

**IRAN AND CASPIAN SEA:
POLITICS, TRANSPORTATION
AND ENERGY LINKAGES**

**Abbas Maleki
University of
Mazandaran,
Babolsar
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INTRODUCTION

Regionalism

Caspian Sea Legal Regime

Iran and Caspian Sea

Energy

Recommendations

TWO PARADOXES OF REGIONALISM

Decision Making

National Sovereignty Rights

vs.

Regional Decision Making

Culture

Cultural Diversifications

vs.

Common Values

HISTORY

The 19th and the 20th century can well be described as centuries of **nationalism and imperialism.**

In contrast, the 21st century could become the century of **regionalism** .

FEW REGIONAL ORGANIZATIONS

African Union (AU)

Organization of American States (OAS)

European Union (EU)

Association of South East Asian Nations (ASEAN)

Organization for Security and Cooperation in Europe (OSCE)

Organization of the Islamic Conference (OIC)

The Pacific Islands Forum (PIF)

Gulf Cooperation Council (GCC)

Economic Cooperation Organization (ECO)

WEAKNESSES OF REGIONAL ORGANIZATIONS

Lack of common values

Contested Sovereignty

Overlapping Responsibilities

Lack of Capacity

Dominant Regional Powers

IRAN'S REGIONAL FOREIGN POLICY

Iranian regional foreign policy is remarkably **pragmatic**

Iran's core foreign policy concerns:

- Regional hegemony
- An extension of the sphere of influence
- Regional stability
- Ease its energy security
- To see Iraq unified but unable to pose a military threat
- To deal with US as rival but from remote not in near abroad

MAIN ISSUES IN THE CASPIAN REGION:

Environment

Transportation

Fishery

Aviation

Seabed Resources

Pipelines

Military presence

SOURCES OF INSTABILITY AND INSECURITY FOR IRAN IN THE CASPIAN

- Radical approaches to Islam
- Lack of sustainable economic development
- Corruption
- Policies of dominated powers in the region
- Ethnic violence
- Great Power conflicts
- Drug trafficking
- Militarization of the Caspian Basin
- Property Rights Disputes over Caspian Sea Resources
- Environmental Aspects

CASPIAN LEGAL REGIME

Was there ever a Soviet–Iranian Regime?

Treaty of Friendship between Iran and the Russian Soviet Socialist Republic, 1921:

Caspian legal regime as Condominium

Agreement on Navigation and Trade between Iran and the Soviet Union, 1940:

This lake is named as the Common Sea of Iran and Soviet

CASPIAN BOUNDARIES AND LEGAL EFFECTS OF STATE SUCCESSION

- ▶ **Azerbaijan:** Division with reference to divided Caspian during Soviet era
- ▶ **Kazakhstan:** Division based on the third United Nations Convention on the Law of the Seas (UNCLOS)
- ▶ **Russia:** Dual regime:
 - Division of Seabed
 - Common on Surface
(Condominium)
- ▶ **Turkmenistan:** Territorial zone 45 miles,
Compromise between positions of Russia and Iran

CASPIAN LEGAL REGIME

Applicability of the UNCLOS to the Caspian:

▶ *Lake:*

- Excludes bodies of water that have no outlet to another sea or ocean (Article 122)
- None of the littoral states are parties to the UNCLOS
- Caspian contains Continental Shelf or Depression?
- Navigation rights to non-littoral states?
- Transit Passage?
- **But littoral states can benefit from equity and proportionality considerations in the UNCLOS**

▶ Tools of delimitation by the UNCLOS are practical

- 5 littoral states have full sovereignty, exclusive control of air space and subsoil (over 24 miles),
EEZ with the right to explore for hydrocarbons and living resources

IRAN

1992-1997: Condominium, Creation of Caspian Cooperation Organization (CASCO)

1997-2000: Division of Caspian into 5 equal parts.

2000-2005: Division, Iran asks only for 20%

2007:

- 1921 and 1940 accords are still valid

- The best system for the Caspian is Condominium

- If other states wish to divide the Caspian, Iran requires 20%

- Rejection of dual regime, division of seabed and common on surface.

