Challenging the South Caucasus security deficit

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Challenging the South Caucasus security deficit

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Contents

The changing context ................................................................. 3
The involvement of international organisations .......................... 5
The influential states ................................................................. 9
The Brussels approach to the South Caucasus ............................ 12
Towards a European security strategy ....................................... 16
Conclusion .............................................................................. 18
The South Caucasus region suffers from a security deficit and has entered a new period of change with a significant risk of increased instability and even conflict. The Nagorno-Karabakh conflict is the most volatile. Armenian and Azerbaijani forces regularly exchange sniper fire along the Line of Contact while the peace and settlement process has reached a stalemate. The situation in Georgia over Abkhazia and South Ossetia appears stable but there is little progress toward a political settlement between Georgia and the Abkhazian and South Ossetian leaderships. At the same time Georgia-Russia relations remain cool at best.

Current security frameworks cannot prevent new conflict and settle long running disputes. The OSCE is the most obvious and long-standing security mechanism in the region but its role and influence have been undermined by the lack of consensus amongst its members – notably the division between Russia and its allies, on one hand, and the western counties, on the other. Meanwhile the increased attention by regional state actors, principally Russia and Turkey, has failed to make the region more secure.

Only creative solutions will bring about positive change and settlement, neither one-sided recognition nor full re-integration of Abkhazia, South Ossetia and Nagorno-Karabakh. The European Union is well-positioned to step-up its involvement as it is regarded as a relatively neutral player by Armenia, Azerbaijan and Georgia. The EU should therefore take the lead in initiatives to fill the security deficit through a concerted conflict resolution approach.
The EU is broadly engaged with the South Caucasus states through the European Neighbourhood Policy (ENP) and the Eastern Partnership (EaP). These regional initiatives are aimed at economic development, trade, fostering democracy and strengthening human rights credentials but, aside from a few border control initiatives, mostly overlook the security dimension. The creation of the European External Action Service combined with the reshuffling and reform of leading positions offers Brussels the opportunity to devise an innovative and more focused approach to the South Caucasus security challenges.

This working paper has two objectives. The first part evaluates the roles and involvement of the main states and international organisations active in the South Caucasus. The trend of large states – foremost Russia and Turkey – seeking greater influence through increased activism is considered together with the decline of concerted international approaches through regional organisations and the UN. The paper argues that these two trends have further weakened security in the region. The authors propose that there is a need to revive the role of international organisations, foremost the Organisation for Security and Cooperation in Europe (OSCE). But a renewal of international organisations is not enough to resolve the region’s security challenges. Genuine long-term stability in the South Caucasus will require both the provision of enhanced security as well as of development. The EU is best placed to deliver on these twin objectives.

The second part of the paper outlines the framework of a new engagement by the EU in the region. This will involve acknowledgement that solutions in the region will take time and that no blueprint for resolving problems is possible today. Instead, the focus for the EU should be on building consensus on how to reach a comprehensive final settlement for the region’s security challenges. This will likely involve agreement on a multilevel package concerning the resolution of conflicts, enhancing security and development and fashioning new regional cooperation, both north to Russia and west to Turkey. In order to promote such a process the EU should:

• Formulate a roadmap for South Caucasus security with clear indicators of aims and means.

• Actively propose conflict resolution options for the conflicts over Abkhazia and South Ossetia that go beyond a non-recognition policy.

• Step up targeted engagement over Nagorno-Karabakh, including readiness to extend a CSDP monitoring mission to the region and involvement in the peace and settlement process.

In this way the EU would build political momentum toward a comprehensive solution, help to remedy the immediate security deficit in the South Caucasus and, above all, offer a tangible contribution to overcoming the deadlocked and prolonged conflicts.
Changes in the South Caucasus have led to growing instability. In recent years, Armenia and Azerbaijan have steadily strengthened their military forces and Russia has established a military presence in the Georgian breakaway republics of Abkhazia and South Ossetia. Meanwhile, international organisations have been unable to play a positive security role in the region, mediate in solving the three major conflicts in the region, or develop confidence-building measures to bring opposing parties together and avoid new conflict. The weakness of multilateral security frameworks was made clear at the December 2010 OSCE Summit, when participating states were unable to agree on the return of a mission to Georgia.

