

# POLICY RECOMMENDATIONS

## Study Group Regional Stability in the South Caucasus (RSSC SG)

### “New Security Arrangements for the South Caucasus”

**26<sup>th</sup> RSSC SG Workshop**  
**16 – 19 November 2023**  
**Reichenau/Rax, Austria**

PfP Consortium of Defense  
Academies and Security  
Studies Institutes



### Executive Summary of Recommendations

- The Armenian-Azerbaijani peace process must be unblocked and pushed forward to achieve a conclusion as soon as possible.
- EU, US and Russian negotiation platforms should take a step back from the frontline of peace mediation to allow for an urgent resumption of meetings between the countries' leaders.
- The contents of Armenia-Azerbaijan peace negotiations should become more transparent to the public. The civil societies in both countries should be consulted on possible solutions to remaining divisive issues.
- Armenia and Azerbaijan should consider signing a bilateral agreement on Confidence and Security Building Measures (CSBMs) after a peace agreement has been achieved.
- Following the conclusion of a peace agreement, the EU should extend its technical support to Armenia and Azerbaijan on the delimitation and demarcation of the common borders.

### Situation Analysis

The RSSC SG sought to further address a host of security problems with consequences far beyond the South Caucasus region. One of those problems has been the *dénouement* of the Armenian-Azerbaijani conflict. Another is Georgia's *rapprochement* with Russia. In the 26th RSSC SG workshop the co-chairs sought to raise a number of questions, such as: What form of conflict resolution can be expected between the belligerents? Could there be a regional solution in order to move from conflict to peace? How could such a solution meet the competing interests and strategic goals of regional powers like Russia, Türkiye, and Iran? How could the states of the South Caucasus best deal with the Russia-West confrontation over Ukraine and the ensuing regional strategic competition? Would better coordination among Armenia, Azerbaijan and Georgia be feasible, and could it work as an incentive or a hindrance to re-building a new, functioning framework for stability and security in the South Caucasus?

New security arrangements – particularly arrangements springing from more pragmatic approaches – may take advantage of the deteriorating security climate between larger powers. Indeed, there is a likelihood that the attention given by great powers to the region will be tempered by their greater interests in other regions. Russia's travails in Ukraine have definitely reduced its ability to influence, let alone control, Armenian and Azerbaijani foreign and security policies, and have also influenced its military deployments in Georgia's Abkhazia and South Ossetia. Iran has taken advantage of this distraction to assert its own interests in the South Caucasus.

However, this also provides the countries of the South Caucasus with the opportunity to develop alternative arrangements to help the region keep its own identity. RSSC SG panelists underlined the shifting orientation of the South Caucasus largely to the detriment of the



West. For example, faced with the current stalemate concerning existing negotiation platforms for the Armenia-Azerbaijan peace agreement, a new “3+2” (Russia, Türkiye, Iran + Armenia, Azerbaijan) negotiation platform has been pushed as an alternative option by speakers from both sides. Albeit extremely relative, this strategic change is nevertheless observable by degree. Azerbaijan’s pragmatic policy-making and non-alignment allows it to reconcile apparently disparate relationships with the West through occasional projects and policies (mostly aimed at maintaining an outlet for its fossil fuel deliveries). Armenia’s connection with its diaspora has created links with powerful Armenian communities in Western countries. The orientation of the Georgian public towards EU and NATO integration needs no elaboration here, even though the appetites of the ruling government there may not align with those ambitions. Thus, a realistic assessment of the South Caucasus’ Westerly course has to remain under consideration. The elaboration of regional security arrangements may offer each state a way to relieve the region from the meddling of large powers, while at the same time preserve their political margins of maneuver.

Political polarization within the South Caucasus countries owing to the rapid changes of fortunes in the region may impact the prospects for stability and peace. This is why urgent pleas are made to accelerate the peace process between Armenia and Azerbaijan and to stick to Georgia’s Euro-Atlantic course.



### Political Polarization and Its Dangers

Domestic political discourse and ideology influence a state’s foreign policy formation. Consequently, increased political polarization and extremist ideology across the political spectrum will affect the bilateral and international relations of states. Political polarization has demonstrably affected Georgia’s ability to shape solutions to complex problems. The prospect of

territorial re-integration seems to have taken a back seat to the chasm which has developed between the public’s Western aspirations and the government’s apparent Russian leanings. The outcome of peace negotiations between Armenia and Azerbaijan increasingly becomes hostage to allegations of “soft” ethnic cleansing in Nagorno Karabakh, but while the Azerbaijani population seems united around a “winner takes all” strategy *vis-à-vis* Armenians, the intransigence of parts of the Armenian population may put the Pashinyan government in a difficult situation.