- The sectored agreements are appreciated

2008:

- Dual regime should be recognized

- Iran-Soviet Agreements had been dead (Kz)

DIFFERENT SHARE OF IRAN IN THE CASPIAN

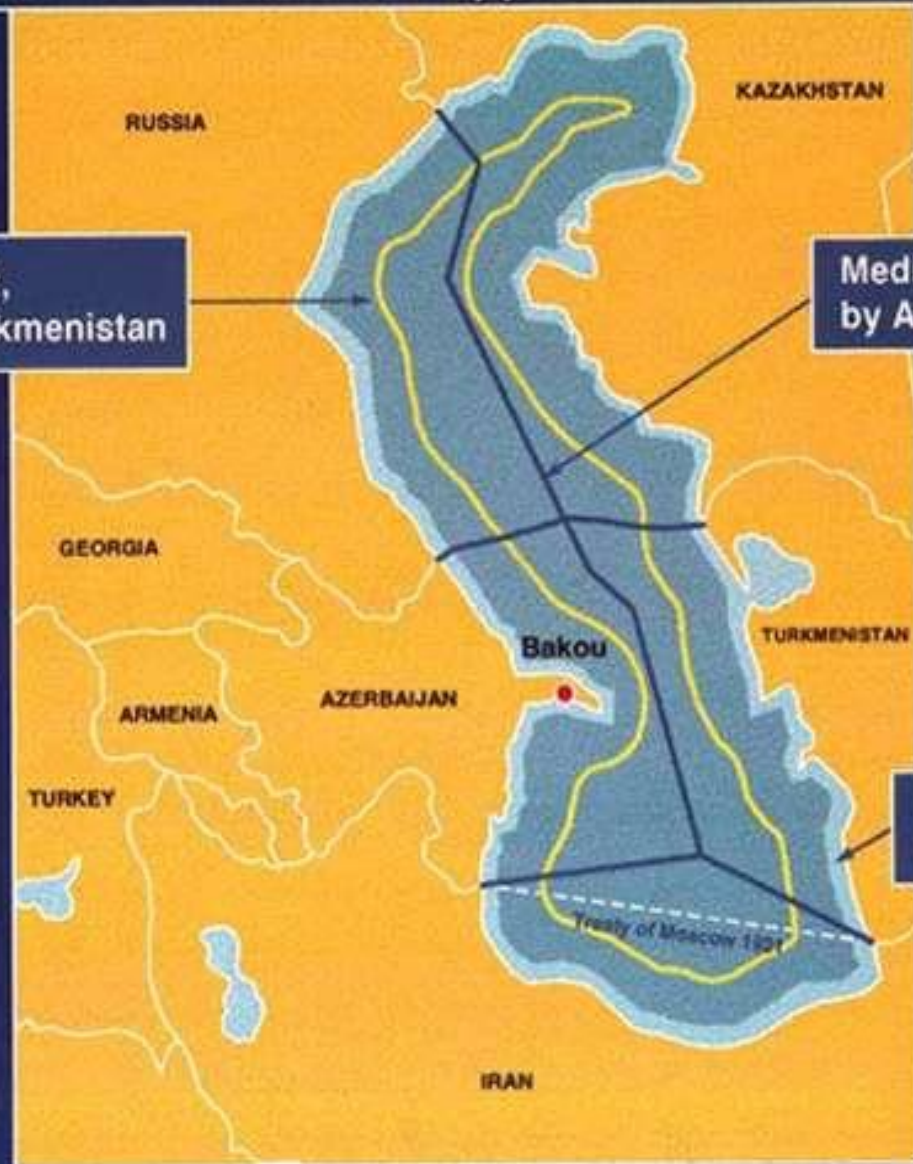
Azerbaijan approach: Iran receives only 11% of entire Caspian, Soviet Oil and Gas Maps

