

**CENTER FOR STRATEGIC  
AND INTERNATIONAL STUDIES (CSIS)**

**BRIEFING: THE G-8 SUMMIT  
AND U.S.-RUSSIA RELATIONS**

**FEATURING:**

IGOR SHUVALOV,  
AIDE TO THE PRESIDENT OF THE RUSSIAN FEDERATION

DMITRI PESKOV,  
KREMLIN SPOKESPERSON

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ANDREW KUCHINS: Welcome to the Center for Strategic and International Studies. I'm Andrew Kuchins, director of the Russia and Eurasia program. And it's a great pleasure to welcome Igor Ivanovich Shuvalov here today and (inaudible) – the Kremlin press – (inaudible) – Peskov has joined us also.

It's no secret that U.S. relations, according to conventional wisdom have been deteriorating. Rhetoric was escalating for a while. And the question is, does the momentum continue, or does that momentum change. I think last week Mr. Putin stole the show at the G-8. As a former basketball player, I found that we were dealing with one of the great hip-fake in history. He had all of the Bush administration and the press looking this way, and he went that way at the end of the meeting, particularly with the proposal for missile defense cooperation, the so-called Gabala solution. (Inaudible) – Vladimir – (inaudible) – really loves the G-8. (Inaudible.)

The question we have about that proposal is whether it's a technical move, or whether it's is to derail the plans, or if it really is a sincere proposal that could lead to genuine cooperation in the geopolitical – and become in effect a geopolitical game changer. Well, we're going to learn a lot more about the trajectory of U.S.-Russian relations in the next couple of weeks after we get up to the Kennebunkport meeting on July 1<sup>st</sup> and 2<sup>nd</sup>.

And today, we are really pleased to have Igor Shuvalov here to shed light on the G-8 and U.S.-Russian relations. Mr. Shuvalov is aide to the president of the Russian Federation, and since January 2006, as most of us know, has been to the G-8, one of Mr. Putin's closest advisors. And I had the pleasure of meeting Mr. Shuvalov in September of '06 where he gave a talk in Moscow that was dynamic, exciting, theatrical, and very interesting. (Laughter.) So the pressure is on.

IGOR IVANOVICH SHUVALOV: That is the one where I talked about Ukraine? (Laughter.)

MR. KUCHINS: You said some very interesting things about Ukraine amongst other things.

Just one biographical note about Igor Ivanovich, we talk a lot about the American dream. But this guy must be living the Russian dream. Born in – (inaudible) – now in the Kremlin. (Laughter.) Anyway, he's held many other positions in the Russian government, but for the sake of time, let's move directly to Igor Ivanovich. Thank you.

MR. SHUVALOV: Thank you. You know, it's very good always to be here in Washington, D.C. And the talks here are not easy, but always interesting. And I understand that we have just 50 minutes. I'm not going to have a long speech. Just a

brief note, that the summit itself was very successful for Russia and for the president for Russia. And we had a lot of speculations in the press, even in my country about possible outcome after the summit and – (inaudible). But, you know, the dialogues, they had all of the talks. You know, sometimes they were very difficult, but ultimately very positive.

And they talked about Kosovo and Serbia, about these missiles shield, and, you know, all other issues. They were very interesting. Sometimes they argued a lot, but at the end, I would say that my president would appear as a winner because, you know, all of the decisions were balanced, Russian voice was heard, President Putin was trying to accept the positions from other leaders, and he was – you know, he was listening at the same time. So I think – what was very important for everybody, he again confirmed – it was his last summit. And the next summit – the next G-8 summit, it will be attended by a new elected president of Russia.

And we hope that the next meeting in July with the American president will be very successful, and I hope that they will speak about this Gabala proposal in detail. And before that, I hope that Defense people and foreign relations people will sit together and, you know, they will consider the proposal in detail as well. And, you know, I hope that for a year, which President Putin will still be at the office. And you have, as I said, 18 months more for President Putin and Bush – then they would be able to, you know, a little bit – to warm up our relationship after a chill we observed for the moment. And I hope that my colleagues and myself, we can, you know, help in this somehow.

MR. KUCHINS: Let's move to the questions and answers. I am under strict instructions to alternate the questions between the press and non-press. I don't know all of the press in the room, but I'm sure that you will follow those rules. But I will take the prerogative of the chair – (inaudible) – to ask the first question. And I was very intrigued by the Gabala proposal, very interesting move. And I understand that Mr. Putin consulted with President Aliyev I think he said the day before. It sounds like you consult your allies kind of the way we do ours. (Laughter.) (In Russian, laughter.)

