



**23rd Workshop of the PfP Consortium Study Group
“Regional Stability in the South Caucasus”**

**“Peace Building through Economic and
Infrastructure Integration
in the South Caucasus”**

– Programme and Workshop Outline –

24 – 27 March 2022

Naples, Italy

Purpose

In 2012, the Austrian Ministry of Defence, through its National Defence Academy and the Directorate General for Defence Policy, resumed the scientific work begun in 2001 (but interrupted in 2005) by the PFP Consortium of Defence Academies and Security Studies Institutes on the South Caucasus. The RSSC SG has emerged as the premiere Track 2 diplomacy platform where intractable conflicts are discussed with discretion, in a serene and academic atmosphere, but within reach of political ears. Deliberations are conducted strictly according to Chatham House rules, and this has contributed to a steady stream of successes, seeing recommendations from nearly a half dozen workshops being considered if not applied by South Caucasus actors.

For example, in 2015, the George C. Marshall Center held a high-level in-camera meeting for South Caucasus deputy ministers of defence, based on policy recommendations produced in November 2013. Armenia and Azerbaijan have enacted a crisis hotline, and an exchange of journalists based on recommendations made in past years. There is evidence that public communication techniques suggested in 2015 and 2017 by the RSSC SG are being put in practice in Armenia. The RSSC SG is also leveraging the assistance of outside partners to accomplish a policy recommendation made in November 2017 as Handbook project entitled “Understanding the Contemporary Information Landscape.” The co-chairs are glad to pilot this effort, and to see that the work of the RSSC SG is finding a constructive outlet. Much remains to be done, however, and we expect this work to continue for the foreseeable future.

Past workshops held in Reichenau/Rax, Austria, since 2012 and the wider region (Tbilisi, Istanbul, Kyiv, Chisinau, Varna, Minsk, Berlin, and Rome) have demonstrated that the RSSC SG had established a broad academic basis and the cohesion necessary to undertake more ambitious cooperative projects. Thanks to this cohesion, and our participants’ direct and indirect access to decision-making circles in their respective power centres, the RSSC SG continue to produce policy recommendations that are both constructive and practical. The RSSC SG has continued its work throughout the Covid-19 pandemic, hosting three virtual roundtables, each of which has produced actionable recommendations. Furthermore, the first post-pandemic hybrid workshop held in Rome (07– 10 September 2021) on “Risks and Opportunities of the Emerging South Caucasus Regional Order” has demonstrated that the virtual work, and the 44-Days War on Karabakh have not significantly affected the ability of the Study Group to diligently discuss and effectively produce actionable policy recommendations.

With the latest workshop on “Supporting New Conflict Management Platforms in the South Caucasus”, held in Reichenau/Rax, Austria, on 04 - 07 November 2021, we have returned to the normal annual schedule of work. Initially, this workshop had aimed at discussing a host of different initiatives with a particular focus on the Georgian Peaceful Neighbourhood Initiative (PNI). But much discussion inevitably focused on its potential geopolitical competition with the “3+3” format, as well as on whether or not either of them should replace the OSCE Minsk Group. Eventually, it came out that regional cooperation platforms should not only offer a flexible framework encompassing a sum of interchangeable parts aiming to attract external support behind a common vision on peace and stability through regional integration. The purpose would be to integrate the whole of the South Caucasus – with a view to identifying common risks to the region, and finding multilateral solutions, within a changing regional geopolitical context. On that occasion, a proposal was made to set up a distinct regional sub-platform to discuss economic and infrastructure issues. This was not for the first time when the Study Group voiced such a call (see farther down). Consequently, the co-chairs have chosen to take up this challenge at the 23rd RSSC SG workshop.