Kazakhstan approach: Iran receives 13.6%, Median line

Iran approach: 20%, division to 5 portions

CASPIAN SEA BORDERS

Classical approaches

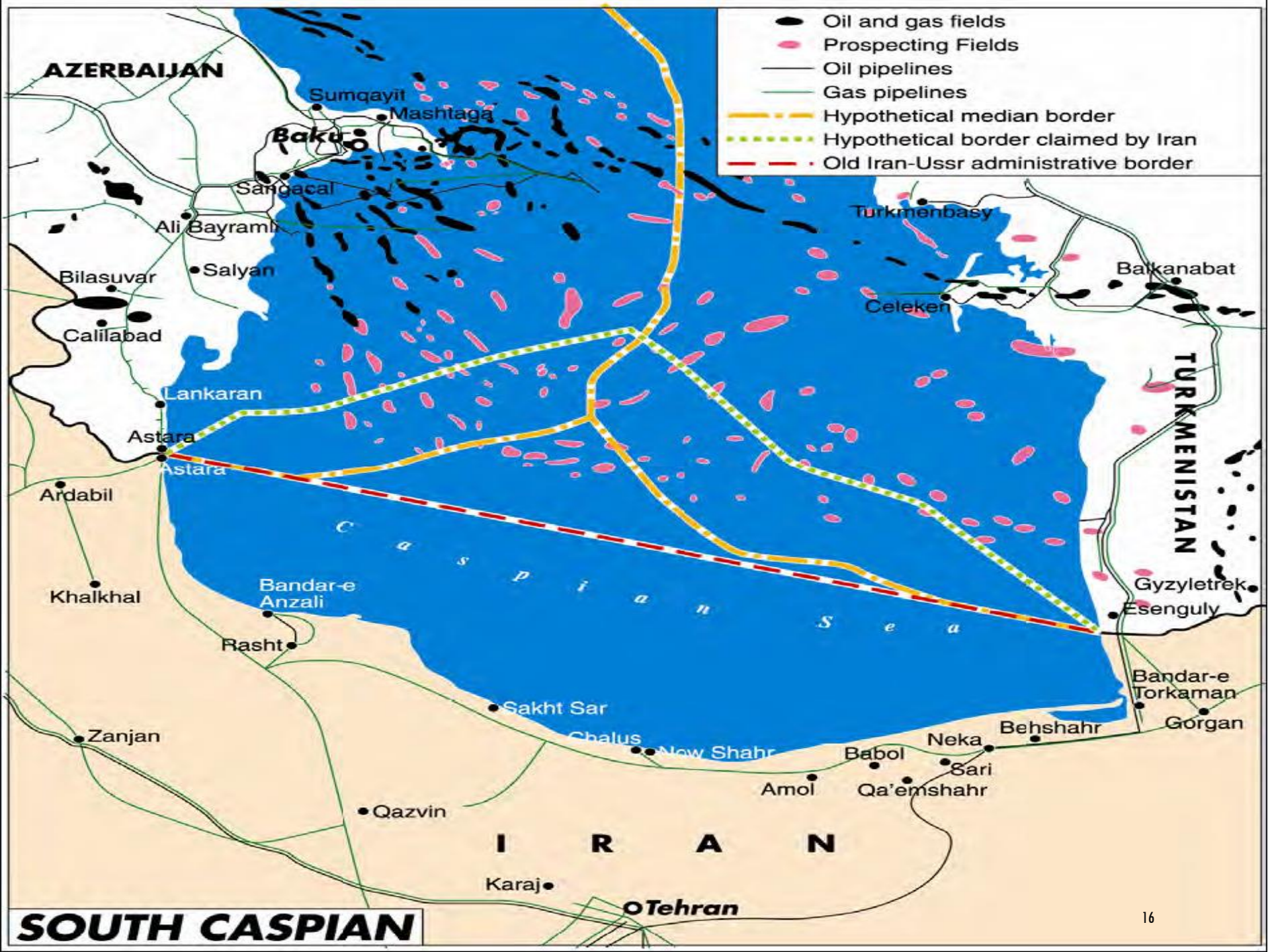


