



LEGAL STATUS OF THE CASPIAN BASIN REGION: IMPLICATIONS FOR THE SECURITY ENVIRONMENT AND ENERGY INFRASTRUCTURE IMPLEMENTATION

STAN PRAWNY REGIONU BASENU MORZA KASPIJSKIEGO –
IMPLIKACJE DLA ŚRODOWISKA BEZPIECZEŃSTWA
I WDRAŻANIA INFRASTRUKTURY ENERGETYCZNEJ

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— ABSTRACT —

The aim of the study is to analyze the specifics of the relations between Caspian states in the context of the legal status of the Caspian Basin. The Caspian region includes Russia, Azerbaijan, Iran, Turkmenistan, and Kazakhstan. The implementation of the research problem will be possible thanks to a comprehensive analysis of the decision-making process in the legal perspective of the Caspian Basin. The subject of the study is thus the evolution and concepts of the problem of the legal status of the Basin before and after the Cold War. An important element of the study is the Convention regulating the legal status of the Caspian Sea and its consequences for the international relations in the Caspian region.

Keywords: Caspian region; Caspian Convention; legal status of the Caspian basin

— ABSTRAKT —

Celem opracowania jest analiza specyfiki stosunków między państwami kaspijskimi w kontekście stanu prawnego basenu kaspijskiego. Region kaspijski obejmuje Rosję, Azerbejdżan, Iran, Turkmenistan i Kazachstan. Realizacja problemu badawczego będzie możliwa dzięki kompleksowej analizie procesu decyzyjnego oraz perspektywy prawnej statusu basenu kaspijskiego. Tematem opracowania są tym samym ewolucja i koncepcje problemu stanu prawnego basenu kaspijskiego przed zimną wojną i po niej. Ważnym elementem opracowania jest Konwencja regulująca status prawny Morza Kaspijskiego i jej konsekwencje dla stosunków międzynarodowych w regionie kaspijskim.

Słowa kluczowe: region kaspijski; konwencja kaspijska; status prawny basenu regionu kaspijskiego

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INTRODUCTION

The Caspian Sea (Azeri: *Xəzər dənizi*, Persian: یایردنار دَنزَام or یایردرزخ, Russian: Каспийское море, Kazakh: Каспийтеізі, Turkmen: *Hazar deňzi*) is the world's largest enclosed saline marine reservoir (Bajrektarevic & Posega, 2016, pp. 237–264). The total length of the coastline is nearly 7,000 km. The Caspian Sea is not directly connected to the ocean; it is connected to the Black Sea via the Volga River and other minor rivers (Mehdiyoun, 2000, p. 3; Newman, 2008, p. 93). The controversy over whether the Caspian Sea is a sea or a lake could be resolved by considering the hydrological specificity of the reservoir. The northern part of the basin is a shallow lake fed by water from Europe's largest river, the Volga River, as well as the Ural River and other minor Russian rivers. Its southern part, on the other hand, consists of deep water without river tributaries and with a high level of salinity, which meets the criteria of a sea.

The Caspian Sea is a strategic body of water, which plays an important role in terms of diversifying the supply of raw materials to the global market. The Trans-Caspian pipeline project, connecting Türkmenbaşy in Turkmenistan with Baku in Azerbaijan, is currently a challenge to energy security in the Caspian region and Europe, but its implementation depends on the willingness of the two countries to cooperate and on the legal possibilities of regulating the status of the Caspian Sea (Contessi, 2017).