My question is whether Mr. Ahmadinejad and the Iranian government was consulted in advance about this proposal, and if not, what sort of response you have heard from Tehran in response to the proposal.

MR. SHUVALOV: I cannot say anything about, you know, talks within official Iran. And what I heard from – you know, from my president – and I was present there while he was speaking with President Bush, that he spoke with President Aliyev before going to Germany. And he – you know, they discussed that properly – in how that ray (?) that could be used in legal terms, in technical terms, and so on. But as I understand, my president didn't have any kind of liaison with the Iranian government. And I understand from the substance of their talks, the summit itself, that, you know, we understand that we need to cooperate, and we need to work together towards Iran. So I understand that is another joke for you that my president, in consulting –

MR. KUCHINS: (Inaudible, cross talk.)

MR. SHUVALOV: First, I cannot confirm it because, you know, my person can do whatever he can, but maybe it's hidden information. But as I understand his character and how he behaves, and how he treats his other colleagues from G-8 that he consulted with President Aliyev, and he was preparing himself properly for the summit, and for him, it was a very serious step, and he wanted to be very, very positive, because he said to the President Bush that we don't want to send wrong signal to the world. We would like to be very cooperative, and we would like to show to the world that America and Russia, they are friends. So I think it's almost impossible.

Dmitri – (off mike).

Q: (Off mike) – question that I made. The first one is what candidate in your view, and if Mr. Peskov would like to step in, I would really appreciate that, what candidate in your view in Russia will be the likely president of the country – (laughter). I emphasize in your personal view.

MR. SHUVALOV: Okay, Mr. Peskov – (laughter) – let him first answer, okay.

Q: Okay, and – no, well, you want me to ask the second question?

MR. SHUVALOV: Okay, go on. And then maybe both of them will be addressed to him.

Q: I don't mind it. And the second question is, will you please tell me the substance of the agreement between President Bush and President Putin in regard to the missile defense which will be finalized in Kennebunkport?

MR. SHUVALOV: Okay, first, as I understand it, they will not finalize anything when they meet in July. They will have another round of talks, and that is it. And maybe they will have more common understanding of the idea (?) and something else, but, you know, we didn't expect that the experts would be ready to say, as a final stage, something by the meeting in July. And I hope that even after that meeting, it would take some time, a few months, you know, to clarify the position.

And about the candidate, even here I –

Q: Your personal choice, please.

MR. SHUVALOV: My personal choice, I will vote for the candidates which will be in the list or ballot. (Laughter.)

Q: Can you spell out the name?

MR. SHUVALOV: No, we don't know because the presidential campaign will start only at the beginning of next year. And that is – you know, but frankly speaking,

people talk about these two candidates, possible candidates. But, you know, my president could trade another surprise, and you know, maybe even late during this year you will know about another possible figure. So it's not a game yet. We have just two active guys who work as first deputy prime ministers with different responsibilities, very liberal-minded, even though one is KGB former officer, but he is a liberal-minded guy. And they have their own supportive groups within Russian population, and each of them could win. But, again, personally speaking, another figure could come out.

Q: Thank you.

MR. KUCHINS: Dmitri. (Laughter.)

MR. SHUVALOV: Mr. Peskov, please.

DMITRI PESKOV: Just to be on the safe side, I would like to say that the next president of Russia will not be appointed; he will be elected in a free democratic election. That is an integral part of Russian democratic system. Of course, as it was already stated by President Putin, he will use his right to give his advice sooner or later when we have some names on the list. He will use his right to determine his – to figure out his preference. He will use his right to advise to those who will elect the president, but the final decision will be taken by the people of Russia in accordance with our laws. Thank you.

MR. SHUVALOV: Okay, but besides that – (laughter) – because I agree.

MR. PESKOV: To be on the safe side.

MR. SHUVALOV: Yeah, everything was right. But people always ask whether it is true that President Putin is leaving the office. Maybe he has any kind of idea to change the constitution and to stay longer. And we always hear from him, even internally, that he will definitely leave. And for us, this is very important because if you look at Byelorussia and Turkmenistan and other countries, their leaders, when they have a huge support from the population, they easily change the constitution. And when you guys ask about the democracy in my country, I think it will be ultimately – not now, but ultimately charged as a real democracy when President Putin leaves the office without changing the constitution.