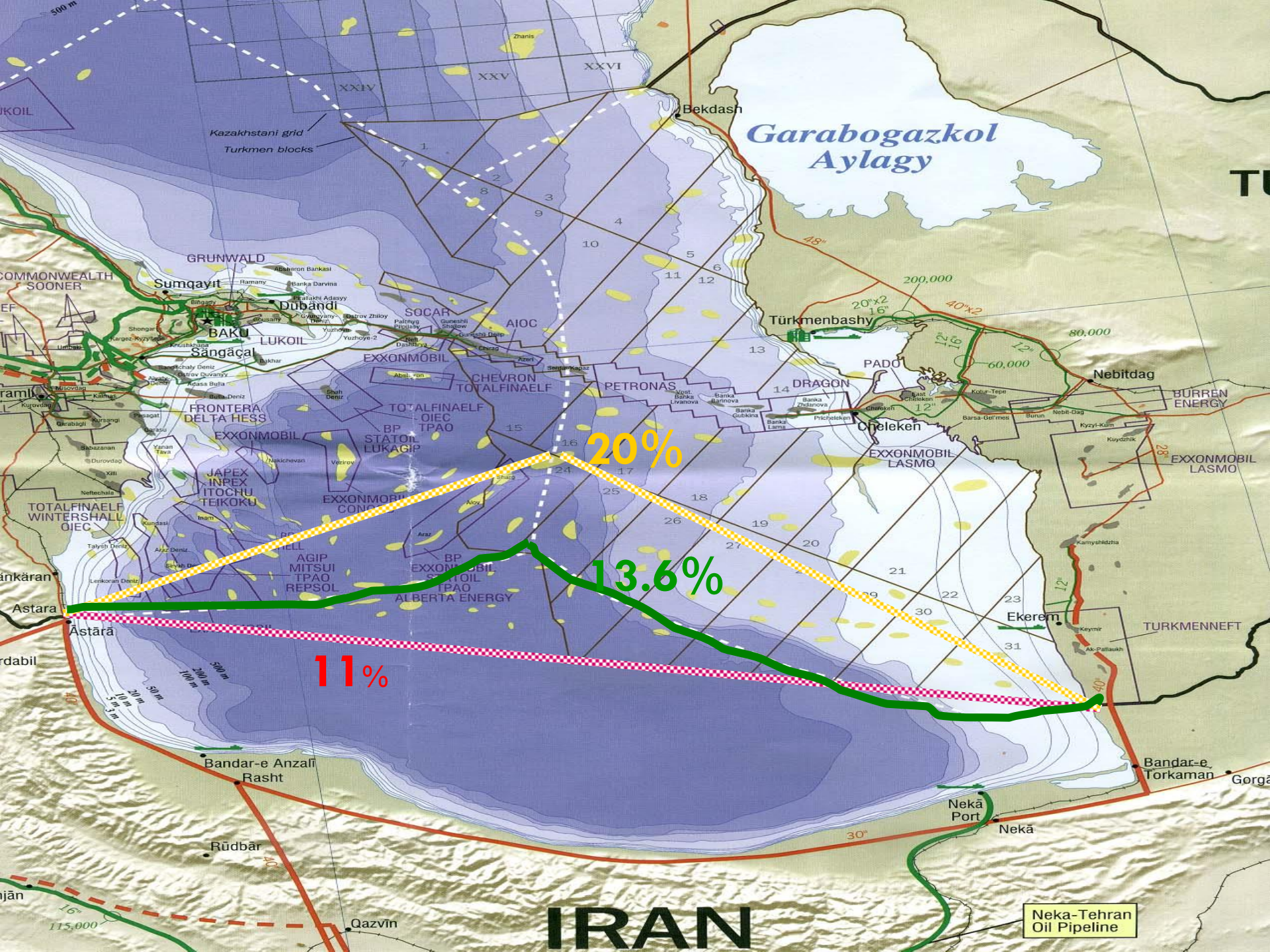
45 nautic miles limit,
as proposed by Turkmenistan

Median line as proposed
by Azerbaijān

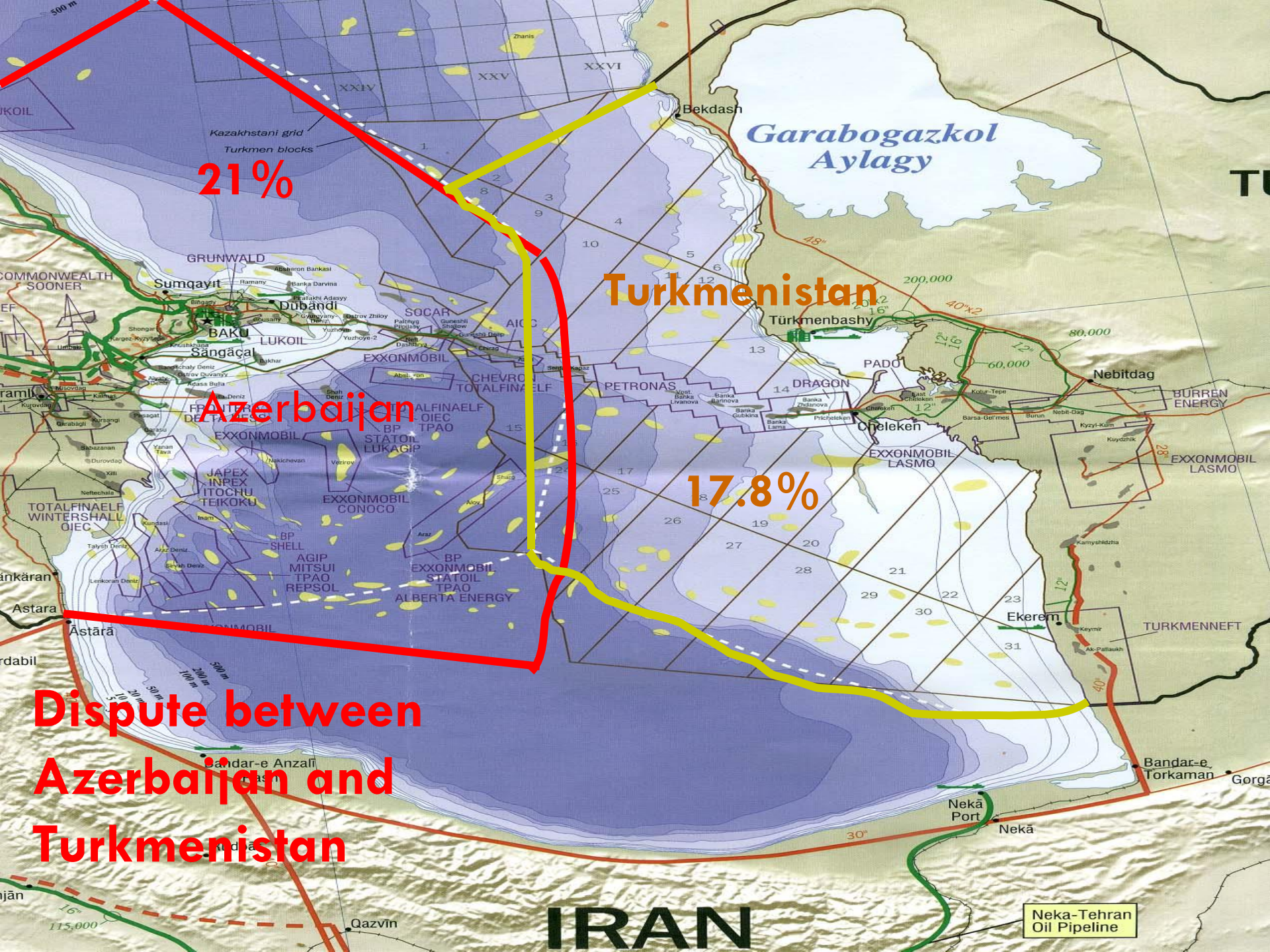
Coastal border line,
as proposed by Russia

