

POLICY RECOMMENDATIONS

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

“Risks and Opportunities of the Emerging South Caucasus Regional Order“

21st RSSC SG Workshop
7 - 10 September 2021, Rome, Italy

PfP Consortium of Defense
Academies and Security
Studies Institutes



Executive Summary:

The Regional Stability in the South Caucasus Study Group (RSSC SG) was proud to resume its activities within a face-to-face workshop held in Rome on 7-10 September 2021. On that occasion, the Study Group discussed and subsequently agreed on a number of policy recommendations, such as:

1. Further examine when and in what conditions parallel DEEP's (Defence Education Enhancement Programmes) could facilitate interested education institutions to offer or receive courses/modules for the professional military education on conflict escalation/de-escalation and historic comparative case studies.
2. Future regional economic integration is crucial for regional stability, security and prosperity. To that end, substantive progress should be made at least at two levels: international and sub-national:
 - At the international level, a “3+5” (ARM, AZE, GEO + RUS, TUR, IRN, EU, US) regional cooperation mechanism was suggested. Similarly, opening direct talks on economic connectivity projects, in ARM-AZE-TUR format, should also facilitate sectorial agreements until conditions for the full normalization of relations were met.
 - At sub national level, Transnistria's model of economic integration with Republic of Moldova was recommended to continue to be applied and deepened by Georgia in the case of Abkhazia (but not for South Ossetia). The depoliticization of the status issue, and a refocus on practical economic integration issues should be included in the review of Georgia's de-occupation strategy.
3. The lack of a clear legal mandate for the Russian peacekeeping force in Karabakh has started to become an issue. In this context, providing the peacekeeping operation in Karabakh with a valid international (UN/OSCE) mandate is necessary for the preservation of the current fragile status-quo and the effective protection of the local population.
4. As an essential part of the internationally facilitated reconciliation process, it was felt that a focus on the remaining humanitarian challenges in Karabakh was absolutely necessary. To that end, the protection of human rights, including those of the persons belonging to ethnic minorities with the aim to help rebuilding the “inter-community ecosystem”, and international support for demining should feature as high priorities.
5. Canada needs to take a more constructive role in conflict-resolution discussions, as well as in shuttle diplomacy.



Risks and Opportunities of the Emerging South Caucasus Regional Order

The Regional Stability in the South Caucasus Study Group (RSSC SG) was proud to resume its activities in a face-to-face format in Rome, 7-10 September 2021. Not only was it the first such meeting in 22 months, it was also the first time that colleagues from Armenia and Azerbaijan met face-to-face after the 44-Day war the year before. The co-chairs and organizers of the 21st RSSC SG Workshop salute their courage and flexibility in gracefully and constructively discussing on how to move beyond the “precarious peace” established by the 10 November 2020 Trilateral Statement.

The second Karabakh war was the catalyst for massive changes in the South Caucasus. For the first time in a quarter of a century, the possibility of an end to bloodshed between Armenia and Azerbaijan is possible to contemplate, and perhaps within reach. Certainly, the new territorial realities fit better the internationally recognized territories of both countries, but important challenges remain, making it important for the RSSC SG to meet to spur thinking on the way forward.

The conflict was also an opportunity for other regional actors. Georgia deployed uncommon diplomatic and peace-making skills in the aftermath of the combat phase between Armenia and Azerbaijan. While Georgia demonstrated its ability at being an effective bridge between the two belligerents, Russia established itself as the essential arbiter and guarantor of a fragile ceasefire, and of purveyor of security for new lines of demarcation between Armenia and Azerbaijan. Turkey has not waited and sided with Azerbaijan in achieving and securing the new territorial realities. In practice, the Trilateral Statement has created a new geopolitical reality founded upon a Russo-Turkish strategic partnership, possibly leading into an emerging new regional order. This brief summary shows how necessary the 21st RSSC SG Workshop was.



PANEL 1: The South Caucasus after the “Summer of Summits”

The first panel enabled participants to take stock of the ferment of diplomatic activity that took place in the summer of 2021. The South Caucasus countries’ reaction was evaluated by our experts in the wake of the NATO Summit that took place in mid-June 2021, the Shusha Declaration, and also on the looming shadow cast by China over the region.