And he says that his job number one is to protect the constitution not to change it because he wants it. And this is very important because I'm a lawyer – my background – I was a lawyer some time ago. And I think it's very important for the Russian people because they never had such an attitude toward the document called constitution.

MR. KUCHINS: Thanks. Next question. People could put a number of hands up and I could start making a list here. Yeah.

Q: I'm a journalist.

MR. KUCHINS: I know. I have got it right over here. Kathy Thompson. Please identify yourself or us.

Q: Commission on International and Religious Freedom.

Question on OSCE, and organization on security and cooperation in Europe.

MR. SHUVALOV: OSCD.

Q: OSCE.

MR. SHUVALOV: OSCE. I have no idea what it is. (Laughter.) OSCE.

Q: OSCE.

MR. SHUVALOV: Okay.

Q: An organization about which the Russian government has had mixed reviews. And I'm just wondering what the current status is particularly in regard to comments made by the head of the Russian delegation at a recent meeting in Bucharest where he – it seemed to me rather positively assessed the role of the organization in fighting xenophobia, a problem which he admitted is an important and increasing, and problem that is likely to continue. Thank you.

MR. SHUVALOV: Okay, do you want me to comment or what?

Q: Whatever you –

MR. SHUVALOV: Just, OSCE – we call this organization just simply speaking OSCE. You know, I had a few meetings this morning. And this is a very good example of why you get that kind of reaction from Russian authorities because while you speak the language, you want to speak it without any kind of signal of listening. And when Russians and Russian foreign secretary, and those days of – (inaudible) – they will say, okay, could you please accept us or treat us equally. And if you speak about something, could you please treat other countries the same rules as you do when you speak about Chechnya and other things in Russia.

And then, you know, they started – you know, act differently and treat the organization differently, and it was a very difficult time for many liberals in my country when they were observing that, you know, the – (inaudible) – of deterioration between – not between but towards this organization in my country. And I hope that it could change. If – maybe I'm saying something which you don't want to hear, but many people in my country think that, you know, in that organization, Russia was treated differently, just – accepted phrase is double standards. Many people think that double standards were used. And when you speak about human rights and something within that

organization, then you know, you need to notice that something similar happening is happening in other areas as well.

The only thing – I know that information from Secretary Ivanov who was the foreign affairs secretary. And he also said, just we want to just – we wanted a clear and objective picture, and that is it. We wanted that in our – allow – (inaudible) – against Russia, and if you say something – this is a wrong situation, you need to change it, and we need to see that you have the same attitude towards other countries as well.

MR. SHUVALOV: Barbara.

Q: Thank you. HI, Barbara Slavin from USA Today.

I wanted to ask you to talk a little bit more about Russian policy toward Iran. What is going to happen with Bushehr? Is it ever going to open? And was there discussion about future sanctions against Iran? How do you see the next Security Council resolution? Is Russia prepared to stop sending – selling weapons to Iran and take other steps on the nuclear front? Thanks.

MR. SHUVALOV: First, I think that Iran issue would be one of the major issues discussed by the two presidents in July. And then I think that recently you can notice that we cooperate very closely with the American side when we speak about Iran. And if you know, we set up international nuclear center together with Kazak and their party. And it was done in order to avoid any proliferation in Iran for enrichment and then for used fuel, and to treat – you know, to prepare personal within that center – international center. And as I understand, the door is open and the United States can join it.

But at the same time, it was now, I think it was over a year ago when President Bush, he suggested the same or similar idea – (inaudible) – nuclear centers. So it's along the same line, I think. And we are very cooperative and we – because, again, that's my friend Lavbrosomic (ph), not my job.

But I think what I'm observing from my side that we're working very closely and

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Q: What about further sanctions? I mean, Russia provides a lot of weapons to the Iranians?

MR. SHUVALOV: But sanctions – but that's the same question. I answer the same way. We don't want to impose sanctions for the sake of sanctions. If those sanctions really, you know, they work and we can achieve a certain goal altogether, then Russia always supports certain actions which are supported by U.N. But that's our position. We always would like to work in situations like this through Security Council.