On July 6, 1998,
Russia and Kasakhstan
agreed on the principle
of the delimitation of
national zones in
northern Caspian Sea.
Iran rejected it





Neka-Teheran Oil Pipeline



21%

Turkmenistan

17.8%

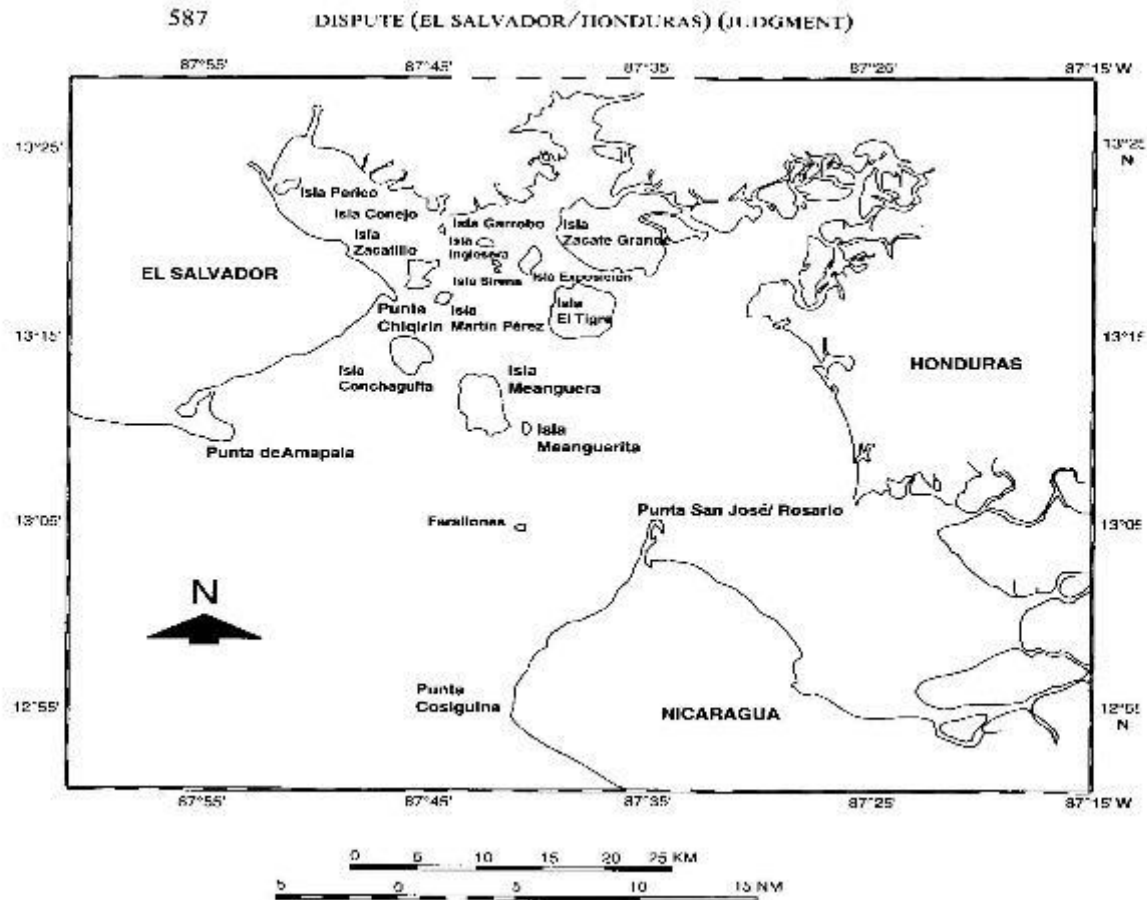
Azerbaijan

Dispute between
Azerbaijan and
Turkmenistan

IRAN

Neka-Teheran
Oil Pipeline

THE GULF OF FONSECA: CASE FOR CASPIAN



THE GULF OF FONSECA

Since 1854 until 1986: negotiations and a war.

In 1986 Special Agreement (El Salvador – Honduras).

The ICJ was asked to address three issues:

- a) Dispute over land boundary
- b) Legal situation of the islands
- c) Legal situation of the maritime spaces

LEGAL SITUATION OF THE MARITIME SPACES.

- The Gulf of Fonseca
- The waters outside the Gulf
- Role of the ICJ: To delimit or not

SUBMISSIONS BY THE PARTIES AND THE INTERVENING STATE

El Salvador:

The Chamber has no jurisdiction to effect any delimitation of the maritime spaces.

The waters are subject to a *condominium* in favor of the three coastal States of the Gulf. The delimitation is thus inappropriate.

SUBMISSIONS BY THE PARTIES AND THE INTERVENING STATE

Honduras:

Sought the delimitation inside and outside the Gulf.

Within the Gulf there is a ***community of interests*** which both permits and necessitates a judicial delimitation.

WHAT IS THE LEGAL NATURE OF THE GULF OF FONSECA?

Due to its geographical dimensions= Juridical bay

If single-State bay= Internal waters

But: GoF considered as an “Historic bay”

Internal waters NOT= Historic bay

HISTORIC WATERS

“... are usually meant waters which are treated as internal waters but which would not have that character were it not for the existence of an historic title” *Fisheries Case (Norway v. UK)*

HOWEVER:

“...general international law...does not provide for a single “régime” for “historic waters”...but for a particular régime for each of the concrete, recognized cases of “historic waters” (*Continental Shelf Case (Tunisia v. Libyan Arab Jamahiriya)*)

WHAT IS THE PARTICULAR HISTORY OF THE GULF OF FONSECA?

Discovered in 1522

Continuous and peaceful sovereignty of Spain