The first legal regulations on the status of the Caspian Basin were formulated in 1921 and 1940 between Soviet Russia/USSR and Persia/Iran. Based on these agreements, it was defined as "Soviet-Iranian Sea" (Cutler, 2019). None of the treaties included boundaries for shipping or rules for exploiting energy resources. The only geographic criterion defining the ability to exploit resources was the right to fish in the coastal zone of up to 10 nautical miles. However, the area was not strictly defined as a fishing zone or as a territorial sea. In 1950, the Soviet Union delimited individual sectors of the Caspian Basin remaining under the jurisdiction of specific republics, with the proviso that the Soviet administration was to exercise control over the exploitation of raw materials. This division was therefore irrelevant to post-Soviet solutions. This is because, at that time, the formal coastal states of the Caspian Basin were the USSR and Iran (Cutler, 2019). In the 1970s, the Soviet Ministry of Oil and Gas divided its part of the basin into four zones belonging to the coastal republics of Azerbaijan, Kazakhstan, Russia, and Turkmenistan (Grison, 2013). Further modifications to the legal status of the Caspian Basin followed after the disintegration of the USSR. Although the

Alma-Ata Protocol in 1991 established that treaties signed during the Soviet era would be maintained, the newly formed coastal states did not approve of this solution and sought to impose a new division of the basin and to obtain access to its resources.

The possibilities of extracting energy resources were restricted by the unclear legal situation (Abilov, 2015, pp. 23–30). Given these circumstances, the Caspian states signed bilateral and multilateral agreements on the division of the reservoir and the exploitation of resources. For example, in 1997, Kazakhstan signed an agreement with Turkmenistan. In 2001 and 2003, Azerbaijan entered into agreements with Russia and Kazakhstan. Iran refused to recognise any bilateral agreements reached by other states on this matter. Thus, the southern part of the Caspian Basin, which has the largest reserves of raw materials, became the most unstable and problematic area (Grison, 2013). This led to the creation of a dual system of division in the region. The northern part of the basin was divided on the basis of an agreement reached by Russia, Azerbaijan, and Kazakhstan in 2003. At the same time, the status of its southern part remained unregulated. It turned out that the largest raw material reserves remained outside of the territory of Russia, which initially sought to establish a consortium that would exploit resources in the Caspian Basin on equal terms. However, the post-Soviet states opted for dividing this reservoir into national zones. Iran, on the other hand, opted for dividing it equally among all coastal states (Islamova, 2015, pp. 484–489). Rejecting all agreements, it sought to establish a system of joint use of the Caspian Sea. The situation was further complicated by territorial disputes between Azerbaijan and Turkmenistan, and between Azerbaijan and Iran (Contessi, 2017).

The study verified the research hypothesis that the evolution of the problem of the legal status of the Caspian Basin is closely related to the security environment in the Caspian region and the possibility of exploiting this area in the energy dimension. The methodological framework of the conducted research included research methods appropriate to the science of international relations. The factor method was useful in identifying the determinants of the evolution of the Caspian Basin legal status. The prognostic analysis turned out to be helpful in the part of the thesis on the prospects for the development of international relations after the signing of the Caspian Convention. Research techniques useful in scientific activities include the analysis of literature and documents.