The Russia dominated status quo established in the region during the mid-1990s following a series of conflicts – Abkhazia, South Ossetia and Nagorno-Karabakh – is changing. Previously frozen conflicts have begun to thaw – even leading to ‘hot’ conflicts such as in the summer of 2008 between Russia and Georgia. Little or no progress was made after 15 rounds at the EU, OSCE and UN hosted Geneva based negotiations between Georgia, Abkhazia, South Ossetia and Russia. The parties remain divided over key issues such as refugee return and possible security mechanisms in South Ossetia with Georgia and Russia blaming each other for failure after each round.

Relations between Armenia and Azerbaijan have also worsened over the unresolved Nagorno-Karabakh conflict; violence escalated last year along the Line of Contact and aggressive rhetoric increased from both sides. A recent International Crisis Group report highlights the tensions and military build up in both countries.1 It argues that lack of progress in the peace talks, mainly due to continuing disagreement on the proposed basic settlement principles combined with harsh rhetoric by both sides, could lead to ‘an accidental war’. Nagorno-Karabakh’s plans to start operating commercial flights from its capital, Stepanakert, is the most recent example. Azerbaijan categorically opposes flights over its territory and has even threatened to shoot down airplanes, sparking a strong Armenian reaction.2

Regional and international players –Turkey, the United States and the European Union – have become active alongside the region’s longstanding dominant power, Russia. However, they lack a clear vision of how to contribute to the region’s security and are unwilling to invest the political and diplomatic capital necessary to significantly

advance peace in the region. Indeed, some are regarded as part of the conflicts: Russia in the case of the Georgian breakaway republics and Turkey plus Russia in the case of Nagorno-Karabakh.

The North Caucasus is also of concern, not only to Russia but also to the international community. The sub-region is experiencing significant destabilisation which increasingly has an impact on Russia. Besides numerous attacks and explosions in Russia’s southern republics over the last few years Moscow was hit twice: in March 2010 two suicide bombers killed 40 people on two metro stations and last January Moscow’s international airport Domodedova was hit by a suicide bomber, reported to be from the north Caucasus, leaving 36 people dead and many injured.

Meanwhile, the South Caucasus is increasingly interlinked with Russia’s North Caucasus. Political relationships and conflict are blurring the separation between them, leading to the emergence of an enlarged security space, termed ‘the big Caucasus’. Together, these developments mean that the Caucasus is experiencing a period of fluidity not witnessed since the late 1980s and early 1990s. The changing regional dynamics bring considerable uncertainty and the risk of a return to violence or the emergence of new conflicts.

Instability and conflict in the South Caucasus is likely to have far reaching implications for the EU’s relations with the region’s countries and key regional players, notably Russia and Turkey. These issues and threats have grown in significance as Europe seeks to link its energy security to obtaining hydrocarbons through the southern corridor crossing the region. At the same time, NATO forces in Afghanistan have become reliant on supply routes through the Caucasus.

There are clear challenges for the post-Lisbon European Union. Europe’s security role in the region has already increased with the deployment of the EU Monitoring Mission (EUMM) in Georgia. However, the EU has currently neither a clear regional security strategy nor the instruments necessary to have any meaningful influence. The European Neighbourhood Policy and the more recent Eastern Partnership initiative are not sufficient to address the South Caucasus security challenge. The introduction of the European External Action Service (EEAS) allows the EU to review its engagement in the South Caucasus within the changing environment and set out an effective approach to new security dynamics.

An EaP Summit originally scheduled for May under the Hungarian EU presidency, will now take place during the Polish presidency due to G8 and OECD agenda problems, perhaps a wise postponement given the radical changes in the EU’s southern Neighbourhood. Still, the EaP Summit scheduled for autumn 2011 would be an appropriate venue for launching an initiative to develop a new and comprehensive security approach, including a roadmap for security in the South Caucasus. This would build upon the European Parliament’s call last year to develop a security strategy for the South Caucasus. Both Hungary and Poland regard the EaP as a priority and are

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likely to be open to proposals to address the security deficit in the South Caucasus or initiate this process themselves.

Increased activism by the EU alone will not remedy the South Caucasus’s problems. Cooperation and coordination with key states and regional organisations is imperative. The next section shows how an approach based on regional security organisations is under threat.