Single-State bay

1821-1839: under the sway of the Federal Republic of Central America

What was its legal status after the succession in 1821?

WHAT IS THE PARTICULAR HISTORY OF THE GULF OF FONSECA? (2)

El Salvador v. Nicaragua/ Central American Court of Justice (1917)= inquired about geography and history:

- *“...it is a historic bay possessed of the characteristics of a closed-sea...”*

If all bordering States act jointly to claim historic title to the bay = all enjoy sovereignty.

Problem: Specific character of this sovereignty?

WHAT IS THE PARTICULAR HISTORY OF THE GULF OF FONSECA? (3)

The Court decided:

Gulf of Fonseca = historic bays = exclusive property of El Salvador, Honduras and Nicaragua.

The three States = co-owners of its waters

THUS

The essence of the 1917 Court decision: The legal status of the Gulf of Fonseca = *Condominium*

HONDURAS

Honduras: against the *condominium*

Proposes instead:

“*community of interests*” = common legal right = perfect equality for all riparian States

BUT...

EL SALVADOR

Condominium: almost juridical embodiment of “community of interests”.

Honduras stressed: *condominium* NOT *communauté de patrimoines*

Not only permits but needs of delimitation

El Salvador: not opposing delimitation. A decision on the legal status of the Gulf waters is an essential prerequisite to the process of delimitation.

PAST MULTILATERAL EFFORTS TO SOLVE THE CASPIAN LEGAL REGIME PROBLEMS:

Summits among littoral states' leaders:

- Tehran 1992
- Ashgabat 2003
- Tehran 2007
- Astrakhan, 2014

Ministerial Level:

- Tehran 1992
- Ashgabat 1995
- Moscow 2004
- Tehran 2007
- Astrakhan 2014

WORKING GROUP MEETINGS

- ▶ Working Groups and the representatives level are preparing a document on the Caspian legal regime which 5 states have agreed to
- ▶ Most of the articles had been accepted except:
 - Demarcation of the South Caspian
 - Division of seabed in the South
 - Trans Caspian pipelines
 - Military activities
 - 1st: Almaty 1994
 - 42th: Astana, 2015

PROPERTY RIGHTS DISPUTES OVER CASPIAN SEA RESOURCES ARE A FACT BUT...

