



Image/Press Tv

Sunday marked the signing of a historic deal between Russia, Iran, Azerbaijan, Kazakhstan, and Turkmenistan over the legal status of the Caspian Sea, which has been a matter that has undergone constant dispute and deliberation for more than two decades.

The leaders of the five disputing nations had formally assembled in the Kazakh port city of Aktau to sign the convention which would formally put an end to some of the legal status disputes. However, in the statements made by the leaders before the official signing took place, no details or provisions of the convention were let out or hinted towards.

The convention in itself, on the other hand, addressed the issue of fairly dividing specific parts of the Caspian Sea to ensure each country to get a share of the large oil and gas resources available, facilitating the construction of more pipeline and energy projects from each country. However, legally drawing territorial borders on the seabed is the primary cause for the disputes. International policy experts believe that further multilateral agreements are still required to remove the legal ambiguity that looms over the issue.

Some countries have already proceeded with the setting up of energy projects in the region, such as the Kashagan oil field near the Kazakhstan coast. However, further expansion of current projects or the further introduction of newer projects remains uncertain due to the disputes between the five littoral countries. Hence the signing of the convention on Sunday was embraced with optimism from the leaders but the issue regarding the legal territory of the seabed still remains at large.

Iranian President Hassan Rouhani, however, still felt that the signing of the current convention does not mark the end to the disputed territory and further deliberations are still desired to gain further clarity to the problem. Moscow, on the other hand, currently have raised no further issues regarding territorial possession but have objected to the construction of a natural gas pipeline project that would facilitate the passage of Turkmen gas to bypass Russian territory and make its way into the rest of Europe.

It remains unclear even after the deal whether the totality of the issue has been addressed and whether it would clear the way for future pipeline projects. Kazakh President Nursultan

Nazarbayev interpreted the document saying that it permitted the construction of future projects provided the standards laid down for environmental protection were met.

Representatives of the well-known energy consultancy Wood Mackenzie indicated that while the signing of the document was certainly something unprecedented the immediate benefits or positive implications for the same would be very limited in nature. However, if the legal dispute is out of the way, projects in the Caspian, especially Southern Caspian seem promising as per the firm.

Another factor that needs to be considered by all the parties is that since the current production output of the region is almost a staggering 2 million barrels of oil a day, the further extension in output once the dispute is cleared will not be a visible increase. As per Wood Mackenzie, the scale of the projects that exist or will exist in the future in the disputed seabeds, is far inferior to the size of other existing super-giant fields in Azerbaijan and Kazakhstan.

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