The involvement of international organisations

The Organisation for Security and Cooperation in Europe (OSCE) is the largest regional security organisation in the world and incorporates all the regional stakeholders. Although in the early nineties the OSCE grew to be an important international security player in the Balkans, it has been unable to fulfil the same comprehensive security role of conflict prevention, mediation and development in the South Caucasus. The OSCE’s role in the Caucasus region declined further when it failed to warn of the 2008 South Ossetia conflict, one of its core tasks. Moreover, the failure was due to internal disagreements (between Russia and other members) over continuing OSCE presence in South Ossetia as part of the Georgia mission. Meanwhile the OSCE-mandated Minsk Group has not been able to make tangible process in resolving the Nagorno-Karabakh conflict based on the ‘Madrid principles’.

The OSCE is unlikely to be able to send peacekeepers or organise large policing missions in the South Caucasus but could still play a useful role in negotiations and provide its members with a forum for Eurasian security debates. The debate about the European and Eurasian security architecture arising from Russian proposals for a new treaty has been taken up by the OSCE through the Corfu process. Although this process has not brought substantial results – given Russia’s desire for a new comprehensive treaty and the US and European preference for working within existing structures, it is clear that the future of European and Eurasian security largely depends on stability in the Caucasus region.

The December 2010 Astana OSCE Summit raised hopes for a long awaited breakthrough on security in the South Caucasus. There was considerable pre-summit activity regarding the Nagorno-Karabakh conflict. In October President Medvedev invited the Presidents of Armenia and Azerbaijan to a trilateral summit in Astrakhan to help prepare the ground for the OSCE meeting, which was followed by a small scale, but symbolically important, prisoner exchange. Before the Astana summit the Minsk Co-Chairs travelled to the region, raising expectations of imminent progress.

However, the OSCE Summit was a major disappointment. The Presidents of Armenia and Azerbaijan would only agree to a joint statement of the Minsk Co-Chairs, which
reiterated previous commitments while urging the two sides to ‘focus with renewed energy on the issues that remain in the Basic Principles’ of a peaceful settlement.\textsuperscript{4} Even this modest agreement was undermined by the rhetoric subsequently employed by the two leaders, who did not even meet at the summit, in their public statements in Astana. President Aliyev accused Armenians of committing ‘war crimes and genocide’ against Karabakh’s Azeri population during the 1991-94 war.\textsuperscript{5} Significantly, President Sargsyan threatened to formally recognise the disputed territory of Nagorno-Karabakh as an independent state if Azerbaijan launched military action to retake the region and the occupied territory surrounding it.\textsuperscript{6}

If the Astana Summit highlighted the impasse in Armenian and Azerbaijani negotiations over Nagorno-Karabakh and the growing risk of a return to open conflict, it also demonstrated the continuing split between Russia and the OSCE states ‘west of Vienna’ over Georgia. In Astana, President Medvedev publicly criticised the Georgian leadership for using military force in South Ossetia in August 2008. The principles of Georgia’s territorial integrity and sovereignty were at the time clearly defended by US Secretary of State Clinton and Chancellor Merkel of Germany, among others. The issue of Georgia, and the return of an OSCE mission there, together with disagreements on other protracted conflicts, finally prevented the adoption of an action plan at Astana.

With Russia and western nations unable to agree at Astana, the role of the OSCE in the South Caucasus is now in considerable doubt, as is indeed the future significance of the organisation itself. At the same time, there is no viable alternative multilateral security framework capable of addressing the region’s pressing challenges. This means that a key priority should be to intensify dialogue between the US/Europe and Russia on strengthening OSCE engagement in the region. An initial focus might be on the OSCE developing confidence building mechanisms between Georgia and the authorities of Abkhazia and South Ossetia with the aim of a full OSCE mission returning in the medium term.

Whereas the OSCE’s role in the South Caucasus (and more generally) is declining, that of the Council of Europe (CoE) remains stable, although it does not have a direct role in conflict management or resolution. Its offices in Armenia, Azerbaijan and Georgia focus primarily on human rights, democracy and the rule of law in a domestic setting. All CoE institutions are backed-up by legally binding agreements and its membership includes all three South Caucasus states as well as Russia and Turkey. The offices often work on projects in conjunction with (or with funding from) the European Union.