The Convention on Environment was signed in November 2003 in Tehran

There is consensus over transportation as stated in the 1940 agreement

There are different agreements on species of the Caspian - 50% of sturgeon trade is for Iran

There have been rounds of negotiations among littoral states

There have been several bilateral and trilateral discussions

DEMILITARIZED CASPIAN

Military presence in the Caspian with non-littoral states' flags was not recognized by the 1921 and 1940 Accords

Iran has proposed the demilitarization of the Caspian

Iran also protested the BP oil exploration ship in July 2001

NEKA-RAY CAPACITY (BARRELS PER DAY)

First Phase: 40,000

Second Phase: 170,000

Third Phase: 370,000

Fourth Phase: 500,000

NEKA-RAY PIPELINE SPECIFICATIONS

Length: 312 km

Diameter: 32 inches

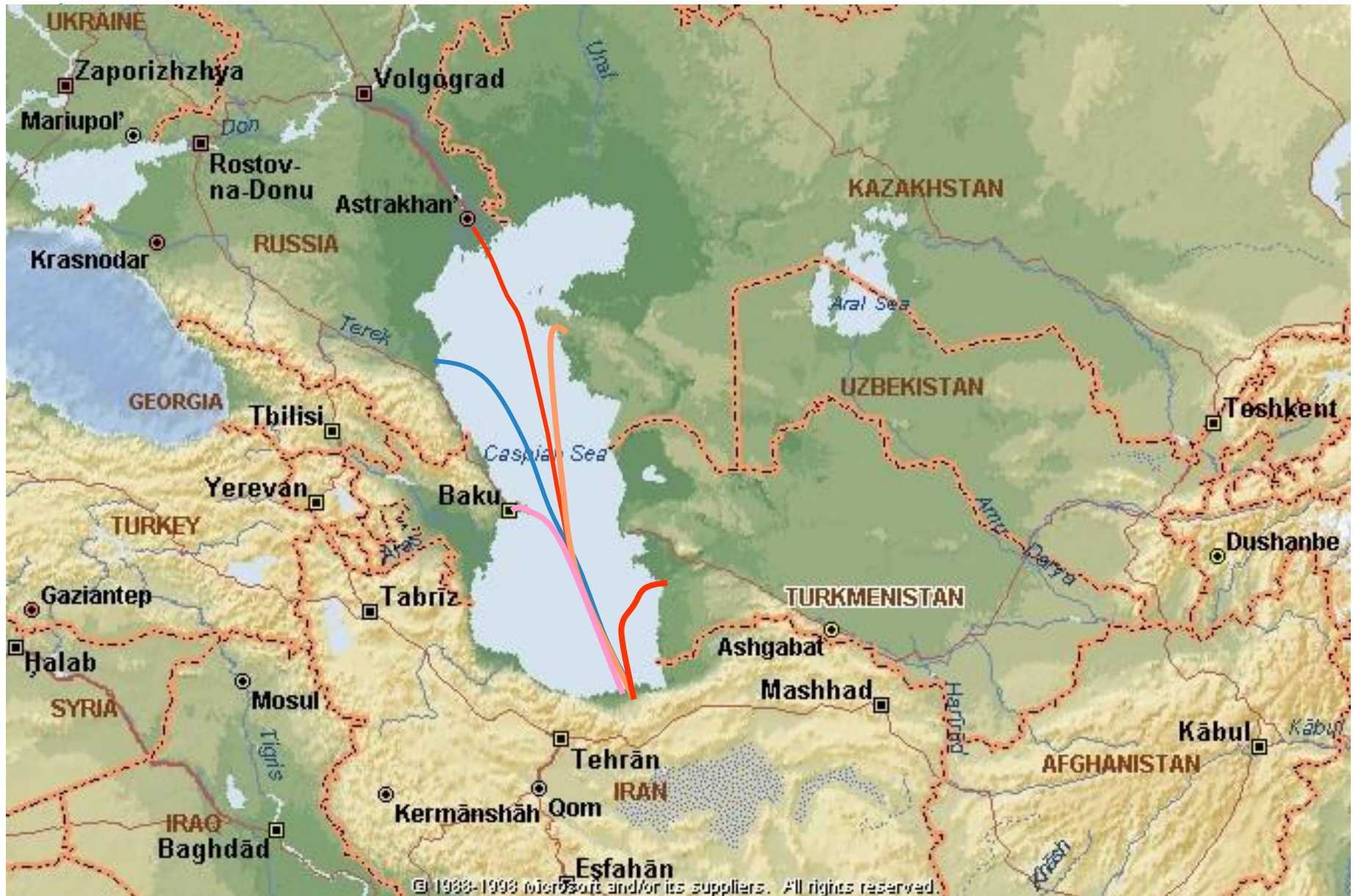
Ecological Situation of the pipeline's location:

