

Russia, Kazakhstan Reach New Agreements

by Mary Burdman

Amidst the growing strategic tensions, Eurasian nations have been putting together increasingly effective agreements for better national security and stability over the recent weeks. These are war-avoidance policies, centered on developing nuclear energy, transport, and other cooperation in Eurasia. The Presidents of two Eurasian giants—Russia’s Vladimir Putin and Kazakhstan’s Nursultan Nazarbayev—have held summits twice already this year. While a lot of attention is being paid to oil and gas pipelines, the two sides, with other regional nations, are actually working on more advanced technologies, which ultimately will be much more important than trade in hydrocarbons.

Since January 2006, the Russian government has been developing a comprehensive nuclear energy program, which embodies an international “crisis-avoidance” policy. Close cooperation with uranium-rich Kazakhstan will make this program a near-term reality. The principle is to enable developing nations to acquire nuclear energy, while the controversial parts of the nuclear cycle, including nuclear enrichment, fuel reprocessing, and disposal of nuclear waste, will be carried out in joint centers, with international supervision. So “transparent” a program will counter attempts to generate crises about potential nuclear weapons programs—such as those of Iran and North Korea. This could both deprive the Cheneyacs of their “Axis of Evil” propaganda, and prevent them from denying to developing nations the clean and independent energy source they so urgently need.

Putin first announced this program on Jan. 25, 2006, to the Eurasian Economic Community meeting in St. Petersburg. On Oct. 3 of last year, Nazarbayev agreed that Kazakhstan would participate in creating the International Uranium Enrichment Center in Angarsk, in eastern Siberia; and on Dec. 19, Russian Federal Atomic Energy Agency head Sergei Kiriyenko announced that the Angarsk facility would be launched in January 2007, based on Russian-Kazak cooperation. This program was the key issue at the two Putin-Nazarbayev summits this year—on March 19 in Moscow, and May 10 in Astana. Uranium prospecting and mining will also be developed under international cooperation, to counter the danger of private conglomerates controlling and speculating on uranium supplies. Russia is working on such agreements with many nations, including China, Mongolia, Armenia, Ukraine, Japan, Myanmar, Morocco, Canada, and Australia, and has certainly proposed it to Iran.

“We are talking about a nuclear renaissance,” Sergei Shmatko, head of Russia’s state nuclear power company At-

The Caucasus and Central Asia



A new Eurasian rail line, linking the railways of Russia, Kazakhstan, Turkmenistan, and Iran, and providing access to Turkey and the Persian Gulf countries, is one of many "breakthrough projects" planned by the nations of the region shown on this map.

omstroyexport, said in an interview from Moscow, published June 7 in the *International Herald Tribune*. "We are certain we have a market. The world has no alternative but to develop nuclear energy." Atomstroyexport, already building seven nuclear plants outside Russia, including in China, India, Iran, and Bulgaria, hopes to win \$5-\$10 billion worth of contracts in the next two years, Shmatko said. Atomstroyexport has a new series of "mini-reactors," in the 300-600 mw range, specifically designed to be connected to the limited capacities of electricity grids in developing countries.

Russia is also working fast on building floating nuclear power plants. The *IHT* also quotes Russian First Deputy Prime Minister Sergei Ivanov on this technology: "We are, generally speaking, the absolute monopoly here. Nobody apart from us is able or knows how to build them." The foundation for the first plant was laid April 15 at Severodvinsk on the White Sea, and plans for further construction are already made. Potential sites include not only Russia's Far North and Far Northeast, but also on Russky Island, off Vladivostok, to supply the planned 2012 Asia-Pacific Economic Cooperation summit,

according to officials of Rosenergoatom, the state-run company which oversees nuclear plants.

There is also a big international demand. "Some 20 countries have shown interest in floating NPPs, including Indonesia and China," Itar-Tass quoted Rosenergoatom deputy general director Sergei Krysov on June 5. China could buy or jointly build a floating plant with Russia after 2010. "We hope that Western countries will be ready for contracts on cooperation in floating NPP projects after the prototype power unit is completed," Krysov said. A Rosenergoatom delegation visited Cape Verde, off the west coast of Africa, June 5-9 to discuss the technology. The "world's first floating nuclear power plant" was featured at the June 8-10 St. Petersburg International Economic Forum "Innovational Developments" exhibit.

Space and Nuclear

At their Astana meeting, Putin and Nazarbayev agreed to a "Plan for the Joint Actions of Russia and Kazakhstan" for 2007-08, which, Nazarbayev announced, "concerns nuclear power, energy, regional, and humanitarian cooperation." Naz-

arbayev told Putin that “oil and gas cooperation [with Russia] is strategically important. . . . Kazakhstan is committed to transporting most of its oil, if not all of it, across Russian territory.”

The two nations will work together in space, military-technical, nuclear energy, cross-border trade, and large-scale integration projects. The two sides are building a space complex at Baikonur, Baiterek, for Angara launch vehicles capable of putting 26 metric tons of payload into low-Earth orbits. The Russian space agency rents its current space center, Baikonur, from Kazakhstan. Itar-Tass also quoted a Kremlin source on financial cooperation, saying that the “initial steps were taken to implement the first projects of the Eurasian Development Bank, which was set up on the initiative of the presidents of the two countries in 2006. The Russian Vneshekonombank is actively cooperating with its Kazak partners.”