This drove us towards a theme that we wanted to have discussed at the RSSC SG workshop that should have been held in Tbilisi (Georgia), in March 2020. At that time, we were prevented to perform the usual RSSC SG spring workshop by the Covid-19 pandemic, which broke out a couple of weeks before its scheduled dates. Furthermore, the outcomes of the most recent summits held in November and December 2021 in Armenia-Azerbaijan-Russia and Armenia-Azerbaijan-EU formats respectively, as well as the conclusions and policy recommendations of the most recent RSSC SG workshops persuaded the co-chairs that the theme linking economic and infrastructure integration to conflict resolution and peace building efforts should be rescheduled for spring 2022 (pandemics oblige).

This workshop would follow upon the discussions at the 10th RSSC SG workshop, held in November 2014, on “Towards Europe?! Straddling Fault Lines and Choosing Sides in the South Caucasus”. That workshop was evocative of the integration dilemma for Armenia, Azerbaijan and Georgia thereby highlighting their difficult choices on joining competing European and Eurasian models of regional political-economic integration. More than seven years later, what are the prospects for moving towards regional economic integration and infrastructure connectivity across the South Caucasus? What related new opportunities and constraints have emerged?

For the 23rd workshop, the co-chairs have invited speakers to revisit the prospects of regional economic and infrastructure integration and their potential to being leveraged as peace building tools across the South Caucasus within the new geopolitical and strategic context created by the outcomes of the 44-Days War on Nagorno-Karabakh and the renewed NATO-Russia standoff over Ukraine as a pillar of the emerging East European security system. The co-chairs wanted thereby to support efforts to create new momentum for regional stability in the South Caucasus by having the Study Group deliver concrete recommendations that are both imaginative, as well as practical. It is therefore with great pride and anticipation that we invite you to join us at the 23rd workshop of the RSSC SG, entitled **“Peace Building through Economic and Infrastructure Integration in the South Caucasus”** to be held in **Naples, Italy, on 24-27 March 2022.**

Partners

- Austrian National Defence Academy, Vienna
- Directorate General for Defence Policy, Austrian Ministry of Defence, Vienna
- Partnership for Peace Consortium of Defense Academies and Security Studies Institutes, Garmisch-Partenkirchen
- European Geopolitical Forum, Brussels
- Royal Military College of Canada, Kingston

Topic Outline

Back in November 2014, the RSSC SG concluded that, while dealing with the South Caucasus, the international community should engage in a dual approach of reconciliation at the grass roots and community level, and of support for economic development at national and regional levels. In particular, it was proposed that the Study Group should strive to adapt itself to becoming a dedicated platform for “Track 2” engagement among conflicting parties, which it eventually did ever since. At the economic/trade level, it was recommended to take on the promotion of a South Caucasus free economic zone, irrespective of the “allegiance” of the respective countries (to join the European Union – EU, the Eurasian Economic Union – EAEU, or none) and irrespective of status.

In 2014, Germany initiated the so-called “Berlin-Process”, a set of strategies and programs to guide and assist the remaining ‘Western Balkans Six’ (WB 6) regarding an ever-closer association with the

EU, and an eventual membership. The “Berlin-Process” aimed, among others, at improving regional cooperation, in particular on the issues of infrastructure and economic development – in the widest sense, including trade, energy, environment, education and youth, science, digital society. While EU membership is not a strategic goal for all South Caucasus states, could the “Berlin Process” serve as a source of inspiration for how to meet concrete political, socio-economic, security, and other societal needs in the Southern Caucasus region? The emerging South Caucasus regional platform should facilitate a whole variety of practical measures to help improve the everyday life of the populations of the region, and to support confidence building, inter-ethnic reconciliation, and, as necessary, peace building in the South Caucasus.