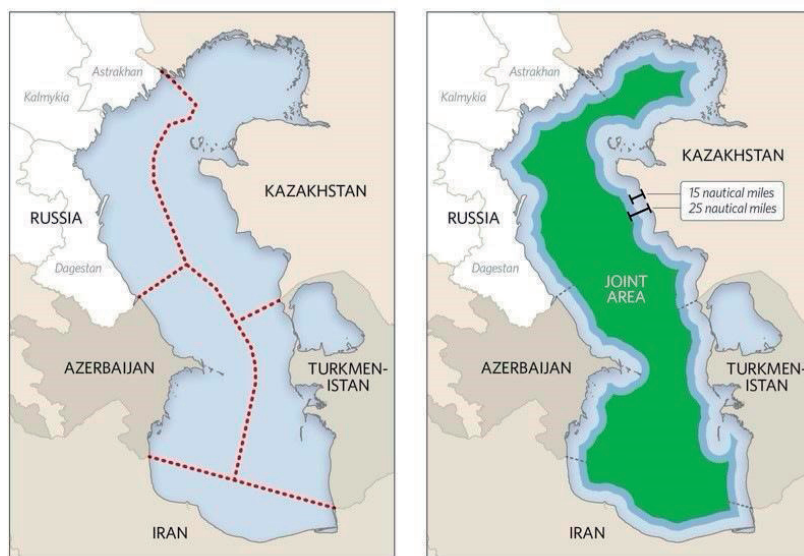
THE LEGAL STATUS OF THE CASPIAN BASIN AFTER THE COLLAPSE OF
THE SOVIET UNION

Following the collapse of the Soviet Union, the new Caspian states of Azerbaijan, Kazakhstan, and Turkmenistan began to pursue their economic interests in the Caspian Sea. Summits of Caspian coastal states were held, however, they did not bring the final settlement of the basin's legal status (Grison, 2013). A dispute over its division arose. The controversial question was "whether it was a sea, where exploitation zones were determined according to the United Nations Convention on the Law of the Sea, or a lake, where each coastal state is entitled to an equal share" (Legucka, 2018). Since 1996, negotiations on the status of the Caspian Sea were conducted by Azerbaijan, Iran, Kazakhstan, Russia, and Turkmenistan. At the same time, these states were "pursuing the policy of accomplished facts and performed drills on territories which they regarded as their own, treating the basin either as a lake (Iran) or as a sea (the other countries)" (Legucka, 2018). The three legal models for regulating the status of the Caspian Sea included: joint use (defining the basin and its resources as a "common facility" for the coastal states), international sea (application of the Law of the Sea of 1958 and 1982), and internal lake (no state could take unilateral action regarding the exploitation of energy resources in the Caspian basin without the consent of all the other coastal states) (Cutler, 2019; Boban & Loncar, 2016).

Eventually, in 1994, Russia proposed that each coastal state be given 20 nautical miles as its "sphere of influence" and that a condominium (joint control) system be created (Cutler, 2019). Iran was the only state that supported this idea. Azerbaijan and Kazakhstan, as the countries with the largest raw material reserves in the region, did not approve of this solution. Russia changed its position on the matter in December 1996. It proposed a 45-nautical-mile exclusive economic zone for each coastal state and joint access to the central part of the basin, which would be under the control of an interstate commission responsible for issuing licenses for the exploitation of raw materials (Cutler, 2019). Russia also appealed to countries in the region to joint corporation that would exploit raw material reserves, and to adopt a common navigation law, joint management of fisheries and environmental protection. Iran supported Russia's proposal again. Azerbaijan opposed it, while Kazakhstan supported Azerbaijan in opposing the designation of national sectors, but agreed to cooperate in the areas of environmental protection, fisheries policy, and navigation.

In 1998, the presidents of Russia and Kazakhstan signed an agreement on the delimitation of national sectors. However, these provisions did not result in the signing of a common international treaty. Russia proposed to draw the boundary between sectors belonging to the two countries along the so-called centre line, running along the deepest canal between them (Cutler, 2019). However, the area is seismically active, which causes shifts in the bottom of the reservoir. Due to this, Kazakhstan refused to accept this solution. Consequently, Russia amended its proposal, suggesting a “revised centre line”. This method involved drawing a boundary between sectors controlled by coastal states by defining a line that would reflect an equal distance between the outermost coastal areas of each state (Map 1) (Cutler, 2019).

Between 1998 and 2000, Russia concluded bilateral agreements with Kazakhstan and Azerbaijan on the division of the Caspian basin along the modified centre line. In 2003, Russia, Kazakhstan, and Azerbaijan divided the northern part of the seabed and shelf of the Caspian Sea into national sectors. Iran rejected such a model because it only had 13–14% of the shelf. Tehran proposed a division used for border lakes, which would give each state a 20% share of the shelf (Legucka, 2018). At the same time, Tehran drilled boreholes in the Sardar-e Jangal field, to which Azerbaijan claimed rights. Azerbaijan, in turn, disputed



Map 1. The Division Methods of the Caspian Basin

Source: Eurasian Research Institute (n.d.).

with Turkmenistan over the exploitation of the Kyapaz, Azeri, and Chirag fields (or Serdar, Osman, and Omra in Turkmen terminology), located in the southern part of the Caspian Sea. Kazakhstan concluded an agreement on the division of the shelf with Turkmenistan in 2014 (entered into force in 2015) (Legucka, 2018). The most controversy over the division of the Caspian Sea remained between Azerbaijan, Iran, and Turkmenistan. The key issues to be decided were the principles for laying underwater pipelines and cables. So far such actions required the consent of all the coastal states, which often led to the blocking of projects unfavourable to Russia and Iran (Legucka, 2018).