The authoritative Parliamentary Assembly (PACE) closely follows the situation in the Caucasus. In June 2010 PACE adopted a critical resolution on Russia’s anti-terrorist policies in the North Caucasus region calling on Moscow to observe the rule of law.

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\textsuperscript{4} Joint Statement by the Minsk Group Co-Chairs http://summit2010.osce.org/documents/1/session_id/751
\textsuperscript{5} Statement by H.E. Mr. Ilham Aliyev, President, Azerbaijan, Second Plenary Session, http://summit2010.osce.org/documents
\textsuperscript{6} Statement by H.E. Mr. Serzh Sargsyan, President, Armenia, Third Plenary Session, http://summit2010.osce.org/documents
and to safeguard fundamental rights. The two organisations offer complementary and reinforcing approaches. The OSCE’s focus is on comprehensive security where democracy, human rights and the rule of law are essential, and it seeks to further this objective through non-binding political agreements. The CoE aims to promote democracy, human rights and rule of law through legally binding agreements indirectly contributing to stability.

In recent years NATO’s influence has declined in the Caucasus. Prior to 2008 NATO increased its activities in the Southern Caucasus through its Partnership for Peace (PfP) initiative which included Individual Partnership Action Plans (IPAPs) with all South Caucasus states. Armenia and Azerbaijan welcomed stronger ties and Georgia aimed for quick membership. The prospects of a Georgian Membership Action Plan (MAP) evaporated for the foreseeable future with the 2008 Georgian-Russian conflict. Instead, Georgia will have to make do with a NATO-Georgia Commission (NGC) established in September 2008 just after the hostilities. The NGC is meant to increase political consultations and practical cooperation including the Alliance’s assistance to Georgian political, economic and defence reforms, making it a slight upgrade of the IPAP document.

Meanwhile Armenian and Azerbaijani enthusiasm for deepening links have cooled as they carefully choose only those aspects of NATO cooperation that meet their national interests. Beyond the comprehensive IPAP documents signed with both, dealing with a host of political-military issues, there is little more that NATO can currently offer. The Alliance is not directly involved in conflict resolution with regard to Nagorno-Karabakh and Armenia is heavily dependent on Russia for its defence. The tense NATO-Russia relationship has made EU countries more hesitant to carry the NATO flag in the Southern Caucasus while Turkey and the US prefer to work bilaterally in the Caucasus without implicating NATO. NATO also remains occupied with the war in Afghanistan and its internal restructuring.

NATO’s limited ambitions in the South Caucasus became clear during the November 2010 Lisbon summit where the region barely featured in the talks. Alliance members assembled to conclude a new Strategic Concept and began partnership talks (including missile defence) with Russia. The Strategic Concept suggests that NATO is returning to the idea of collective defence as its core-task; only the NATO-Georgia Council is referred to as the basis for relations with Tbilisi. Meanwhile the Joint Statement on the NATO-Russia Council largely focused on Russia’s partnership in relation to Afghanistan (and the Central Asian republics) while not touching upon the sensitive South Caucasus security dilemmas.

The United Nations’ role in the region has also declined. A Russian veto ended the United Nations Observer Mission in Georgia (UNOMIG) in Abkhazia, parallel to that of the OSCE in South Ossetia. Regarding the UN and OSCE missions, Russia argued

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that new missions should be established based on recognition of the independence of
the two territories. The impasse created by this position is not likely to change any
time soon because the Security Council is divided. However, the UN is still present in
the South Caucasus through the United Nations Development Programme (UNDP)
missions in all three countries.

In Georgia the UNDP mission is active in many areas, including crisis prevention
and recovery projects, making the UN a player in the security field though mostly
in non-political ways. The Georgian UNDP office took over several ongoing OSCE
projects when the latter had to leave the country in 2009. In Armenia and Azerbaijan
the UNDP has several projects in diverse fields (democratisation, poverty reduction,
energy etc.) but none related directly to the Nagorno-Karabakh conflict.

