

Section 6

Russia, Central Asia and Caucasus

1 Russia

(1) Situation in Russia

A Internal Situation in Russia

On January 15, President Vladimir Putin appealed in his annual Address to the Federal Assembly for the need to amend the constitution in order to accomplish purposes such as a reform of state institutions. Prime Minister Dmitry Medvedev announced the intention of the Cabinet to resign en masse in order to realize such a constitutional amendment. On the following day President Putin appointed Mikhail Mishustin as the new prime minister, and the Mishustin Cabinet was inaugurated.

The work to amend the constitution began following his appointment, and federal and local parliaments approved an amendment bill in March. However, voting in the referendum on the bill scheduled for April was forced to be postponed due to the spread of the novel coronavirus disease (COVID-19). In addition, the military parade for the 75th anniversary of the victory of the Great Patriotic War (against Germany) scheduled for May 9 was also postponed but took place on June 24 with attending foreign leaders limited to some former Soviet Union countries. The postponed referendum on the constitutional amendment took place on July 1, and the revised constitution came into effect on July 4.

Regarding COVID-19, a new COVID-19 vaccine developed in Russian laboratories was approved in August ahead of other countries without waiting for the end of Phase 3 clinical trials. In December, nationwide vaccinations began.

B Russian Economy

Russia was forced to make hard decisions on balancing COVID-19 measures and the economy amid a sharp decline in crude oil prices for a period of time, upon which the Russian economy is highly dependent, due to a failure to reach joint cooperative production cuts at the OPEC Plus meeting in early March and the COVID-19 pandemic. The effects of the pandemic began to appear in economic statistics after April, and in 2020, economic growth declined for the first time since 2015 (Russian Federal State Statistic Service: -3.1%, preliminary figures). Unstable factors for the economy still remain, such as the continued sanctions on Russia by European countries and the U.S.

C Russian Diplomacy

Sanctions on Russia by European countries and the U.S. continued, although there was some practical cooperation between Russia and these countries, such as measures to counter COVID-19. Moreover, the G7 issued a foreign ministers' statement in September on the poisoning of Russian opposition figure, Alexey Navalny, which was

followed by heated exchanges with European countries and the U.S. over the case, and signs of improving relations were yet to be seen.

Although Russia held no annual summit meeting with China due to the spread of COVID-19, both countries continued to maintain close ties with each other, such as via active telephone calls between the leaders and foreign ministers. In addition, in December, there were also movements by Russia appealing for closer military cooperation between Russia and China, picking up from July 2019, such as the second joint flight by Russian and Chinese bombers from the Sea of Japan to the East China Sea.

Regarding the former Soviet Union countries, in the turmoil surrounding the Belarusian presidential election, Russia supported the Lukashenko administration and frequent communication was conducted between the leaders. In addition, in the Nagorno-Karabakh issue, Russia actively mediated the armed confrontation between Azerbaijan and Armenia that occurred from the end of September and reached a ceasefire agreement among the leaders of the three countries that included stationing of the Russian peacekeeping contingent.

Russia also chaired the Shanghai Cooperation Organization (SCO) and BRICS (Brazil, Russia, India, China and South Africa), whose meetings were held online.

(2) Japan-Russia Relations

A Japan-Russia Relations in the Indo-Pacific Region

Amidst the significant changes in the strategic environment of the Indo-Pacific, the building of stable relations with Russia contributes not only to Japan's national interests but is also extremely important for regional stability and development. There is no change to Japan's intention to place importance on its relations with Russia. On the

other hand, the Northern Territories issue, which is the greatest concern between Japan and Russia, is yet to be resolved even after more than 75 years have passed since the end of World War II.

Given this situation, the Government of Japan will further deepen cooperation considering the potential of bilateral relations in order to build a suitable relationship as an important partner in the region. Japan will also develop the overall Japan-Russia relationship across a broad range of fields, including politics, economy, as well as people-to-people exchanges, including the issue of concluding a peace treaty, and work to resolve the Northern Territories issue.