The NATO Summit Declaration has mentioned China as a menace for stability, but has done little for the South Caucasus. It is well known that China has economic interests in the South Caucasus, and Armenia and Georgia, in particular, have been seen as receptive to China as a potential regional balancer. Meanwhile, Presidents Biden and Putin concluded their first bilateral Summit in mid-June in Geneva (Switzerland) which might have moved U.S.-Russia confrontation into the next stage, where restoring the predictability and stability in relations seemed to be the top priority for both parties. On the other hand, the Russo-Chinese strategic partnership was boosted by the geopolitical vacuum created in Central Asia by NATO’s withdrawal from Afghanistan. That has not prevented Georgia, for one, from demonstrating its positive role in the region. Georgia continues to link its security to NATO membership. The constructive diplomacy it has shown in mediating between Armenia and Azerbaijan should go a long way in improving its international standing as a responsible regional actor, despite the democratic crisis which it is enduring presently. The Shusha Declaration by Azerbaijan and Turkey is interpreted by Georgia as a positive development because it cements Azerbaijan’s territorial integrity and guarantees a modicum of Allied presence in the region, according to one panelist. Georgia has shown itself open to a trilateral (ARM-AZE-GEO) format of discussion at this summer’s Antalya Forum, which much resembles this very RSSC SG’s objectives of helping create an integrated strategic persona in the South Caucasus.

This panel also explored the influence of China onto South Caucasus stability. For a few years now, co-chairs of the RSSC SG had been noticing a significant rapprochement of the South Caucasus towards this Asian giant. This panel has conclusively shown that the attention cast upon China is not necessarily mutual. In fact, China’s influence has been demonstrated as being limited in reach and effect. The risk of having a large power confrontation (say with Russia or Turkey, owing to China’s potential for aggression) is unlikely. The experts on this panel reassure us that China’s geographic, political and commercial reach into the South Caucasus should not be overstated, especially since the region’s countries are wary of the debt trap that China is known of springing.

The Shusha Declaration, experts presume, enables Turkey to establish itself as a permanent fixture in the South Caucasus security equation. In that sense, the outcome of the 44-Day war has enabled Turkey to expand its two decades old strategic partnership with Russia into the South Caucasus region. However, it is too soon to say whether the Shusha Declaration (against which Russia has issued clear warnings) may translate into tensions between Turkey and Russia, or may further aggravate the ongoing NATO-Russia stand-off. Even great powers will need to adapt to the new geopolitical realities.

Clearly those new realities are not satisfactory to Armenia. Armenia has miscalculated badly in its handling of the diplomatic play which preceded the war, and in giving due credit to Russia's efforts in settling the crisis, in particular. The outcome is that administratively and politically, Artsakh has become more of a burden to Yerevan. This burden had to be alleviated if a modicum of stability is to be achieved in the relations between Armenia and Azerbaijan, going forward. The Russian Federation can be credited for taking on that load full on through a 5-year peacekeeping operation, to manage the new contact line between the belligerents. But Armenia still has certain obligations to its remaining Armenian residents, bringing into sharper contrasts the new challenges that the Azerbaijani victory may have created, such as the human and political rights of the Armenian community there, cultural rights, as well as refugee issues, and relations between the returning Azerbaijanis and the remaining Armenians. How these issues will be affected when some panelists argue that Armenia's best outcome is to resist any formalization of a ceasefire or peace deal, which would confirm the "loss of sovereignty" by the self-styled Nagorno-Karabakh Republic, remained unclear.

PANEL 2: Regional Risks and Opportunities at Times of Great Power Rivalries

Here the opinions were greatly divided. To Azerbaijan, great powers have limited interest in the South Caucasus. Iran is mostly restrained to developments there, and even the presence of the Russian peacekeeping mission past 2025 is not absolutely necessary. Even now, Azerbaijan would not mind to see Russian peacekeeping operation staffed with Western forces. To Azerbaijan, the Shusha Declaration is sufficient deterrence against revisionism, and therefore, great power influence would be superfluous to the relations between Armenia and Azerbaijan. Only "a mutual recognition of the territories of Armenia and Azerbaijan would lead to long-standing peace". The new status quo is in fact a "return to normality", where the problem of Karabakh is settled once and for all, exclusively on Azerbaijani terms. To other panelists, the South Caucasus represents an

area of privileged interest to the Russian Federation, and so "Western" influence in that region is frowned upon. NATO has been deemed "expelled" from the region, and the reach of the European Union's policies are limited by their normative (as opposed to security) content. This outcome is not surprising, say some panelists, as the West has "betrayed" the South Caucasus. To others, the great hope to balance Russia lies in Turkey, because Iran is marginal at best as an actor (if not detrimental to the South Caucasus' hopes of better connecting with the West). Whether Turkey can be an effective balancer very much depends on its own normalization of relations, especially with Armenia. In this respect, panelists have hinted at the creation of an additional trilateral platform, where Armenia could speak directly to Azerbaijan and Turkey leading into establishing full diplomatic relations.