The Trilateral Statement by Armenia-Azerbaijan-Russia on Nagorno-Karabakh has provided for “*all economic and transport connections in the region shall be unblocked. The Republic of Armenia shall guarantee the security of transport connections between the western regions of the Republic of Azerbaijan and the Nakhchivan Autonomous Republic in order to arrange unobstructed movement of persons, vehicles and cargo in both directions. [...] As agreed by the Parties, new transport links shall be built to connect the Nakhchivan Autonomous Republic and the western regions of Azerbaijan.*”¹ In line with this Trilateral Statement, as well as the commitments undertaken at the subsequent summits in Moscow (January 11, 2021) and Sochi (November 26, 2021), Charles Michel, the president of the European Council, emphasised “*the importance of restoring communications infrastructure between Armenia and Azerbaijan in particular and the South Caucasus more broadly, while fully respecting the sovereignty of all countries. [...] The EU was ready to support the development of connectivity links, in line with its Economic and Investment Plan. An EU-proposed economic advisory platform could also be used in support of this process.*”² Apparently, the stars in Baku and Yerevan might align with those in Moscow and Brussels to set up a new regional cooperation platform aiming to address issues of infrastructure and economic development, straddling over trade, energy, environment, education and youth, science and digital society. Consequently, it appeared that another very recent RSSC SG policy recommendation was inspiring the key stakeholders: “*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-Cheyban, 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.*”³

The aims of this workshop will consist of:

- Assessing the prospective impact of, and constraints against, regional economic integration and infrastructure connectivity across the South Caucasus.
- Developing an outline for an inclusive, multilateral, and comprehensive regional platform focused on economic integration and infrastructure connectivity to leverage confidence building, inter-ethnic reconciliation, and peace building in the South Caucasus.
- Starting expert discussions on developing a broader concept for the “regional economic projects basket” of the Eastern Table/Strategic Peacebuilding Group (proposed at the 18th RSSC SG workshop in Reichenau and re-called at the 19th RSSC SG workshop in Berlin).⁴

¹ <http://en.kremlin.ru/events/president/news/64384>.

² “Statement of President Charles Michel following the trilateral meeting with President Ilham Aliyev and Prime Minister Nikol Pashinyan of December 14th, 2021”, from <https://www.consilium.europa.eu/en/press/press-releases/2021/12/14/statement-of-president-charles-michel-following-the-trilateral-meeting-with-president-ilham-aliyev-and-prime-minister-nikol-pashinyan/>.

³ #2nd Policy Recommendation from the 21st RSSC SG workshop, Rome, 07-09 September 2021. <http://www.bundesheer.at/publikation-1091>.

⁴ To enable regional experts (peace scholars) and conflict resolution professionals to enhance exchanges of views, share innovative ideas, provide sound political advice, develop creative proposals and well-thought-out recommendations dealing with solution models, conflict resolution prospects and post-conflict regional security cooperation scenarios.

To address the aims of this workshop, the co-chairs are proposing several questions to spur thinking among invited speakers and participants:

- How did the implementation of existing EU, and EAEU agreements with South Caucasus states change the regional economic/trading contexts over the last years? How did the energy, transport, and digital infrastructure construction and plans in the South Caucasus evolve recently?
- What are the elements that could create a backbone of an inclusive, multi-lateral, and comprehensive platform focused on regional economic integration and infrastructure connectivity in the South Caucasus? What would be the benefits of starting such a platform for peace, security, reconciliation, and prosperity in the region? What should be the priorities?
- What neighbouring countries should be invited to join this platform from the very beginning? Would it be politically wise and practically feasible to invite a consortium of donors to support planning and implementation of such a regional platform?
- To what extent has infrastructure connectivity become an issue on the multilateral agenda of the region? What international legal/political frameworks, and operational mechanisms are there for setting the rules for multilateral connectivity?
- What practical measures that support economic integration and infrastructure connectivity could play a role in humanitarian relief of populations affected by the conflicts, as well as in confidence building, inter-ethnic reconciliation, and peace building in the South Caucasus?

We want to emphasize that these prompts are not aimed at constraining “out of the box” thinking in any way. On the contrary, they are designed to trigger positive, constructive, compromise-oriented dialogue among speakers and presenters.