B The Northern Territories and Negotiations on Peace Treaty

The greatest concern between Japan and Russia is the Northern Territories issue. The Northern Territories are islands over which Japan has sovereignty. Holding frequent dialogues between the two leaders and Foreign Ministers, the Government of Japan has been energetically continuing negotiations with Russia to conclude a peace treaty through the resolution of the issue of the attribution of the Four Northern Islands.¹

In 2020, in-person discussions became difficult due to the spread of COVID-19 following the Japan-Russia Foreign Ministers' Meeting which took place in Munich in February. Under the circumstances that in-person discussion became difficult due to the spread of COVID-19 after that, three Summit Telephone Calls and two Japan-Russia Foreign Ministers' Telephone Calls were held between the two countries. At the Japan-Russia Foreign Ministers' Meeting in February, Foreign Minister Motegi conveyed his thoughts more concretely regarding ways for advancing the negotiations following the December 2019 Foreign Ministers' Meeting in which Japan and Russia were able

¹ Refer to the Ministry of Foreign Affairs website for the position of the Government of Japan on the Northern Territories issue:
<https://www.mofa.go.jp/region/europe/russia/territory/index.html>





Japan-Russia Foreign Ministers' Meeting
(February 15, Munich, Germany)

to commence full-fledged consultations on peace treaty negotiations. During the Japan-Russia Summit Telephone Call and the Foreign Ministers' Telephone Call in May, Japan and Russia shared the view to proceed steadily with consultations and cooperation between the two countries, including on the negotiations on a peace treaty.

Following the inauguration of the Suga administration, at the Japan-Russia Summit Telephone Call held in September, President Putin said that he intended to continue discussing all bilateral issues, including the issue of concluding a peace treaty. Prime Minister Suga stated that he attached great importance to Japan-Russia relations and would like to develop the overall relationship between Japan and Russia, including the issue of concluding a peace treaty. In addition, the two leaders reconfirmed that Former Prime Minister Abe and President Putin had agreed to accelerate negotiations on a peace treaty on the basis of the Japan-Soviet Joint Declaration of 1956 at the summit meeting in Singapore in November 2018. During the Japan-Russia Foreign Ministers' Telephone Call in October, the two Foreign Ministers shared the view to continue frank discussions at the foreign minister level as well, in order to advance consultations and cooperation including negotiations on a peace treaty.

Regarding the joint economic activities on the Four Northern Islands on which the leaders agreed² to commence discussions during President Putin's visit to Japan at the end of 2016, Japan and Russia have continued discussions at vice-ministerial level talks and director-general-level working group meetings, in addition to talks at the summit and foreign ministerial levels in order to materialize the five candidate projects³ designated at the Japan-Russia Summit Meeting in September 2017.

The Government of Japan is actively working on projects contributing to the improvement of the atmosphere for the resolution of the Northern Territories issue, such as the four-island exchange program, free visits and visits to graves. In 2019, as part of humanitarian measures for the former island residents of the Northern Territories, a temporary additional entry/exit point was established on the occasion of a grave visit by ship, and furthermore, a grave visit by airplane was realized for a third year in a row. During the grave visits, the former island residents were able to visit places they had been unable to go to in recent years. Japan and Russia shared the view to continue to simplify the relevant procedures. The circumstances surrounding the COVID-19 pandemic made it difficult to implement programs in 2020, but the Government of Japan intends to continue consultations between the Japanese and Russian governments and between the implementing organizations of our side and on the four islands in order to implement programs as soon as possible.

In addition, the Government of Japan is approaching and coordinating with the Russian side in order to ensure safe operations of Japanese fishing vessels around the Four Northern Islands and to continue the fishing of salmon and trout using alternative fishing methods to driftnet fishing prohibited by Russia. At the same time, Japan is

² As a result of the Japan-Russia Summit Meeting in December 2016, the two leaders expressed their sincere determination to resolve the peace treaty issue, agreed to commence discussions on joint economic activities on the Four Northern Islands, and agreed to improve procedures for grave visits by former island residents.