In terms of the delimitation of state borders in the Caspian Sea, the 2010 Baku Summit was a breakthrough. It proposed division into zones of 25 miles long from the coastlines of individual states. Next, the summit in 2014 specified that each state had the right to jurisdiction over a zone of 15 nautical miles from the coast and the right to fish within 25 miles (Map 1). The waters outside this area were to be exploited jointly. This agreement regulated the access to the reservoir's waters, separating it from the exploitation of the bottom of the reservoir, and allocated most of the reservoir for joint use. Such a solution was in line with Russia's vision. Following President W. Putin, the agreement will eliminate "future misunderstandings and tensions over differing positions on Caspian waters" (Contessi, 2017).

An important part of the agreements between the coastal states was the peaceful use of the Caspian Sea. Pursuant to the provisions of the Tehran Declaration of 2007, all vessels operating in the Caspian Sea must be under the flag of coastal states. Under the Declaration, coastal states undertook not to use military force against one another and to prohibit the actions of third states from their territories against any coastal state (Art. 14–15). Then, at the Baku Summit in 2010, the Caspian basin was proclaimed the "Sea of Peace" (Contessi, 2017). Its signatories pledged to resolve all disputes by peaceful means and to renounce the use of force against any Caspian state. In addition, they reaffirmed their commitment not to make available their territories by third states to carry out hostile actions against any of the signatories of the agreement. The Astrakhan Summit in 2014 stressed that only commercial and military ships of coastal states might operate in the Caspian Sea, which would trust each other and respect their mutual interests. During the Summit, the Caspian states specified that their aim was to ensure "a stable military balance in the Caspian Sea" (Contessi, 2017). As part of mutual arrangements, the coastal states decided to regulate their presence and military activities based on the principles of mutual security,

limited to establishing military installations taking into account the interests of all parties and not threatening the security of any of them. Besides, Russia demonstrated initiative to create a collective security system in the Caspian region. Defence Minister S. Shoigu mentioned this concept during a visit to Baku after the Astrakhan Summit. He proposed to establish a security system based on the “council of naval fleet commanders and a five-party agreement on the prevention of incidents in the Caspian Sea and in the airspace above it” (Kucera, 2014). In connection with this concept, in July 2015, the commander of the Russian Navy, Admiral V. Chirkov, received in St. Petersburg delegations from Azerbaijan, Iran, and Kazakhstan. The purpose of the meeting was to discuss the creation of “a consultative body for all Caspian navies and a collective security system” (Kucera, 2015).

The issue of security of the Caspian Sea involved many contradictions. Firstly, there was the problem of Iran’s approach, as the country did not approve of any division of the basin that would grant the country less than 20% share in it. Thus, Tehran rejected all bilateral agreements on the status of the Caspian Sea, in the absence of any comprehensive treaty. Secondly, the rivalry over the question of where to draw the centre line, especially given the competition for access to strategic reserves of Kyapaz/Serdar, Azeri/Khazar, and Chirag/Osman. Azerbaijan claimed rights to these deposits under resolutions of the Soviet Ministry of Oil and Gas of 1970. Meanwhile, Turkmenistan disapproved of taking the outermost area of Azerbaijan, the Absheron Peninsula, into account when drawing the central line. In addition to that, Azerbaijan and Iran were in conflict over the Alborz/Alov field. This led to a display of force in the region. Thirdly, there is the prospect of the Trans-Caspian Gas Pipeline project, which would transport gas from Turkmenistan to Azerbaijan and which faces opposition from Russia and Iran (Contessi, 2017).