Polarization on foreign policy issues is also the result of external influences – such as the influx of Russian immigrants in Georgia, Russian disinformation directed at local societies, or mediators of the peace process between Armenia and Azerbaijan being regarded as politically biased. Panelists proposed solutions to mitigate the dangers of political polarization. An important aspect was the breaking of stereotypes and prejudices regarding ethnic groups living together in the same state as well as the development of media literacy and civic education to counter disinformation. The goal is to change narratives towards finding common regional solutions rather than feeding different perceptions, and to facilitate personal interaction between Georgians, Armenians and Azerbaijanis. Furthermore, reducing external involvement in trilateral frameworks for dialogue and cooperation was said to be a necessary step in order to move forward. The Benelux countries were cited as an example of small-scale regional integration.

### Building an Integrated South Caucasus

One of the aims of this Study Group is to foster the notion of an integrated strategic persona for the South Caucasus, enabling it to emerge as a regional actor in its own right, promoting its interests constructively as a group of countries. So far, the unresolved conflicts have been the main hindrance to regional integration. From this perspective, the most important strategic variable to have changed during the last years has been the conflict between Armenia and Azerbaijan over Nagorno-Karabakh. This conflict acted as a brake to regional integration, as did the still unresolved conflict between Georgia and its breakaway regions supported by Moscow.

While the risk of military confrontation remains relatively high, it is worth reflecting on the mediation and negotiation efforts and formats to date. Additionally, ways to create new tools to support responsible diplomacy need to be

considered. Progress on this front has been limited by the fact that the substance of Armenian-Azerbaijani peace talks has been shielded from view. Regardless, the focus was on the preferred process and perceived content of the negotiations between the two countries. The current stumbling blocks are the disagreements between the parties on key issues: The need for international guarantees and arbitration; preferences regarding the mediation frameworks; the urgency of signing a peace treaty; geopolitical fragmentation among the three South Caucasian states leading to different geopolitical imperatives and priorities; the relevance of the Trilateral Statement of November 2020 in the aftermath of the demise of Nagorno-Karabakh; the enclaves in the territory of the other country inherited from Soviet times. The situation with Georgia's separatist territories remains as intractable as ever, and, with the current Georgian prudent and pragmatic approach towards Russia, it may remain frozen for many years. The building of a new Russian naval base in Abkhazia will create a new security threat against Georgia in particular, and the Wider Black Sea in general. To mitigate such security threats, a diplomatic "coalition" of Black Sea riparian states and enhanced cooperation with Central Asian states seeking unimpeded access to the Black Sea via the South Caucasus were suggested.

### **External Factors of New Security Arrangements in the South Caucasus**

Normative, legal, or other solutions which could be put in place with the help of Western organizations and institutions and with other Black Sea littoral states were proposed in order to preserve the security of maritime trade, the "adaptability" of existing international legal regimes (like the Montreux Convention or the United Nations Convention on the Law of the Sea), and the eventual creation of structures or procedures to alleviate regional instability. In this discussion, great hope has been attached to the Western-less "3+2" and "3+3" (in case Georgia dropped its concerns *vis-à-vis* Russia) cooperation platforms. Misperceptions regarding the EU's role and objectives in the South Caucasus region, confusions regarding its internal and external operational procedures as well as its abilities and capabilities are not favourable towards the advancement of new security arrangements in the South Caucasus. However, the EU should stay committed and some even argued its role and capabilities deployed in the region should be expanded. The input of the European Union – not only as a security provider through the on-going EU Monitoring Mission in Georgia and the EU Mission in Armenia, but

also as an investor in a potential Euro-region project – should be promoted and emphasized. In the definition of the outlines of a new security arrangement for the South Caucasus, technical solutions were regarded to be a first step. While technical solutions have political implications, the effects of politics on solutions for the common good may be tempered by EU conditionality on its participation.

The impact of actors from well outside the region – such as India and China – may affect the prospect of a regionally-generated security arrangement by virtue of the attraction they create for individual countries in the South Caucasus. In short, external actors have the power to enforce unilateral solutions on preferred bilateral relationships. From this perspective, the implications of a potential competition between the India-Middle East-Europe (IMEEC) transport corridor and China's Belt and Road Initiative (BRI) over regional integration in the South Caucasus were considered.



