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CIS:

Situation Report

The Russian Government has announced it will sponsor talks Monday between the Armenian and Azerbaijani Foreign Ministers, and Azerbaijan is planning to establish a military force.

Armenian-Azerbaijani Peace Talks Set

Russian Foreign Minister Kozyrev yesterday said Russia will sponsor talks between the Foreign Ministers of Armenia and Azerbaijan in Moscow on Monday. Significant results are not likely unless major compromises are offered by at least one side, which appears unlikely.

Azerbaijan Proposes Military Structure

Azerbaijan plans to establish a military force consisting of an army of 30,000, a tactical air division, and a coastal navy. Plans call for the transfer of military equipment as CIS forces withdraw from the state.

Comment: Azerbaijan will have enough to equip its military if it can obtain most of the materiel currently with CIS forces now stationed there. The proposed state military would be a major security threat to Armenians in Nagorno-Karabakh and Armenia and might lead to a major escalation in Azerbaijani-Armenian violence. Armenia almost certainly will increase efforts both to strengthen its security forces and to keep a CIS military presence in the region.



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**Armenia and Iran
Enhance Ties**

Armenian Foreign Minister Hovannisian and Iranian Foreign Minister Velayati in Tehran have agreed to establish full diplomatic relations, to increase bilateral trade—including Iranian natural gas sales to Armenia—and to open border crossings. Hovannisian also asked Iran to help mediate the Nagorno-Karabakh dispute. [REDACTED]

Comment: Ties to Iran will help Armenia offset increasing Turkish influence in the region, particularly in Azerbaijan, and will ease the effects of Azerbaijan's energy blockade. Armenia probably does not want Iran to play a major role in any negotiations, but it continues trying to internationalize the dispute. Tehran wants to expand its ties and influence in the Caucasus and Central Asia and is, to some extent, in competition with Turkey in the region. [REDACTED]