The Russian initiated NATO counterpart, the Collective Security Treaty
Organisation (CSTO), has not played a significant role anywhere so far and
definitely not in the South Caucasus. Its membership and capacity in the region
has been limited since Azerbaijan and Georgia withdrew in 1999, and currently
Armenia is the only Caucasian CSTO member apart from Russia. Russia sought to
strengthen the CSTO, including its ability to intervene in internal crisis situations,
following the violence in Kyrgyzstan the summer of 2010 (when the CSTO was
unable to act). But, there is little prospect of the organisation playing a substantial
role in the South Caucasus, and if it is to have a significant regional role it is more
likely to be in Central Asia.

Finally, there are national and prominent international civil society organisations.
Over the last decade NGOs have considerably expanded their conflict management
and resolution activities in the South Caucasus. Organisations such as International
Alert, the International Crisis Group and the Open Society Foundation have, through
either research or activist programming, developed new forms of engagement. This
has enabled them to develop dialogues with players that are not readily accessible to
representatives of states and international organisations.

Joint research and awareness raising programmes have allowed experts from non-
recognised territories, Georgia, Armenia and Azerbaijan to meet and exchange
experiences with their West European, Russian and American colleagues. Although
Abkhazia and South Ossetia representatives have had travel difficulties due to limited
connections and especially visa issues. These civil society initiatives are usually funded
by European countries and sometimes by the US, given that regional organisations lack
funds and are hesitant to support such politically sensitive work. Such organisations
have provided an important bottom up dynamic to the processes of change underway
across the region.

The security deficit of the South Caucasus is unlikely to be filled any time soon through
collective programming by international organisations. The OSCE, NATO and the
UN are on the sidelines of events in the region and are fundamentally hindered by
internal disputes or occupied with other priorities. Instead, it is the group of leading
regional powers – Turkey, Russia and the US – that have the opportunity to shape
the future course of the region. The EU could play a critical role as a player in the
region – and as a force to revive multilateral security approaches – but it will require
a major shift in the way the Union engages with the South Caucasus.
Russia remains the leading actor in the region. Moscow has extended its security sphere into the South Caucasus as a result of the war with Georgia and the subsequent unilateral declarations of independence by South Ossetia and Abkhazia in 2008. This shift has brought with it new responsibilities for developments in these regions which are proving difficult for Moscow to manage. Russia’s recognition of South Ossetian and Abkhazian independence has helped to spur local nationalisms in western parts of the North Caucasus (notably the Circassian movement).

Migration from South Ossetia into North Ossetia following the war has renewed tensions with Ingushetia over the Prigorodnyi district where many South Ossetians are settling, contributing to growing violence in Dagestan and Ingushetia. In October Georgia introduced visa free travel for Russian citizens from the North Caucasus, with Moscow responding that the initiative was a ‘provocation’ and an ‘attempt to divide Russia’s population into different categories.’

Increased links between violence in the north Caucasus and the unstable South Caucasus is a headache for Russia as well as other external powers and organisations. Whereas Europe, the US and Turkey are active in the South Caucasus and have some influence on policy this is not the case in southern Russia. After the second Chechen war in 1999-2000 Russia reasserted itself as a military power and pre-empted external engagement. International leverage on Russian anti-terrorist and ‘stabilisation’ policies is weak. Russia thus faces a paradox in that its influence remains substantial in the wider Caucasus but it cannot control the North Caucasus nor ensure stable and pro-Russian neighbours on its southern flank.

Many observers have suggested that Russia hoped that Georgian President Saakashvili’s position would be untenable after the 2008 conflict and he would be ousted from power due to external pressure or internal discontent. Actually, Saakashvili’s internal position has been strengthened as opposition forces have fragmented and Georgia’s economy survived the severe impact of the economic crisis. The EU and US have continued to support Saakashvili, happy that the reform process is finally moving forward again. Saakashvili will have time to implement reforms as well as hopefully prepare a democratic power transfer as presidential elections are not due for another two years.

With Moscow’s grip slipping in the Caucasus region it appears that it might be ready to come to an agreement with Saakashvili on basic issues. In November Saakashvili...
reached out to Moscow arguing in the European Parliament that ‘Georgia will never use force to restore its territorial integrity and sovereignty’ and that he hoped to have ‘Russia as a partner and not as an enemy’. Moscow’s reaction was cautious, arguing that the conflict started by Georgia in first instance was directed against South Ossetia and that Tbilisi should gain the trust of the Abkhaz and South Ossetian people instead of Russia. To make progress in the bilateral Russia-Georgia relationship it is clear that Saakashvili’s positive step will need to be accompanied by further gestures and a new approach to the relationship from Moscow.