³ (1) Propagation and aquaculture of marine products, (2) Greenhouse cultivation, (3) Development of tours compatible with the islands' features, (4) Wind power generation, (5) Waste management

taking appropriate actions against Russia's moves to build up military forces in the Four Northern Islands, on the grounds that such moves are contradictory to the Government of Japan's position regarding the territorial issue.

Under the strong leadership of the Japanese and Russian leaders, the Government of Japan will continue to persistently negotiate with Russia to conclude a peace treaty by resolving the issue of the attribution of the Four Northern Islands.

C Japan-Russia Economic Relations

Trade volume between Japan and Russia in 2020 was affected by lower demand due to COVID-19, and the trade volume from January to December decreased by 24.3% year on year. In particular, the transaction volume of mineral fuels (crude oil, natural gas, coal, etc.), which are major import items, decreased by 37.7% year on year (the total trade volume in the January-December 2020 statistics is approximately 1.7738 trillion yen (Source: Trade Statistics of Japan, Ministry of Finance)).

The volume of direct investment from Japan to Russia increased from 168.8 billion yen (2018) to 239.5 billion yen (2019) (Source: Balance of Payments Statistics, Bank of Japan).

With regard to the Eight-point Cooperation Plan for Innovative Reform in the Fields of Industry and Economy and a Favorable Living Environment of Russia proposed by Prime Minister Abe in May 2016, despite various restrictions on bilateral business cooperation due to the COVID-19



Meeting between the Co-chairs of the Japan-Russia Intergovernmental Committee on Trade and Economic Issues (December 21)

pandemic, various private-sector projects have been established in the development of trade and economic cooperation between the two countries, such as the joint development of virus rapid test kits by Japanese and Russian companies.

In December, Japan and Russia continued dialogues online through the following frameworks: the 12th meeting of the Trade and Investment Subcommittee of the Japan-Russia Intergovernmental Committee on Trade and Economic Issues and the 9th Meeting of the Subcommittee on Region-to-Region Cooperation, which are vice-ministerial level talks, and the Meeting of the Co-chairs of the Japan-Russia Intergovernmental Committee on Trade and Economic Issues, between Foreign Minister Motegi and Minister of Economic Development Maksim Reshetnikov. At the meeting, the two ministers shared the view to continue to promote bilateral trade and economic cooperation under the Eight-point Cooperation Plan.

Furthermore, the Japan Centers operating in six cities in Russia carry out business matching between companies from both countries and hold management courses. To date, a total of some 94,000 Russian people have taken the courses and about 6,000 of them have visited Japan for training.

D Cooperation between Japan and Russia in Various Fields

(A) Security, Defense Exchanges and Maritime Security

The leaders of Japan and Russia have shared the recognition that they will further advance cooperation in dealing with “non-traditional threats” such as drugs. In February, Japan, Russia and the United Nations Office on Drugs and Crime (UNODC) held a training course (“Domodedovo Project”) for counter-narcotics officers of Afghanistan and Central Asian countries, as a part of the project conducted since 2012 (“Domodedovo Project”). Similarly, regarding a project for a construction of the Narcotics Canine (K9) Center in Kabul which Japan, Russia and UNODC have advanced, they held

a ground-breaking ceremony to mark the start of construction of the Center in September.

Japan and Russia have conducted the Japan-Russia Foreign and Defense Ministerial Consultation (“2+2” Ministerial Meeting), various dialogues between defense authorities, an annual meeting based on the Japan-Russia Incidents at Sea Agreement, and the Japan-Russia Search and Rescue Exercise (SAREX) from the perspective of building trust between Japan and Russia through defense exchanges. In January, the Japan-Russia Security Consultations took place, during which both parties held candid discussions on their security policies and various issues related to international and regional security. Also in January, Japan conducted the second joint counter-piracy exercise with Russian Navy vessels in the Gulf of Aden. In addition, though in-person discussion became difficult due to the spread of COVID-19, communication at the working level continued through the methods such as online formats.