PANEL 1: The European versus the Eurasian Integration Dilemma in 2022

The RSSC SG10 workshop in Reichenau on “Towards Europe?! Straddling Fault Lines and Choosing Sides in the South Caucasus” highlighted the European versus Eurasian integration dilemma for Armenia, Azerbaijan and Georgia, caused by their difficult choices on joining or not the competing European and Eurasian models of regional political-economic integration. Speakers in this panel will be invited to assess the practical ways regional countries dealt with that dilemma over the last years, and to explain how they would see it handled into the future at the broader European and Eurasian levels. What new opportunities and constraints could regional integration in the South Caucasus create in the future?

PANEL 2: Recent Developments in Regional Economic Cooperation and Infrastructure Building and Plans

This panel should provide a concrete stocktaking exercise of recent (2016 - 2021) regional and multilateral economic cooperation and infrastructure projects, and an assessment of their expected implications for regional stability in the South Caucasus. Unlike the mostly geopolitical discussions at the RSSC SG19 workshop in Berlin on the role and impact of regional and external actors, this panel should move the debates a notch downwards towards assessing concrete implications of economic integration and infrastructure projects for individual local (Armenia, Azerbaijan, Georgia), and regional actors (Turkey, Russia).

PANEL 3: Leveraging Economic Integration and Infrastructure Connectivity in the Service of Peace

This panel should explore efforts to leverage economic integration and infrastructure projects as peace building tools. The aim would be to draw up a more consistent approach to coordinating future strategies, plans, projects, and measures among the regional states, and with interested external sponsors, donors, and business in order to promote regional economic cooperation and infrastructure connectivity, and maximize their impact on incentivizing peace processes across the South Caucasus region.

Breakout Group Minerva: The Operation of Strategic Peacebuilding and International Peace Support Groups in the South Caucasus

Proposed by Dr. Elkhan Nuriyev at previous RSSC SG workshops, the Eastern Table/Strategic Peacebuilding Group was consensually embraced by all the other workshop participants as a possibly new dedicated platform that could help alter the conflicting narratives in the South Caucasus to achieve progress on negotiations and reconciliation. While an inclusive, multilateral, and comprehensive regional platform focused on economic integration and infrastructure connectivity in the South Caucasus is being explored, what role could be there for an International Peace Support Group closely associated with it? This Interactive Discussion should offer an opportunity to start more detailed talks on how to make use of various experts' groups (including EU proposed economic advisors) in support of Track 1 negotiations, as well as in capacity building aiming to create a common strategic culture supportive of peace in the South Caucasus.

Breakout Group Mars: Peacekeeping in Nagorno-Karabakh and the Way Ahead

This breakout group is proposed to deepen the discussions we have had in the 2nd online workshop of June 2021, which aimed at exploring the risks of spoilers to the fragile cease-fire between Armenia and Azerbaijan after the 44-Day War. Here we propose actionable recommendations to ensure that the peacekeeping mission does not unravel because of spoiling action. The importance of a reliable peacekeeping mission, and the establishment of predictable local relations at the contact line is connected to this workshop's intent because the contact line and ground connections between Azerbaijan and Nakhichevan intersect commercial avenues along the East-West and South-North axis. Spoilers might have an interest in using unrest at the contact line for their own interests, and instability there will necessarily affect the prospect of commercial and infrastructural integration. In other words, absent "positive" peace, the negative peace provided by a capable peacekeeping effort is a sine qua non condition for the eventual integration of the South Caucasus.

Programme

Thursday, 24 March 2022

till 18.30 Arrival of the participants

19.30 **Words of Welcome**

Andreas F. WANNEMACHER, Directorate General for Defence Policy,
Austrian Ministry of Defence, Vienna

Official Dinner

Friday, 25 March 2022

07.00 – 09.00 Breakfast

09.00 – 09.30 **Introduction to the Study Group “Regional Stability in the South
Caucasus” and Administrative Remarks**

Benedikt HENSELLEK, Austrian National Defence Academy, Vienna
Olaf GARLICH, PfP Consortium Operations Staff, Garmisch-Partenkirchen

09.30 – 10.00 **Keynote**

N.N., Allied Joint Force Command, Naples (TBC)