And if it is a case of imposing sanctions, then we need to achieve the goal, not vice versa, not achieving a goal, but achieving a situation where a younger population

would be completely against Americans and Russians, where you would have self-sufficient economy which would be oriented internally for internal demand only, where they will not supply gas and oil to the open market, and just we can do something even worse, not achieving the goal – what we would like altogether. We would like that Iran has nothing to do with any threat to the international world. But it's not that simple. If you impose any kind of sanction, you get it immediately.

MR. KUCHINS: Rich.

Q: Thank you. Rich Herold with BP.

Mr. Shuvalov, turning to WTO, many of us in the room look forward to Russia joining and we're working hard to build support in the U.S. Congress. But we heard recently a report on an update meeting from the multilateral talks – the meeting took place in Brussels recently – that progress has slowed down considerably. And I must admit I'm getting a little worried that given the upcoming presidential succession in Russia, there's –

MR. SHUVALOV: Successions. (Chuckles.)

Q: The elections, whatever.

MR. SHUVALOV: Okay.

Q: I'm worried that the WTO process could drag on perhaps and not be completed before President Putin completes his term. Can you give us an idea of when you expect Russia to complete the multilaterals and move forward?

MR. SHUVALOV: This is a very difficult issue because I think if we had gotten all the support from the Western parties – 2005 was a realistic year when Russia could get accession to WTO. And just meeting with different colleagues from United States, United Kingdom and other countries, I was explaining that binding Russia with indifferent institutions, that's for the sake of all, for the benefit of all. And if you are trying to push Russia and take something out of it to get any kind of benefit of it, then Russia would – the internal situation would just be more difficult. And what we have when Peter Mandelson was just pushing us with those flights, those issues and he didn't succeed and at the end we have even worse situation within Russia because we have many proponents for this issue now, more than before.

When we speak about timber and export tariffs and we explain that the timber industry within Russia, not in Finland, not in Sweden and elsewhere, they don't want to listen and – because, you know, Russia is a huge country, we have forests and we would like to impose a certain program against illegal logging and so on. But we would like a real manufacturing-based (delegate today ?) in Russia. And then when we speak with Americans, we have again this Jackson-Vanik problem, which is, I think, quite stupid one and then all that stuff.

And many people now we have which say that this is a real attitude towards Russia from the West. If they would expect or if they accept Russia as a friend, they would close their eyes and wouldn't see many, many problems and they would help to sort them out. But at the end, we are not there. We're still having a lot of problems with not a lot of – two major problems with the United States. People look at the United States and they understand that while United States didn't resolve the issue, maybe they shouldn't and maybe it could be an endless story. And we understand now that, for Russia, it is very important to be there.

President Putin announced just a few days ago that it's still our very important objective. We hope that we will be there by the end of his term. We will try to do this; we will try to achieve this. But, at the same time, our Western colleagues should understand that our membership within WTO for their benefit as well, an equal benefit. Sometimes my colleagues and even my president, they say that even United States and other G-8 countries and others, they will benefit even more, but I will say for equal benefit. But sometimes, when you hear voices here, people even understand that WTO, that's only for Russia, that's not the case; that's for all.

MR. KUCHINS: Barbara. I think – sorry, the woman next to Barbara, I think, had her hand up before.

Q: Mora (ph) Reynolds, from the L.A. Times.

I was hoping you could explain President Putin's offer on the missile defense just a little better. Is his offer to share information out of Azerbaijan contingent, completely dependent on NATO completely abandoning all missile defense facilities in Eastern Europe? Or could NATO open some form of the facilities they have planned and still enjoy some information sharing from Azerbaijan?

MR. SHUVALOV: I don't know the details. That's not – again, that is my friends from Defense Ministry job. But what I heard from my president while being there that he was worried about the current status of relationship and he would never accept, because Russian people, all the people, all the generations, would never accept easily the deployment of those equipments along Russian borders. That's just impossible because we have many people who, over 40 years old, they will die understanding that NATO is something like evil. Just, you know, they don't want to realize because they were grown up with this idea and so on and so forth. So we need to speak with these people, to explain and it's very difficult for them to understand why the United States and NATO, they need to deploy these shield equipment along the borders or very close to our borders.

But President Putin said, okay, but in order to let you to have your global system working, we support you in that, but could you please consider other possible chances to deploy these missiles or whatever, radars, in different parts of the world, for instance in Iraq, if you – (chuckles) – you've been there for a few years, the only maybe possible use

or benefit of being there, maybe you will deploy the equipment there, very close to Iran, why not? Or we could just sit together and consider other possibilities.