The last presentation of this workshop focused on a policy recommendation agreed during the 7 June 2021 online workshop, pertaining to the possibility of creating a joint Armenia-Azerbaijan NATO DEEP program focusing on topics related to conflict resolution and conflict de-escalation. Officials close to the NATO DEEP program recognized that such an endeavor could be of interest, although it exceeds the mandate of the DEEP program. They presented the mechanisms and tools available for the implementation of such a program, and further clarified that the interest of those directly concerned is of utmost necessity. Nevertheless, they provided the Study Group with the opportunity to further evaluate the feasibility of this approach.



Interactive Discussions/Policy Recommendations

Interactive discussions were lively and rich. They were open with a call from the co-chairs to participants, in particular those who did not have the chance to attend the online roundtables of 4 December 2020 and 7 June 2021, to take into account and avoid to unnecessarily repeat the agreed (and published) Policy Recommendations. A couple of select discussion kickers opened up the interactive discussions with the aim to offer a new breath to the regional debate leading into new, value-adding Policy Recommendations. The Study Group focused on a number of policy recommendations, and the way ahead for the region:

¹ Artsakh is the Armenian name for the Azerbaijani recently re-named "Karabakh economic region".

1. It was proposed to examine when and in what conditions parallel DEEPs could be implemented at the most propitious moment so that interested NATO and EU members' civilian or military education institutions could offer, if acceptable, courses/modules for the professional military education on conflict escalation/de-escalation and historic comparative case studies. This recommendation was deemed particularly relevant for the Armenian and Azerbaijani military education needs.
2. Attractive economic and trade incentives for the entire South Caucasus region and key regional players would be important to ensure mutual pragmatic interests, which would gradually reduce animosities. In addition to tagging the countries of the region to oil and natural gas pipelines (such as for example Baku-Cheyhan, or TANAP), it would be crucial to diversify economic and trade relations in other sectors of the economy. A well-functioning economic and trade infrastructure of the entire region would be the most stable guarantor of peace. OSCE and relevant UN agencies and financial donors should support the process.
3. Future regional economic integration is crucial for regional stability, security and prosperity. To that end, and in line with the previous policy recommendation, substantive progress should be made at least at two levels: international and sub-national. At the international level, a "3+5" (ARM, AZE, GEO + RUS, TUR, IRN, EU, US) regional cooperation mechanism was suggested from the floor as a way to overcome the current stalemate on the "3+3" regional cooperation mechanism proposed by Turkish president Erdogan and rejected so far by the Georgian leaders. Similarly, opening direct talks on economic connectivity projects, in ARM-AZE-TUR format, should also facilitate sectorial agreements until conditions for the full normalization of relations were met.
4. At subnational level, Transnistria's model of economic integration with the Republic of Moldova was recommended to continue to be applied and deepened by Georgia in the case of Abkhazia (but not for South Ossetia). The depoliticization of the status issue, and a refocus on practical economic integration issues should be included in the review of Georgia's de-occupation strategy as key elements leading to conflict transformation and practical cooperation based on humanitarian needs. This could also help transform, on the medium term, the currently tense and emotionally overcharged Georgia-Russia relations.
5. Since over the last months a relatively large number of tragic incidents have happened on the current Armenia-Azerbaijan borders, both international monitoring of the borders and third-party documenting of any incidents would be helpful to complement ongoing Russian border demarcation and protection efforts.
6. Very recently, the lack of a clear, legal mandate for the Russian peacekeeping force in Karabakh has started to become an issue. Local media reports as well as several official statements have highlighted brewing tensions between Azerbaijani armed forces and the Russian peacekeeping contingent. In this context, providing the peacekeeping operation in Karabakh with a valid international (UN/OSCE) mandate is necessary for the preservation of the current fragile status-quo and the effective protection of the local population.
7. As an essential part of the internationally facilitated reconciliation process (highlighted in previous Policy Recommendations of this Study Group), it was felt that a focus on the remaining humanitarian challenges in Karabakh was absolutely necessary. To that end, extensive discussions about the protection of human rights, including those of the persons belonging to ethnic minorities within the context of rebuilding the "intercommunity ecosystem", and the provision of international support for demining should feature high on the priorities' agendas.
8. In the quest for fostering transnational contacts between the warring states of Azerbaijan and Armenia, international humanitarian organizations could serve as catalysts or neutral brokers for informal dialogue between wounded veterans and/or widows from both countries.
9. Canada, a country with a long and important tradition and expertise in peacekeeping and a respected middle power, needs to take a more constructive role in conflict-resolution discussions, as well as in shuttle diplomacy.

These policy recommendations reflect the findings of the 21st RSSC workshop on "Risks and Opportunities of the Emerging South Caucasus Regional Order", convened by the PFP Consortium Study Group "Regional Stability in the South Caucasus" in Rome, Italy, 7 – 10 September 2021. They were prepared by 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 and layouting came from Mirjam Habisreutinger (Austrian National Defence Academy, Vienna).

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