- Forest regions: 42 km

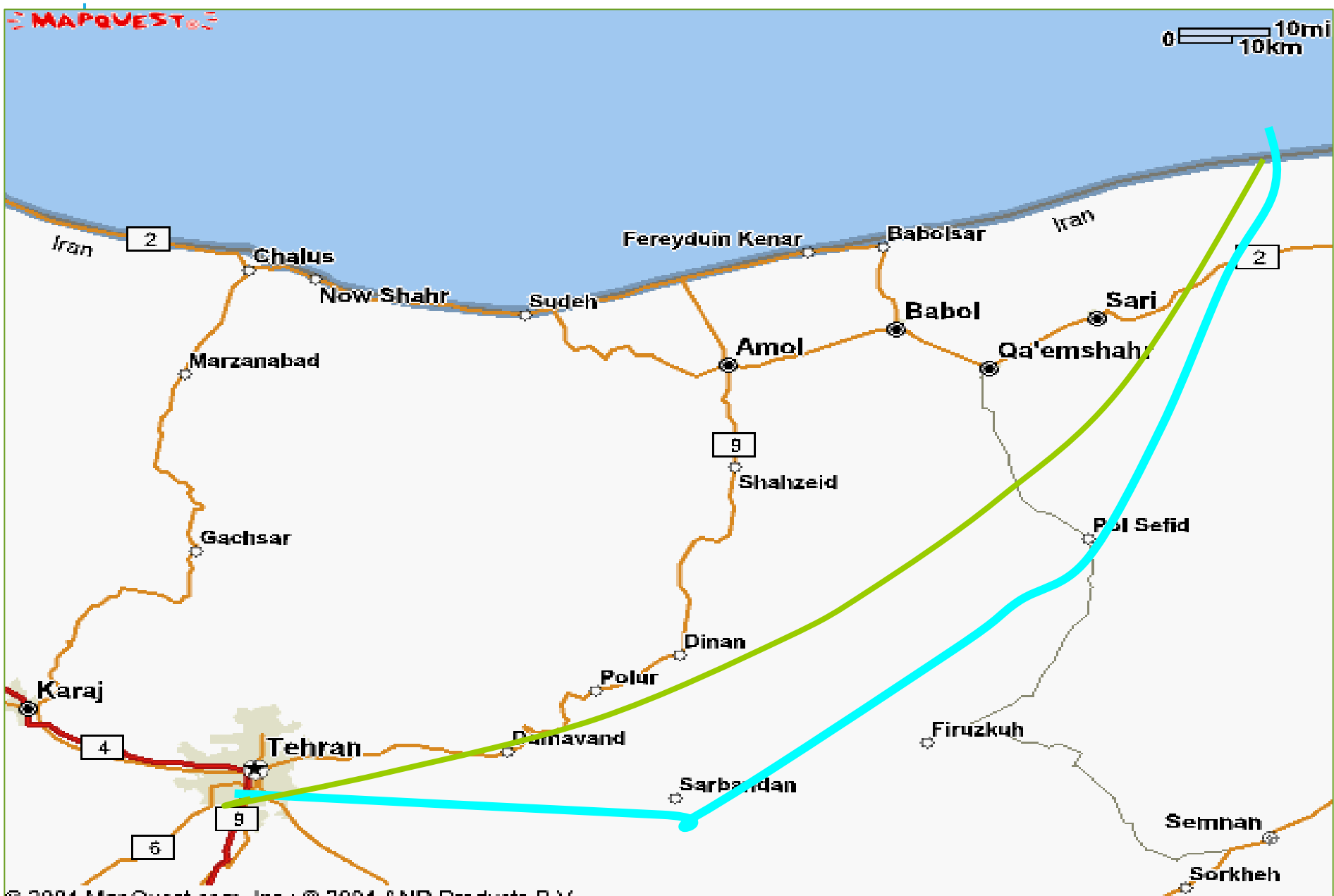
- Mountainous regions: 114 km

- Agricultural regions: 156 km

CASPIAN OIL TERMINALS AND NEKA



OLD AND NEW NEKA-RAY PIPELINE





Thank you

maleki@sharif.edu