Eventually, in November 2014, Turkmenistan and Kazakhstan reached an agreement on the demarcation of borders on the bottom of the Caspian Sea. Their parliaments ratified the new maritime border in May 2015. The agreement in Article 3 ensures a full right of exploitation of the seabed, allowing for the possibility of laying cables and pipelines along specific national sectors. In October 2015, Russia and Kazakhstan revised their treaty of 1998 and expanded its wording to include the question of cooperation in the area of energy production (Levit, 2016). This solution could serve as a model for Azerbaijan, Turkmenistan, and Iran (Babayeva, 2016).

CONVENTION REGULATING THE LEGAL STATUS OF THE CASPIAN SEA

After 22 years of negotiations, during the Fifth Caspian Summit in Aktau, Kazakhstan, on August 12, 2018, Azerbaijan, Iran, Kazakhstan, Russia, and Turkmenistan signed the Convention regulating the legal status of the Caspian Sea (*Convention on the Legal Status of the Caspian Sea*, 2018). It was agreed that “the Caspian Sea is a closed body of water with special legal status” (Legucka, 2018). The character of the document is very general, as it contains no direct references to the UN Convention on the Law of the Sea, and its status has not been clearly specified, which may give rise to problems with its interpretation in the future (*United Nations Convention on the Law of the Sea*, 1982). The Convention sets out general rules for the division of the Caspian Basin but does not specify how to divide the seabed into national sectors. It merely states that “their delimitation will be based on an agreement between the Caspian states, taking into account generally recognised principles and norms of international law” (Legucka, 2018). The waters of the Caspian Sea are to be subject to regulations similar to the 1982 Convention on the Law of the Sea, which divided them into internal waters, territorial waters (up to 15 nautical miles), and fishing zones (up to 10 miles). The remaining waters and the biological resources of the basin shall be used jointly by the coastal states (Legucka, 2018).

One of the main obstacles in the negotiations on the adoption of the Convention were the differences of opinion on the division and exploitation of the bottom and waters of the Caspian Sea. The stake in the game are the raw material reserves in the basin, estimated at 8.3 trillion m³ of natural gas and 48 billion barrels of oil. The Caspian Sea Convention provides the basis for the division of the Caspian Basin floor, taking its resources into account (Cutler, 2019). The Caspian Sea is also of considerable importance for the fishing industry, e.g., 80–90% of the sturgeon caviar consumed in the world is obtained there (Legucka, 2018).

The Convention is a comprehensive solution, taking into account various areas of international cooperation, such as: security, environmental protection, navigation, fishing industry, and the construction of offshore pipelines and telecommunications infrastructure. It regulates the important issue of security in the Caspian region. All warships shall fly the flags of Caspian states (Legucka, 2018). Only these countries shall be permitted to build military ports. This provision was pushed by Russia and Iran. Their primary aim was to eliminate the risk of the presence of US forces in the region. This provision may lead to the

cancellation of the agreements on supplying US troops stationed in Afghanistan through the Caspian ports of Aktau and Kuryk, which were negotiated by the US and Kazakhstan (Marszewski, 2018).

Climate protection is an important aspect of cooperation under the Convention. According to studies on the environment of the Caspian Sea, the problems observed there include water level fluctuations, coastal degradation, lack of biodiversity, and environmental pollution (Firoozfar, Broomhead, & Dykes, 2012). The Tehran Convention (*Framework Convention on the Protection of the Marine Environment of the Caspian Sea*, 2003) laid out the basic principles for protecting the biological resources of the basin. It provided an institutional mechanism for the protection of the marine environment in the Caspian region and included four protocols:

- the Protocol for the Conservation of Biological Diversity (Biological Diversity) of May 2014;
- the Protocol for the Protection of the Caspian Sea against Pollution from Land-based Sources and as a Result of Land Activities of December 2012;
- the Protocol for Regional Preparedness, Response and Cooperation in Combating Oil Pollution Incidents of August 2011;
- the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo) (Bayramov, 2019).

