.

However, neither Azerbaijan nor Turkmenistan nor Kazakhstan trying to apply the strategy of becoming countries benefiting from contradictions of the interests of teh West and Russia will be participants of the scenarios serving to strengthening the position of Russia.

However, they’ll try to provide it owing to the steps of the West but not their own ones. It means that in the recent stage Azerbaijan and not later than the middle stage Turkmenistan will deliver oil to NABUCCO.

In the forecoming period the energeting fight in Eurasia is expected to continue in new sketches. The gas treaties between Russia and Azerbaijan, the cooperation between Russia and Turkey in the “Southern Stream” and “Blue Stream-2” projects, overcoming of the Russian “Northern Stream” project through the obstacle of the Environment Protection

Board of Finland, transportation of the Iraq oil extracted in Karkuk over Turkey and at last, conclusion of the intergovernmental treaty regarding NABUCCO in Ankara on July 13 may be considered as strong signals of this process. Actuality of the “Ecologic issue” will continue increasing parallelly to strengthening of competition in the Caspian Sea.