10.00 – 11.30 **PANEL 1: The European versus the Eurasian Integration Dilemma in 2022**

Chair: George NICULESCU, European Geopolitical Forum, Brussels

Kakha GOGOLASHVILI, Georgian Foundation for Strategic and International
Studies, Tbilisi

Benyamin POGHOSYAN, Centre for Political and Economic Strategic Studies,
Yerevan

Ahmad ALILI, Caucasus Policy Analysis Centre, Baku

Andrzej KLIMCZYK, Georgian Strategic Analysis Center, Tbilisi

11.30 – 12.00 Coffee Break

12.00 – 13.30 **PANEL 2: Recent Developments in Regional Economic Integration and
Infrastructure Building and Plans**

Chair: Elena MANDALENAKIS, McGill University, Montreal

Kakhaber KEMOKLIDZE, Georgian State Security Council, Tbilisi

Razi NURULLAYEV, REGION International Analytical Centre, Baku

Oktay TANRISEVER, Middle-East Technical University, Ankara

Ara MARJANYAN, United Nations Development Programme, Yerevan

13.30 – 14.30 Lunch

14.30 – 16.00 **PANEL 3: Leveraging Economic Integration and Infrastructure Connectivity in the Service of Peace**

Chair: Frederic LABARRE, Royal Military College of Canada, Kingston

George NICULESCU, European Geopolitical Forum, Brussels

Elguja KHOKRISHVILI, Freie Universität Berlin

Tatoul MANASSERIAN, Research Center “Alternative”, Yerevan

Ayaz MUSEYIBOV, Center for Analysis of Economic Reforms and Communication of the Republic of Azerbaijan, Baku

16.00 – 16.30 Coffee Break

16.30 – 18.00 **Breakout Group Minerva: The Operation of Strategic Peacebuilding and International Peace Support Groups in the South Caucasus**

Moderation: George NICULESCU, European Geopolitical Forum, Brussels

Kick-off Speaker: Elkhan NURIYEV, L&M Political Risk and Strategy Advisory, Vienna

Rapporteur: Lisa TAGWERCHER, University of Vienna

Breakout Group Mars: Peacekeeping in Nagorno-Karabakh and the Way Ahead

Kick-off presentation: OCDT Benjamin BOGDAN and
OCDT Odin BARTSCH, Royal Military College of Canada, Kingston
Leonid KARABESHKIN, Stolitsa Daily, Tallinn

Moderation: Fred LABARRE, Royal Military College of Canada, Kingston

Rapporteur: OCDT Odin BARTSCH, Royal Military College of Canada, Kingston

Saturday, 26 March 2022

07.00 – 09.00 Breakfast

09.00 – 10.30 **Breakout Group Minerva: The Operation of Strategic Peacebuilding and International Peace Support Groups in the South Caucasus**

Moderation: Mahir IBRAHIMOV, US Army Command and General Staff College, Fort Leavenworth

Rapporteur: Lisa TAGWERCHER, University of Vienna

Breakout Group Mars: Peacekeeping in Nagorno-Karabakh and the Way Ahead

Moderation: Fred LABARRE, Royal Military College of Canada, Kingston

Rapporteur: OCDT Odin BARTSCH, Royal Military College of Canada, Kingston

10.30 – 11.00 Coffee Break

11.00 – 11.30 **Breakout Groups' Reports**

Lisa TAGWERCHER, University of Vienna
OCDT Odin BARTSCH, Royal Military College of Canada, Kingston

11.30 – 12.30 **Interactive Discussion – Policy Recommendations Formulation**

Moderation: Frederic LABARRE, Royal Military College of Canada, Kingston

12.30 – 12.45 **Official Closing Remarks**

George NICULESCU, European Geopolitical Forum, Brussels
Frederic LABARRE, Royal Military College of Canada, Kingston

12.45 – 14.00 Lunch

14.00 **Departure to the Side Programme**

Sunday, 27 March 2022

Individual Departures