(B) Cultural and People-to-people Exchanges

It became difficult to hold many in-person events due to the spread of COVID-19, but with regard to the Japan-Russia Youth Exchange Program, exchanges took place in a variety of formats, including online, in a broad range of fields.

The “Japan-Russia Year of Regional and Sister-City Exchanges (Japan-Russia Regional Exchange Year),” being held from 2020 to 2021, is also being advanced online. More than 140 Japan-Russia Regional Exchange Year programs



“Introduction to Japanese Culture (Sakhalin Calligraphy Class),” Japan-Russia Grassroots Exchange Program (October, Yuzhno-Sakhalinsk, Russia)

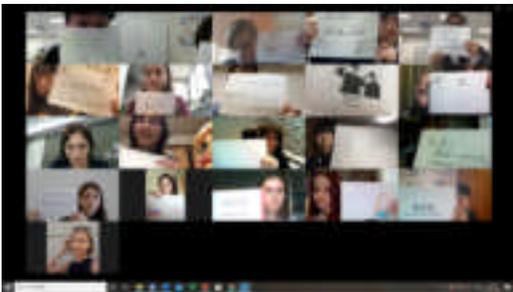
have been accredited in Japan, with over 386,000 participants that included the online introduction to Japanese culture program “J-FEST” in which approximately 216,000 people participated.

2 Countries in Central Asia and Caucasus, etc.

(1) Overview

Countries in Central Asia and Caucasus are situated in a location of geopolitical importance that connects Asia, Europe, Russia and the Middle East, and have abundant natural resources such as oil, natural gas and uranium. Stability of the region as a whole, including these countries, has significant importance in addressing key challenges that the international community faces such as fighting against terrorism and countering illicit drugs. Japan continues to work to strengthen bilateral ties with these countries through high level talks, and will be continuing initiatives to promote regional cooperation using the framework of the “Central Asia plus Japan” Dialogue.

The year 2020 saw the spread of COVID-19 in Central Asian and Caucasus countries as well. Since the end of February, the spread was initially suppressed by the implementation of strict measures, but the virus rapidly spread in several countries when they introduced mitigation measures. The pace of infections then slowed due to the re-imposition of regulatory measures, and the pandemic was under control in the region as a whole from August to September. However, the



Exchanges between High School Students through Online Japanese Language Courses, one of the Japan-Russia Youth Exchange Programs (November; Photo: Japan-Russia Youth Exchange Center)

infection spread again in some countries from around October due to the relaxing of measures and the spread of the virus in neighboring countries. Japan is actively advancing cooperation, such as the grant aid of health and medical equipment, technical support through international organizations, the provision of Avigan tablets, and the exchange of opinions among medical professionals, in order to support the control of infectious diseases in countries in the region.

(2) Central Asian Countries

Japan supports the “open, stable and self-sustained” development of Central Asia, and is promoting diplomacy as a “catalyst” for the development of regional cooperation aiming to contribute to regional peace and stability. The pillars of Japan’s diplomacy in Central Asia consist of (1) steadily strengthening bilateral relationships, (2) encouraging regional cooperation and contribution to the common issues of the region through the “Central Asia plus Japan” Dialogue, and (3) cooperating in the global arena.

In January, the 5th Expert Meeting (Tourism Sector) under the “Central Asia plus Japan” Dialogue was held, and opinions were exchanged between business experts from five Central Asian countries and Japan. Following that, while official travel and diplomatic events were severely restricted due to the spread of COVID-19, a Foreign Ministers’ Meeting of the “Central Asia plus Japan” Dialogue was held online in August, chaired by Foreign Minister Motegi. At the meeting, the foreign ministers held active exchange of opinions on regional cooperation within Central Asia and cooperation between Central Asian countries and Japan amid the worldwide spread of COVID-19, the way forward for cooperation toward the upcoming 30th anniversary of the establishment of diplomatic relations with Japan in 2022, and the direction of



Foreign Ministers’ Special Video Conference of the “Central Asia plus Japan” Dialogue (August 11, Tokyo)