Finally, Putin and Nazarbayev oversaw the signing of a document on final agreement to build the Angarsk center, to come onstream in 2013.

Putin said that the two sides “consider this document the first step in the implementation of our initiative to create a global nuclear energy infrastructure.” The document was signed by Kiriienko, head of the Russian Federal Agency of Nuclear Power, and Kazak Energy Minister Baktykozha Izumkhambetov. “With Kazakhstan we possess the entire technological chain—from producing uranium to achieving the final product, low-enriched uranium,” Kiriienko said. Kazakhstan has 15% of the world’s uranium reserves, and wants to produce 15,000 tons of uranium by 2010, while Russia has 45% of the world’s uranium enrichment capabilities. Kiriienko said that any country could join the project by signing a similar intergovernmental agreement. The Angarsk plant would be able to cover uranium needs over the next few years, and more such facilities could be built.

New Turkmenistan Opening

Immediately after the Astana meeting, Putin went to Ashgabat, capital of Turkmenistan, to meet the new President Gurbanguly Berdimukhammedov, who took office in February. On May 11, Putin announced that Turkmenistan is “Russia’s strategic partner,” and said that the two nations have “big plans for joint work.” The first priority is energy cooperation, but the two sides will also “deepen cooperation in the foreign policy sphere, [and] develop interaction to ensure security in the region and in the world,” their statement said. The next day, Nazarbayev joined the other two for an energy summit held in the Caspian Sea port of Turkmenbashi. It is perhaps ironic that this city, named for the title (leader of the Turkmen) of President Saparmurat Niyazov, who died in December 2006, was the site of a meeting which broke with tendencies which could be seen as xenophobic, and brought Turkmenistan into an important regional agreement. The three countries agreed May 12 to build a new gas pipeline along the Caspian Sea, and to upgrade the old facilities for transporting gas and oil from Central Asia via Russia, to Europe. Turkmenistan, strategically located on the east bank of the Caspian Sea, and bordering Iran, has some 22 trillion cubic meters of natural gas reserves, fifth-highest in the world.

The final agreement on the new project will be signed on Sept. 1; construction should begin in late 2008. Previously, on May 9, President Islam Karimov of Uzbekistan had signed the agreement on refurbishing the existing pipelines. The new pipeline will start in Turkmenistan, run up the Kazak Caspian coast and into Russia. Putin said in Turkmenbashi, that it will be possible to increase gas shipments by 12 billion cubic meters by 2012. Both Kazakhstan and Turkmenistan are also interested in the proposed Trans-Caspian pipeline project, via the Southern Caucasus.

Also on May 12, the Presidents of Poland, Azerbaijan, Georgia, Lithuania, and Ukraine, and the Deputy Energy Minister of Kazakhstan met in Krakow, Poland. The theme of this meeting was how to decrease energy “dependence” upon Russia. Nazarbayev had been invited as the principal guest, but sent a deputy, making his priorities clear. The Krakow meeting put out a resolution on energy security, which called for extending the Ukrainian-Polish Odessa-Brody oil pipeline to Gdansk and Plock in Poland, and other projects to set up a South Caucasus energy corridor which avoids transit through Russia. More will be discussed in Lithuania in October, but little more was accomplished.

Links to Eurasia

President Berdimukhammedov made another important proposal at Turkmenbashi, to build a proposed north-south rail link along the east coast of the Caspian Sea, which will become the first direct rail link between Turkmenistan to Kazakhstan. The most likely route would run 443 km from Turkmenbashi to Yeraliyevo, on the Kazak coast, which is already connected to Orenburg in Russia. Berdimukhammedov met Nazarbayev again, in Astana, on May 29, and the two Central Asian leaders also proposed to complete reconstruction of the existing Turkmenbashi-Astrakhan highway.

Both transport projects have big implications. Kazak Transport and Communications Minister Serik Akhmetov announced from Astana May 2 that his country is planning to develop a highway transport corridor to connect “West China to Western Europe.” Akhmetov called it a “breakthrough project” designed “to make the most of the country’s transit potential,” which would reduce shipping time for China from 45 days by sea, to just 11 days by land.

The new rail line will also be a Eurasian link. Berdimukhammedov made clear. He said that the rail line could be extended south, “if the Iranian side is interested,” to Gorgan in northern Iran, thus “linking the railways of Russia, Kazakhstan, Turkmenistan, and Iran and providing access to Turkey and the Persian Gulf countries.” In 1996, Turkmenistan and Iran finished their first rail link, which was the historic first rail line from Central Asia to Southwest Asia, by connecting Mashad in northern Iran to Ashkabad. Kazakhstan already has a rail link to China—the famous Second Euro-Asian Continental Bridge—and is building a second, more advanced connection now. Iran is also finishing a rail link to Pakistan, which will be the first rail line between the Indian Subcontinent and the rest of Eurasia.