So what we would like? We would like you to have your system imposed and to feel completely in safety, but at the same time you need to understand Russians, which don't feel in safety then. So you cannot protect your citizens, forgetting about Russians. And Russians will never let you do this. It's very simple.

MR. KUCHINS: Dmitri would like to –

MR. PESKOV: Maybe I just would like to clarify one thing. NATO is planning nothing in Eastern Europe. We are speaking not about the plans of NATO. We are speaking about the plans of the United States of America to deploy, for the first time in their history, elements of its nuclear strategic arms on the territory of Eastern Europe, next to Russian borders. So that's why Russia has these serious concerns. Thank you.

Q: If I could just follow up then, it sounds like what you are saying is that if something does get in place by the U.S. or NATO then the Russian offer is off the table. Is that right?

MR. SHUVALOV: We don't know because – let's wait, because they will meet, they will discuss, and maybe that's not the end. If we have some positive movement from American side, maybe President Putin has something else in his pocket, I don't know, we will see. But that's – what is sure for everybody in Putin's team that he wants before he leaves the office that U.S.-Russia relationship is in good shape. That's bad if he leaves the office and you have your missiles there in Czech Republic or in Poland and stuff like that. It's bad for everybody.

MR. KUCHINS: Judyt (sp).

Q: Judyt Mandel, I'm with Washington Group International.

I noted that there was very little emphasis put on the results of the global partnership against the spread of weapons of mass destruction at the summit. The focus seems to have shifted elsewhere and I wonder if you could comment on that. There were no fact sheets or statements regarding the progress that's been made and –

MR. SHUVALOV: It was – actually, there were two papers about global partnership, two. And they were stating that it is a very successful program. It's been successful in Russia and it will be – and the parties will consider its future. But we had American proposal to specify a little bit for the next 15 years or something, but we had commands from European partners, so we decided to leave the program as it is, understanding that it is a successful program, working together and maybe next year we will have something more.

Q: But do you see a reduction in support for this among the G-8 partners in general?

MR. SHUVALOV: No. We understand that a few G-8 partners have their budget problems. (Chuckles.) But not because they just lost their interest to the problem. They understand the importance of it, they emphasize it, but maybe now we have other difficulties at the moment which are more important than nuclear arms a few years ago when it was suggested.

MR. KUCHINS: Yeah.

Q: Okay, I'll try to speak up. My name is Andrei Sitova (ph) with Russian News Agency.

You referred to a couple, a few meetings you had this morning. Could you speak a little bit about the visit itself here: the purpose of the visit, whom you met? And what is the reaction of the people you speak to officially to this latest development, to President Putin's idea, his suggestion?

MR. SHUVALOV: The major purpose of my visit – but don't laugh – is to see you. (Laughter.) I said don't laugh, but you did. But actually, that's true. I was with my president in Germany and then we were in St. Petersburg for St. Petersburg Economic Forum and then I was planning to be for the affordable housing program in the far east and far north of my country. So when we talked about G-8 outcome with Dmitri, he suggested that we would fly the other way, not to the east, to the west and have a stop here, meet with you, speak with you, if you have questions about President Putin and what's going on in my country, then I would be ready and happy answering the questions. But that's true. This meeting was organized and I'm very grateful.

And along with that, we met in Congress and Senate with different people speaking about U.S.-Russian relationship and later on I will meet with my colleague who was American – (inaudible) – as I understand. And that's it. Just even less than a day visit.

MR. KUCHIN: Okay, now, Dmitri just told me, we only have time for two more questions, but if meeting with us is the main purpose of the visit, you probably want to stay here longer, right? (Laughter.)

MR. SHUVALOV: Because Dmitri is going to New York City, so if Dmitri leaves – because I promised I will stay with you until 2:30. We will let Dmitri go and I will be with you.

MR. KUCHIN: Okay, deal. (Laughter.) Yeah.

Q: Thank you. Desmond Butler with the Associated Press.

Could you illuminate in any way the role that Russia played in this apparent breakthrough in the talks with North Korea on the banking issue, if you're aware of that?

MR. SHUVALOV: I'm aware, but I think it is – that's not an open issue, I think. I was there. I just can't – but I think it's off the record. They talked about this; they found the solution. But I can't say anything about this. I think it's secret information. I'm sorry.