By 2006, the Caspian states had ratified the Tehran Convention, which represented significant progress in mutual cooperation. The rapid ratification demonstrated the willingness of states to work together to protect the environment. All protocols were signed by coastal states. Thus, it should be emphasised that environmental cooperation provided the basis for regulating the status of the Caspian Sea (Bayramov, 2019).

The Caspian Convention does not specify whether it is a sea or a lake. State borders have not been determined, which will necessitate additional negotiations and agreements (Art. 8) (Bayramov, 2019). However, there is a risk that Iran and Russia may take advantage of the environmental provisions of the Convention (Art. 1, 11, 14, and 15) to block the exploitation of oil and gas fields (Anceschi, 2019, pp. 6–8). Some analysts have even argued that the two countries included these provisions in the Convention specifically in order to prevent the construction of a pipeline between Turkmenistan and Azerbaijan (Garibov, 2018; Gurbanov, 2018; Ismayilov, 2019). To quote A. Garibov: “Russia and Iran will take advantage of environmental issues to halt the progress of the project for at least two decades”, while the implementation of the Convention will “create condi-

tions for a wider debate on requirements and standards for pipelines” (Garibov, 2018, p. 193). L. Anceschi also made the argument that the Convention would allow Russia and Iran to use the new instrument to monitor any infrastructure projects which do not include them as participants (Anceschi, 2019, pp. 6–8). M. Ismayilov spoke in a similar vein: “Russia and Iran are using environmental norms to prevent the construction of the Trans-Caspian Gas Pipeline in the future” (Ismayilov, 2019, p. 9). All these opinions indicate that there is no difference between the situation that existed before the Convention was signed when the status of the Caspian Sea was unclear, and after. Russia and Iran benefited in both cases (Bayramov, 2019). At the same time, the quoted scholars do not address the question of how Azerbaijan, Kazakhstan, and Turkmenistan have adapted the environmental protocols of the Convention. They have also provided no justification why post-Soviet countries have signed the Convention, despite its being a tool in the hands of Russia and Iran. It is unclear, whether it was possible to regulate environmental issues differently, so that they would not be treated instrumentally by Russia and Iran (Bayramov, 2019).

The provision enabling the laying of pipelines and telecommunications cables on the seabed is crucial to the region’s energy security policy. Such a solution could result in the resumption of the work on infrastructure projects (the Trans-Caspian Pipeline). A principle was adopted, assuming that consent would be obtained only from that country through whose sector the infrastructure would pass (Legucka, 2018). The remaining coastal states would be informed about such activities. This formally eliminated the possibility of blocking the construction of pipelines. At the same time, the Convention stipulates that projects of this type must obtain the environmental consent of all states. This provided Russia and Iran with an instrument which will enable them to delay the construction of infrastructure that would be unfavourable from their point of view (Legucka, 2018).

The Convention is the result of a broad compromise. Russia yielded on the principle of laying underwater pipelines. This state is likely to strengthen its military presence in the basin and make it difficult for other Caspian partners to conduct military cooperation from the US or the PRC (Legucka, 2018). The beneficiaries of the Convention are Azerbaijan and Turkmenistan, which could build the Trans-Caspian Gas Pipeline after resolving disputes over the division of the seabed and obtaining EU financial support. The signed protocols are to promote further discussions on the implementation of the provisions of the Convention. The division of the basin bottom was the most problematic issue.

For many years, coastal states in the Caspian region have relied on “modified centre line” to identify their sectors in the Caspian basin. It allowed for the joint exploitation of oil and gas resources located near the borders between them. Details of the delimitation of individual sectors in the basin were not included in the provisions of the Convention. These issues will be governed by supplementary protocols (Cutler, 2019). The modified centre line enables the adjustment of boundaries.

