

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

Naples (Italy), 24 – 27 March 2022

General

- 16 months after the end of the 44day Karabakh war, there is the feeling that the South Caucasus is barely moving towards peace and regional stability. The trilaterally signed Statement of November 10th, 2020 is NOT a peace agreement. It left open key issues
 - *(the (interim and final) status of Nagorno-Karabakh*
 - *what happened to the status if the initial five-years mandate of the peacekeepers was not prolonged?*
 - *the future role of the OSCE Minsk Group and of other international organizations and actors (other than Russia and the UNHCR) in its implementation*
 - *the conditions for the return of the displaced persons to Karabakh*
 - *how existing mistrust and animosities between the Armenian and Azerbaijani communities would be overcome.*
 - *the delimitation and demarcation and of the international borders between Armenia and Azerbaijan;*
 - *demining the fields along and across the former Line of Contact and the exchange of prisoners of war.)*

some of which have become bones of contention among the signatories and have made for “A Precarious Peace for Karabakh”, and an uncertain future of the wider South Caucasus region”.

- 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?

- The previous workshop on “**Supporting New Conflict Management Platforms in the South Caucasus**”, held in Reichenau/Rax, on 04-07 November 2021, underscored that regional cooperation platforms should 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.** Consequently, the Co-chairs have chosen to take up this challenge at the 23rd RSSC SG workshop.
- 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 ongoing NATO/EU-Russia standoff over the invasion of Ukraine by Russian forces. The latter is stemming from the sharpening of the global Great Power competition, at the regional levels, which is likely to pose serious new security threats and risks to the South Caucasus region.
- 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).

25 March 2022

10.00-11.30 PANEL 1: The European versus the Eurasian Integration Dilemma in 2022 (and Beyond)

- **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 integrating with competing European and Eurasian models of regional political-economic integration.** On that occasion, 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 institutional “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 Western Balkans 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.
- Speakers in this panel have been invited to assess the practical ways regional countries dealt with the dilemma of the European vs. Eurasian integration over the last 7 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? More concretely, what implications might have the ongoing war between the Western-supported Ukraine and Russia over the geopolitical structure, and the prospects for regional cooperation and integration in the South Caucasus

region? How could the potential outcomes of the war in Ukraine (Ukraine's neutrality supported by external security guarantees; a deal over the legalization of the annexation of Crimea by the Russian Federation; a special status for Ukraine's breakaway Donetsk and Lughansk self-styled republics) influence the foreign and security policy choices of regional states, and the ongoing conflict resolution processes in the South Caucasus region?

- I would expect participants to explore **the following questions**:
 - **How did the implementation of existing EU, and EAEU agreements with South Caucasus states change the regional economic/trading contexts over the last years?**
 - **What building blocks could create a backbone for 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?**

16:30- 18:00 Breakout Group Minerva: The Operation of Strategic Peacebuilding (and International Peace Support) Group(s) 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 OSCE-based International Peace Support Group closely associated with it?)*
- **The Strategic Peacebuilding Group under the Eastern Partnership should enable regional experts (i.e. “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.**
- **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 advisory platform) 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.**
- How economic development and infrastructure integration in the South Caucasus would support peacebuilding?
- How to “marry” the European, Eurasian, and BRI economic regional interests and goals, tools and procedures in a global world increasingly squeezed and extensively carved out by the ongoing Great Power competition?