Meeting between Foreign Minister Motegi and Deputy Prime-Minister and Minister of Investments and Foreign Trade of Uzbekistan Umurzakov (December 15, Tokyo)

the discussions toward the 8th Foreign Ministers’ Meeting of the “Central Asia plus Japan” Dialogue⁴ to be held in Japan. Foreign Minister Motegi noted that, even under the circumstances of the COVID-19 pandemic, Japan’s basic diplomatic stance that has been developed toward Central Asian countries was unwavering. Furthermore, the Minister noted on the unchanging importance of a free and open international order, to which the foreign ministers expressed their support.

Regarding relations with Uzbekistan, the Tax Convention between Japan and Uzbekistan entered into force in October. In December, after taking necessary measures to protect against infection, Deputy Prime-Minister and Minister of Investments and Foreign Trade of Uzbekistan

⁴ Japan launched the “Central Asia plus Japan” Dialogue framework in 2004 from the perspective that regional cooperation for solving common regional issues is indispensable for the stability and development of Central Asia, with Japan as a “catalyst” to promote regional cooperation. In addition to the seven foreign ministers’ meetings, various discussions have been held with the participation of experts and business people. More than 15 years have passed since its establishment, and in recent years it has focused on practical cooperation.

Sardor Umurzakov visited Japan to meet with Deputy Prime Minister and Finance Minister Aso Taro, Foreign Minister Motegi, and Minister of Economy, Trade and Industry Kajiyama Hiroshi. Foreign Minister Motegi expressed Japan's intention to further deepen and expand the bilateral strategic partnership with Uzbekistan. In response, Deputy Prime-Minister Umurzakov appreciated assistance from Japan, including that for COVID-19 response. He stated Uzbekistan's intention to continue working on the implementation of the agreement between the two countries made on the occasion of President Shavkat Mirziyoyev's visit to Japan in December 2019.

In relations with Kazakhstan, Foreign Minister Motegi and Minister of Foreign Affairs Mukhtar Tileuberdi held telephone calls in May and October. The Ministers shared the view on further strengthening the bilateral strategic partnership and touched on cooperation for COVID-19 measures.

Regarding relations with the Kyrgyz Republic, Minister of Foreign Affairs Chingiz Aidarbekov participated in the Foreign Ministers' Meeting of the "Central Asia plus Japan" Dialogue (online) in August chaired by Foreign Minister Motegi. At the meeting, the ministers discussed how to overcome the adverse effects on the economy caused by the COVID-19 pandemic, and the importance of cooperation and sharing of knowledge for effective measures. In the Kyrgyz Republic, due to political change after the parliamentary election in October, the Cabinet and President Sooronbay Jeenbekov resigned. In the presidential election held in January 2021, Sadyr Zhaparov, who temporarily served as acting president and prime minister after the political change, was elected winning about 80% of the votes.

Regarding relations with Tajikistan, Foreign Minister Motegi and Minister of Foreign Affairs Sirojiddin Muhriddin held a telephone call in July. Foreign Minister Motegi stated that Japan continues working with Tajikistan in spheres, such as developing human resources and strengthening border control. Foreign Minister Muhriddin ex-

pressed his gratitude and expectation for further assistance from Japan. In the Tajikistan presidential election held in October, incumbent President Emomali Rahmon won in a landslide, marking his fifth consecutive win.

Regarding Turkmenistan, Prime Minister Abe held a summit telephone call with President Gurbanguly Berdimuhamedov in September. President Berdimuhamedov expressed his gratitude for the stronger-than-ever relationship built between the two countries under Prime Minister Abe, while Prime Minister Abe thanked him for his cooperation so far. In December, Turkmenistan celebrated its 25th anniversary of the Permanent Neutrality of Turkmenistan, with Japan's State Minister for Foreign Affairs Uto Takashi delivering a video message and Parliamentary Vice-Minister for Foreign Affairs Nakanishi Satoshi attending a celebration ceremony in Tokyo.