However, in terms of relations between Azerbaijan and Iran, the two countries have finalised a bilateral agreement, which allows Iran to participate in the exploitation of resources in Azerbaijan’s sector. It did not specify the deposits concerned, however, they certainly included the Alov field, where Iran attacked a BP research vessel in 2001. At the same time, a similar agreement was made between Iran and Turkmenistan. Iran thus gained greater opportunities to engage in exploitation of the Caspian Sea. This prompted the country to sign the Convention. According to international law, Azerbaijan and Turkmenistan will not need the Convention to build a pipeline on the bottom of the Caspian Basin. However, the Convention currently guarantees such a right. It includes a provision that each coastal state has the right to lay pipes and cables on the bottom of the Caspian Sea within its sector. Article 14(3) specifies that states have the right to install such infrastructure across sectoral boundaries, without the need for third party consent. The sectors of Turkmenistan and Azerbaijan intersect roughly in the middle of the basin, however, the countries do not need consent to cooperate bilaterally on the construction of a common pipeline. Pursuant to Article 8(1) of the Convention, states may delimit boundaries between their sectors of the Caspian Sea, without requiring the approval of the other coastal states, in accordance with “generally recognised principles of international law” (Cutler, 2019). Azerbaijan and Turkmenistan could thus build a pipeline without officially delineating boundaries between their sectors. To do so, the states would only have to agree to implement a specific project.

Pursuant to Article 14(2) of the Caspian Sea Convention, any pipeline project would have to comply with international environmental agreements and refer to the 2018 Moscow Protocol of the Tehran Convention (*Protocols to the Tehran Convention*, n.d.). Moscow Protocol (Art. 10, 1a) provides that any decision to implement any infrastructure project must be made in accordance with its provisions. This means that no third country can use a unilateral veto on the implementation of such a project. Article 15 of the Moscow Protocol emphasises that “any conflict between parties to the agreement should be resolved in accordance

with the Tehran Convention” (Cutler, 2019). The parties to the agreement “shall resolve conflicts by consultation, negotiation, or by any other peaceful means consistent with their preferences” (Cutler, 2019). It is up to the parties involved to choose how to resolve the dispute. Thus, the other coastal states have no right to interfere in this matter. The Convention gives preference to regular consultations or diplomatic negotiations between the parties. It is worth mentioning here that, according to studies of the World Bank and the EU, the Trans-Caspian Gas Pipeline project will not have an adverse impact on the natural environment in the region. Therefore, the project is not inconsistent with the Tehran Convention. Thus, its implementation cannot be blocked on environmental grounds. The final decision on the implementation of such infrastructure will be made not by the five coastal states, but by the initiating states, which the Moscow Protocol refers to as “core parties” (Cutler, 2019).

According to A. Legucka, “the success of the negotiations is a result of the tightening of cooperation between Russia and Iran and the compromise between the remaining Caspian states” (2018). Although the division of the Caspian Sea has been regulated, there is no guarantee that disputes over its exploitation will end. Problems with interpreting the Convention may arise in the future, as it does not unambiguously resolve the maritime status of the basin (Legucka, 2018).

CONCLUDING REMARKS

Questions related to border demarcation, navigation, and contradictions concerning strategic issues, such as raw material transport routes, affect energy security in the Caspian region. Many transnational corporations have invested billions of dollars in oil and gas exploitation projects in the region. At the same time, unresolved legal status of the Caspian Basin cause investment risk. At the level of declarations, states view the Caspian region as a “sea of peace”, however, in practice, the area is a region of strategic play between states and a place where the armed forces of coastal states are stationed. If Russia renews its control over the Caspian region on the basis of a system of international agreements, it will become the main actor and beneficiary of the energy market formed by the region’s countries. Consequently, the situation in the Caspian region seems more unstable than during the collapse of the USSR.

The research hypothesis, that the evolution of the problem of the legal status of the Caspian Basin is closely related to the security environment in the Caspian

region and the possibility of exploiting this area in the energy dimension, was positively verified in the paper. The Caspian Convention deals with both security issues in the Caspian Basin and enables international cooperation in terms of implementing energy infrastructure projects. Both issues were crucial in the process of regulating the status of the Caspian basin since the dissolution of the Soviet Union.

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