



ENERGY SECURITY IN CASPIAN REGION: IN THE CONTEXT OF INTERNATIONAL LAW

IV Summit of Heads of Caspian States was held in Astrakhan in Russian Federation in 29 September 2014. In this Summit, considerable issues such as cooperation between the Caspian states, the Caspian legal regime development and preservation of its unique natural habitat and aquatic biological resources were held in detail. At the end of the Summit, the heads of the Caspian Region states identified main principles of cooperation in the Caspian Sea zone. Coordinated interpretation of provisions of the joint statement of Heads of Caspian Region states and a final communiqué of IV Caspian Summit imply that states, having access to the Caspian Sea, are explicitly intended to provide mutual cooperation, aiming to preserve aquatic biological resources and provide maintenance security on the basis of current norms of international law.

In this respect, special attention should be paid to general principles of international law concerning security in energy supply and determining legal basis of mutual relations of littoral countries, in particular, in the absence of integrated international agreement, defining legal status of the Caspian Sea. Therefore, it is necessary to consider the following principles:

- *The Principle of Non-Interference*: Another country's domestic affairs do not allow Caspian Region countries explicitly or implicitly intervene to internal and external affairs of other state in relation to effective distribution of their natural resources;

- *The Duty of Cooperation*: The Caspian Region states have the duty to cooperate with each other, irrespective of the differences in their political, economic

and social systems, in the various spheres of international relations, in order to maintain international peace and security;

- *Estoppel*: According to the book International Law written by M. Shaw (2008, p. 516), the idea of Estoppel in general is that it is an impediment which prevents a party from denying an action which they have committed. In other words, a party which has made or consented to a particular statement that it will not act against the other's benefit, cannot change its position. As a result, confirmation of one of Caspian Region states about mutual maintenance of security in energy supply in the region, and non-fulfillment of the issue, can constitute the ground for responsibility for that state in future, in case of a considerable loss for the other state/s or fundamental changes of international situation.

In this respect, the application of the UN Convention on the Law of the Sea and the Energy Charter Treaty should also be considered. Now, there are 167 member countries of UN Convention on the Law of the Sea. Among the Caspian Region states, only Russia is a part of the Convention. Iran signed the Convention but has not ratified it. While Kazakhstan is not formally a part of the Convention, it finds it necessary to apply the norms of the Convention regarding the delimitation of legal status of the Caspian Sea. For example, the Convention (Article 56) gives clear directions for the states to use their rights and perform their duties in the exclusive economic zone. It is stated in the Convention (Article 77) that only the coastal states can use their sovereign rights over the continental shelf

for the purpose of exploration and exploitation of their natural resources.

As for the Energy Charter Treaty, while Azerbaijan, Kazakhstan and Turkmenistan are parts of the Treaty, Russia and Iran are not. In the Energy Charter Treaty (Article 18), it is clearly stated that the contracting parties (states) recognize state sovereignty and sovereign rights over energy resources. Nevertheless, the Treaty refers to environmental issues in the context of energy. The Energy Charter Treaty (Article 19) requires all member countries to strive to minimize in an economically efficient manner harmful environmental impacts occurring from all operations among the entire energy chain. In doing so, the member states shall act in a cost effective manner, strive to take precautionary measures and agree that, in principle, the 'polluter pays' principle should apply. Shortly, these states reaffirm that these issues should be dealt in accordance with and subject to the rules of international law.

In conclusion, it should be noted that ensuring energy security in the Caspian Region with an international agreement can be possible by implementing the above mentioned provisions of the UN Convention on the Law of the Sea and Energy Charter Treaty. Here, it should also be taken into account that some of these provisions reflect norms of the international customary law. Ensuring energy security in the Caspian Region can only be possible by implementing clear, direct and unambiguous rules to the behavior of all the Caspian Region states. Therefore, the major task is to outline these rules in the framework of an international treaty regime.