MR. KUCHIN: Let's have a question from the non-press. Don't be so shy, you non-journalists. Yeah.

Q: Could you please discuss a little about the Shanghai Cooperation Organization and the plans for what's going to happen at the summit here in August, Russia's approach to it, and especially Russia's attitude towards the U.S. bases in Central Asia? Thank you.

MR. SHUVALOV: We consider that organization as very important. It will grow, we hope; the importance of this organization will extend. What relates to the basis – again, I wouldn't comment, because it's a very fragile issue. And I can say just at some stage, we supported the United States very much and whether we will do it in the future, I don't know, and I think it depends on the certain level or (grade ?) of our cooperation in general. But if you remember, if you recall a few years ago, we supported you hugely there in that region.

MR. KUCHIN: Yeah, the next question was back there. Gentleman in the red tie with the glasses? Did you still have a question? No, you don't. Okay, so we're moving right over here then. Sorry.

Q: Hi. Christian Diricco (ph), Italian News Agency.

The White House just said this morning that they will be not stopping talks with Poland and Czech Republic while they are studying Mr. Putin's proposal. I wonder if, from Moscow's point of view, is a problem?

MR. SHUVALOV: Again, I am not speaking on behalf of all Moscow. I don't think it is a problem. I think that just first the parties should understand the proposal in more detail. But what is problem that immediately after – I think, just as a person, not as the president's aide, that it is a problem that President Putin suggests something and immediately after that you have secretary of State saying that we will carry on with our plans. That's a kind of unfriendly movement, I would say. And that's just general perception from Russian public.

That's that easy, because I think you have a proposal, you have four weeks before the next meeting, why don't you just be silent for a while and just wait and then maybe you will have an announcement that it was completely nothing or a game or whatever, but why don't you let your people work properly? And I think announcements like that just mislead people. They think just Putin says something, whether it is good or bad, but

one day, everyone is in positive mood and next day you have other officials saying, no, we're not going to stop our works, we will carry on, and we will do it.

MR. KUCHINS: Igor.

Q: Igor Zevelev, RIA Novosti, Russian News Center Information Agency.

When you were away in Washington last fall, if I'm not mistaken, you said at a press conference that the Russian government would do more to better explain its policies to the world, to foreign audiences, to deliver the Russian message to the world. What has been done? What else should be done? And how would you assess Russian soft power, its ability to persuade and attract on the international arena?

MR. SHUVALOV: It's very difficult, you know, to use that soft power. Because at the moment, what I am observing myself, when we were preparing G-8 summit in St. Petersburg, we realized that we were in a very, very difficult situation. We didn't work with mass media groups and everything, if you remember, started with new NGO amendments law, and then we had Ukraine gas prices issue, and other things. And we realized that we need to work. So we spoke with my boss; we spoke with his press secretary; we spoke with different people. And we realized that we need to be more open; we need to speak in the press regularly and inform them regularly about real stuff that is going on within the Kremlin.

And now I can tell you that very often people just don't want to hear. When we have briefings or press conferences, people are sitting there; they are asking questions; they are nodding. But at the end, they publish absolutely different stories. And sometimes, they say that they have different editorial politics. They accept that it was the right thing said; they shared the view; but they cannot just to get it published. And this is very difficult. Once you have a real editorial policy to publish something even if you got it from the first pure source without any kind of additional interpretation, then it does mean that immediately you will get it on TV screen or in the paper.

And if you have, in general, anti-Russian perception, because people just think that, you know, there is something wrong going on in Russia, and that's why everybody should unite immediately and publish only bad stuff in the papers – and they think somehow it will help. I have no idea how, but that's the way how I think everything is happening here. I just stayed for one day with my friends not far from Chicago. I was there for a few months as an exchange student. And there, just very simple people, pensioners, and they were asking me very difficult questions. Is it true that in your country there were just two major newspapers and two major TV channels, and one of each was shut down by President Putin? Is it true that your president closed and opened some political parties?

And questions like that; and I say, where did you pick up it. And they say, from television, from the papers, which is not true. And of course you are Russian; you understand how it works. And we have problems with two major TV channels, and that's

it – the whole story. And how people here understand or get information about Russia; it's different.

MR. KUCHINS: Okay, we have time for one last question. (Inaudible.)