In recent years, efforts toward advancing regional cooperation have become active among Central Asian countries. In 2020, while official travel was difficult due to the COVID-19 pandemic, a variety of meetings were held online. The Supreme Eurasian Economic Council of the Eurasian Economic Union (EAEU) was held in May and December, the Shanghai Cooperation Organization (SCO) Summit was held in November, and the Collective Security Treaty Organization (CSTO) Summit and the Commonwealth of Independent States (CIS) Summit were held in December. During the political change in the Kyrgyz Republic in October, leaders of Uzbekistan, Kazakhstan, Tajikistan and Turkmenistan issued a joint statement intended to strengthen solidarity in Central Asia, calling for preserving peace and restoring stability in the Kyrgyz Republic.

In addition, foreign ministers' meetings with one country added to the five Central Asian countries were actively held mainly online. The five Central Asia countries held foreign ministers' meetings with the U.S. and the EU in June, China in July, Japan in August, Russia and India in October, and the EU and the Republic of Korea (ROK) in November.

(3) Caucasus Countries

The Caucasus region has a potential to be a gateway connecting Asia, Europe and the Middle East, and geopolitical importance that directly affects the peace and stability of the international community. Japan is developing its diplomacy based on basic policy for this region, which is comprised of two pillars announced in the Caucasus Initiative in 2018: (1) assistance for human resources development of architects for state building (human resources development) and (2) assistance for paving the way to “Appealing Caucasus” (infrastructure development and business environment improvement).

On September 27, an armed confrontation between Armenia and Azerbaijan occurred over Nagorno-Karabakh. Japan expressed serious concern about the armed confrontation and the loss of lives, and urged all parties concerned to cease any military actions immediately, exercise maximum self-restraint and resume a dialogue. On November 9, the leaders of Russia, Azerbaijan and Armenia reached a ceasefire agreement, but thousands were killed until this agreement was reached. The international community is paying attention to whether this agreement will be maintained and adhered to, and whether it will lead to a peaceful solution to the Nagorno-Karabakh issue.

Regarding relations with Georgia, Foreign Minister Motegi and Minister of Foreign Affairs David Zalkaliani held a Foreign Ministers' telephone call in May. Both Ministers shared the view to promptly conclude a Japan-Georgia bilateral investment agreement and to further revitalize mutual exchanges in the fields of economy and others after convergence of COVID-19. In October, the two governments agreed in principle on the Tax Convention between Japan and Georgia.

(4) Republic of Belarus

Prior to the presidential election held on August 9, three leading candidates were unable to run for election for reasons of illegal acts or

flaws in procedures. Following the election, the authorities announced that incumbent President Alexander Lukashenko received about 80% of the vote, while Sviatlana Tsikhanouskaya, who had garnered attention as a leading opposition candidate, received about 10% of the vote. In response large-scale protests broke out in various parts of Belarus and protesters clashed with security forces over calls that the election was fraudulent. The protests continued as a large-scale demonstration every weekend, with Belarusian authorities violently and arbitrarily detaining a large number of participants and restricting the activities of some media outlets and reporters.

The opposition have set up a “Coordination Council,” which demands to stop the violence and re-hold the election, but core members have been interrogated and detained by the authorities, and a part of the opposition has been forced into exile. Even after moving its base of operation to Lithuania, Ms. Tsikhanouskaya continues to appeal to the international community for the transfer of power and the legitimacy of protests by engagement through video messages and dialogue with high-level officials of the European and U.S. governments, and participating in online meetings such as the European Parliament and the UN Security Council.

Many Western countries have repudiated the presidential election results and the legitimacy of President Lukashenko, while also criticizing the violence by the authorities. The U.S., Canada, the EU, the UK and other countries have imposed sanctions against Belarus such as travel restrictions and asset freezes.

Japan has issued four foreign press secretary statements on the situation in Belarus and has strongly urged the authorities of Belarus to immediately cease the arbitrary detention and forceful oppression of citizens, engage in national dialogue that respects the principles of the rule of law and democracy, and make an earnest effort in responding to the situation.