Politics, Foreign Affairs and Security

- The Central Election Commission of Kazakhstan registered three candidates for participation in the early presidential election to be held April 26. Nursultan Nazarbayev, Turgun Syzdykov and Abulgazi Kusainov were registered as the presidential candidates
- Head of the Central Asian Division of the European External Action Service, Toivo Klaar stated that the European Union was working on adapting a new road map for implementation of the Strategy for Central Asia with a greater emphasis on different approaches to relations with individual countries.
- Presidential polls have closed in Uzbekistan, where the Central Election Commission of the republic reported 91% turnout in an election. According to the results of the preliminary ballot counting, Islam Karimov scored 90.39% of the votes.
- The first regional German-French conference of ambassadors was held in Astana. The Foreign Ministers of Germany and France Frank-Walter Steinmeier and Laurent Fabius also took part in the conference.
- Iran and the P5+1 group started another round of talks on the Iran nuclear issue in the Swiss city of Lausanne. The parties continued nuclear talks into their final stretch to ink a framework agreement ahead of a March 31 deadline.
- The North Atlantic Treaty Organization stated that it would conduct training of around 30,000 military personnel in Spain, Italy and Portugal this fall.
- The Arab League members hold the 26th Summit in the Egyptian resort of Sharm el-Sheikh. With the conflicts in Yemen and Libya high on the agenda, leaders from the region agreed to form coalition to fight against radical extremist groups.

Economy, Finance and Energy

- Oil prices increased sharply after Saudi Arabia and its allies launched airstrikes on rebel targets in Yemen. The price of Brent oil increased by 5.7% and reached to \$59.71 per barrel.
- Turkey's exports to Russia has reduced by 35,7% in the first two months due to the depreciation of Russian Ruble in international markets. The exports reduced from \$951 million in January-February 2014 to \$611 million in the same period in 2015.
- Russia has signed a \$10 billion agreement with Jordan for the construction of the country's first 2,000 MW nuclear power plant in the north of the country by 2022. The agreement between Rosatom and the Jordan Atomic Energy Commission was signed in Amman.
- Kazakhstan Vice Minister of Energy Magzum Mirzagaliyev stated that the volume of gas transported through the Kazakhstan-China pipeline would be increased to 55 billion KZT worth in 2015.
- Ukraine Minister of Economy Aivaras Abromavicius announced that the state intended to return to financial markets in 2017 after restructuring its sovereign debt.
- The International Finance Corporation allocated a loan worth \$250 million for the construction and commissioning of the Shuakhevi hydropower plant to develop the energy sector of Georgia.
- The International Monetary Fund has warned the Euro Region against the risk of very low inflation and suggested the European Central Bank to implement policies to strengthen the European economies. The inflation rate in the Euro Region was recorded at -0.3% in February, 2015.
- According to the Central Bank of Russia, the volume of money transfers between Uzbekistan and Russia by

individuals dropped 13.3% in 2014 compared to 2013 and stood at \$6.239 billion.

- Turkmenistan has amended the Law on "Currency regulation and currency control in foreign economic relations" According to the document, the foreign exchange transactions between residents and non-residents related to the transfer of the property on the territory of Turkmenistan would be carried out only in the national currency.

Society and Culture

- Thousands gather with world leaders from Indonesia, India, Japan and Australia for the Singapore's first Prime Minister Lee Kuan Yew's funeral. He has died at the age of 91.
- The Government of Kazakhstan began to disburse the funds allocated for implementation of the Nurdy Zhol Program. According to the Ministry of Finance, 686 billion KZT would be allocated for implementation of the Nurdy Zhol Program in 2015.
- The Ministry of Health and Social Protection of Tajikistan, together with the Ombudsman's Office, the UN Development Program, UN International Children's Emergency Fund, the World Health Organization and civil society organizations have launched the first joint partnership program to promote the rights of adults and children with disabilities in Tajikistan.
- The State Committee of National Security of Kyrgyzstan announced that the state has recognized the Islamic State organization as a terrorist and extremist group and banned its activity in the country.
- The Iranian Army thwarted a pirate attack on an Iranian oil tanker in the Bab-el-Mandeb strait.
- Russian Federal Space Agency Roscosmos and its US counterpart NASA have agreed to build a new space station when the current ISS's life cycle would expire.