### **Policy Recommendations**

- The Armenian-Azerbaijani peace process must be unblocked and pushed forward to achieve a conclusion as soon as possible (although it was acknowledged that there is no urgency on the Azerbaijani side). The participants firmly believe that the mutual trust which is currently absent will be more easily generated by the rapid signing of a formal peace treaty.
- The current stalemate regarding platforms for Armenia-Azerbaijan summit meetings should be overcome. Georgia could offer a compromise venue for such meetings and for the eventual signing of a peace agreement. Meanwhile, EU, US and Russian negotiation platforms should take a step back from the frontline of peace mediation to allow for an urgent resumption of meetings between the countries' leaders.

- Armenia and Azerbaijan should take responsibility for, and mutually agreed action against, any violations of a peace agreement, and give up on the search for security guarantees and international arbitration mechanisms, which have proved highly ineffective in managing other conflict/post-conflict situations. This recommendation opens the door to discussions on the potential augmentation of the EU presence and peace monitoring in the region, in close consultation with both Baku and Yerevan.
- Arbitration should be undertaken by the countries of the region, on condition that they are not party to a dispute or accused of a treaty breach. For example, an allegation made by country A against country B can only be investigated and arbitrated by country C. An allegation made by country B against country C can only be investigated and arbitrated by country A, and so on.
- The contents of Armenia-Azerbaijan peace negotiations should become more transparent to the public. The civil societies in both countries should be consulted on possible solutions to remaining divisive issues in view of their extensive knowledge and experience in dealing with each other, which they have acquired, *inter alia*, within the framework of the EU, and track 2-diplomacy projects of the EU member states.
- After a peace agreement has been signed between Armenia and Azerbaijan, the two countries should consider signing a bilateral agreement on Confidence and Security Building Measures (CSBMs), in line with the 2011 Vienna Document. Georgia could also be involved in a potential South Caucasus CSBMs trilateral security arrangement.
- Following the conclusion of a peace agreement, the EU should extend its technical support to Armenia and Azerbaijan on the delimitation and demarcation of the common borders; subsequently, FRONTEX should help the two neighboring countries to protect their newly demarcated borders against trans-border security risks and threats.
- The commitment to disarmament should be renewed – and perhaps the Conventional Forces in Europe (CFE) Treaty should be re-established for the South Caucasus.
- A recurring recommendation is the development of a dedicated structure to enable the region to prioritize and decide on matters of common interest.
- One approach could be a “mini-Marshall Plan” for the whole South Caucasus supported by the EU and the US with the mandate of supporting a tri- or quadri-national (with Türkiye) natural resource management corporation/entity. The creation of such infrastructure and intra-regional connectivity projects would form the basis of “new security arrangements”.
- The three countries would also be expected to open the door of cooperation and to extend benefits of such a security arrangement to the authorities of un-recognized territories and their population.
- Corollary, structures could also be set up to ensure that the ownership of such an arrangement remains within the purview of South Caucasus interests. These would include specialized tri-national colleges to train the personnel needed to maintain this infrastructure.
- Injections of funds would be conditional upon the commitment of all South Caucasus countries to intra-regional connectivity, with a view to creating a publicly-traded company akin to the Suez Canal/Panama Canal companies, or the Saint-Lawrence Seaway project.
- Although the involvement of the EU would be welcome to facilitate the development of such infrastructure and processes, all three countries would be expected to commit politically to using such a plan’s financial resources to build the infrastructure.
- The arrangement detailed in the point above would focus on managing regional water, food, crop, pollution control and energy security. Naturally, this could include activities in the commercial sector like tourism and economic relationships.

These policy recommendations reflect the findings of the 26th RSSC workshop on “New Security Arrangements for the South Caucasus”, convened by the PfP Consortium Study Group “Regional Stability in the South Caucasus” in Reichenau/Rax, Austria, 16–19 November 2023. They were prepared by Dr. Frederic Labarre (Royal Military College of Canada, Kingston) and by Dr. George Vlad Niculescu (European Geopolitical Forum, Brussels) on the basis of the proposals submitted by the participants. Valuable support in proofreading came from Sara Milena Schachinger (Austrian National Defence Academy, Vienna).

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