Q: Diana Sedney with Chevron.

Going back to the G-8 summit itself, there were a lot of very strong forward-looking statements coming out of there, particularly with respect to energy, work towards alleviating poverty in Africa. What is the action plan going forward now? And could you talk a little bit about how Russia sees that action plan evolving?

MR. SHUVALOV: Once you started from energy, if you remember, last year was energy security issue Russia's agenda. And yes, I would like to say, it was a very successful summit. Because this year, when we were drafting the papers, the Americans – I can now tell you – that the Americans insisted that we include all energy security principles into the paper, which was very good for me. But now, everybody accepts those principles outlined in the memorandum of last year. They accept it for the benefit of all.

And this year, we talked about energy, but more about energy efficiency, about new technologies, about climate change. And this year, I think it was a very successful year, because we sought a real convergence of two approaches. Before the United States, as you know, when President Bush was elected as new president, first of all, he announced his position against Kyoto Protocol. And then, every year, it was repeated. And when we were working together before Gleneagles summit, it was very, very difficult talk between Europeans and America.

And now, this year, what was very important that everybody accepted that we will need to work altogether on the same basis after 2012. We don't know whether it is U.N., but everybody agreed that we will start acting on the U.N. basis, which is new. Before, the United States didn't accept it. But now, we don't close the door. We say, okay, if U.N. doesn't help, then we could use other platforms. But we need to agree that we will act altogether after 2012. We will need to include all major CO<sub>2</sub> and other greenhouse gas emitters. Without China, India, and the United States, this mechanism or any mechanism will not work. And I think this was very important for everybody.

So it was a real positive move from the United States, from Europeans, because they had to admit that while United States are moving, they have to understand that the U.S. may be not exactly the way Europeans want, and that everybody – we realize that we need to pay attention to new technologies. Ultimately, it is new technology, using new technology to find other sources of energy while using fossil fuels to emit less CO<sub>2</sub> and so on. And I guess that this year, in Indonesia, it would be further talked how to proceed. And everybody agreed that we will try to achieve certain agreement by the end of 2009. But anyway, we will need something by the end of 2011. And we need to be ready for that mechanism.

And so during this year, Germany will preside again in international conference about climate change. It will be in the fall. We all – Americans and Russians – will participate. Then Indonesia will be, as I said, a very important step. And then, Germans suggested, and everybody agreed to create so-called Heiligendamm process on the platform of OECD, G-8 will speak with O5 – we call them now O5 – Outreach Five.

Because that's not easy to involve them, as you understand – China and India, they say you are at a certain level of development. And we are responsible in front of our nations; we need to let them develop as well. So and I hope that platform will be very successful as well. But it will depend on Germans, because this year, they are leading. Next year, Japanese – but again, I think that American position this year was very positive. And if we don't see that – if we see that it doesn't work within U.N. framework, then Americans could lead another one.

Q: Just a very brief follow-up to that. How much are we willing to contribute to the Africa Fund – Africa aid fund?

MR. SHUVALOV: They agreed in the paper that that figure, additional figure, it should be then confirmed by our internal budgetary process. Because, in Russia, for instance, we submitted the three-year budget for the state Duma. And when Chancellor Merkel met with President Putin, she asked for additional funds. And he said, okay, he immediately called Secretary Kuchin (ph), he asked for additional funds, and they agreed that we subscribe for additional funds. But how much, it will be announced later, by the end of the year. But that's a lot of money. We understand that Africa need, of course, but that's a lot of money for us. Because last year, we doubled. And in 2005, we were getting money from Global Fund. Last year, 2006, we doubled our donation and we didn't get a penny. It was our position that we are just donating money there. And again, we subscribe from 30 years and others for the rest; it's not easy at all. But I think we will fulfill.

MR. KUCHINS: Okay, I'm afraid we have to bring this session to an end. I'd just like to highlight one thing you said that I very much agree with, and that is, I don't think that either of our presidents, President Bush nor President Putin, want to leave office with a bad U.S.-Russian relationship. And I think it's a pretty significant move they decided to meet in Kennebunkport. And we look forward to seeing what happens there. I was quite surprised when this meeting was announced. But anyway, we were very grateful, Igor Ivanovich, that you decided to come here and to speak with us today. And we look forward to you coming here again soon and briefing us again. Thanks very much.

MR. SHUVALOV: Thank you.

(Applause.)

(END)