Russia has sought to rebuild its leading role in the region through renewed military ties – notably basing agreements with Armenia, a stress on energy cooperation (nuclear power with Armenia and gas purchases with Azerbaijan) and through seeking a leading role in the Nagorno-Karabakh negotiations. In this conflict Russia walks a tight rope by being the main security guarantee to isolated Armenia (and thus Nagorno-Karabakh) while seeking to have stable relations with Azerbaijan, the economic and energy power-house. Russia has difficulty taking a neutral stand in the Nagorno-Karabakh conflict due to its support of Armenia – including the provision of advanced weapon systems. Last June President Medvedev organised a meeting with the Armenian and Azerbaijani Presidents whilst hostilities took place on the Line of Contact between both sides.

More recently, on 5 March, an eighth round of talks initiated by Russian president Medvedev took place between Armenian President Sargsyan and Azerbaijani President Aliyev in Sochi. The resulting joint declaration should be regarded as a positive sign given the tense relations and military build-up, although it did not go far beyond the agreement that was reached in October last year. Both parties agreed to solve all disputes by peaceful means, make headway with the exchange of prisoners-of-war and to allow the OSCE to investigate ceasefire violations. President Medvedev has met eight times with both presidents over the last two years outside the Minsk Group format and has invested political capital in the initiative. While some notable progress has been made, the main disagreement over territorial integrity (argued by Azerbaijan) versus the right to self-determination (Armenia) remains and continues to block a joint agreement of the principles outlined in 2009 by the Minsk Group.

Russia’s role is influential and an agreement will not be reached in any of the three conflicts without its consent. At the same time Russia is no longer in a position to dominate events in the region, as evidenced by the deteriorating situation in the North Caucasus. A key to progress in the region will be for Moscow to recognise the limits of its influence in the region and move to a more cooperative approach to strengthen stability.

The United States under President Obama has still to formulate a clear approach to the South Caucasus. Since 2008 the reset with Russia has driven Washington’s Eurasian policy, with developments in other regions generally subordinate to relations with

Moscow, one of the reasons for NATO’s weakened position in the South Caucasus. To show that Washington’s reset policy does not leave the South Caucasus in the cold, State Secretary Clinton visited all three capitals in the region last July. Her message was to urge all involved parties to get things right but she also argued that Turkey should normalise relations with Armenia while asserting that the Russian presence in South Ossetia and Abkhazia is worrying.

US supported initiatives, such as the Turkey-Armenia rapprochement, have faced considerable difficulties, including opposition within the United States from the politically influential American-Armenian community. Seeking to sidestep domestic constraints, Clinton has argued that Nagorno-Karabakh is high priority for the US but that Armenia and Azerbaijan have ultimately to reach an agreement themselves. US policy under President Obama seems more nuanced than under his predecessor George W. Bush, who placed too much importance on Georgia as a ‘beacon of democracy’. The US is still a key player in the region but it is unwilling to fill the security vacuum left by the weakening of the OSCE and NATO positions.

With a changed political make up in Washington following the Congressional mid-term elections and difficult questions being asked about the ability of the ‘reset’ to deliver security in Eurasia — made clear by the disagreements with Russia at the OSCE Summit in Astana — there is a pressing case for the US to review its policies toward the South Caucasus. This is acknowledged in a report by the Center for American Progress that calls for a new US approach towards Georgia.\textsuperscript{13} Among several recommendations to the US government, it argues it should ‘make any future engagement with Abkhazia and South Ossetia part of a conflict resolution strategy and work with the EU to ensure it does the same’. If substantial progress is to be made in redressing the security deficiency in the South Caucasus and reversing the drift to greater instability, the Obama Administration will need to give the region a higher priority.

Turkey has sought to carve out a new regional role that goes beyond its traditional close ties with Azerbaijan. A key element of this new policy has been an initiative to overcome the historical enmity with Armenia through an agreement with Yerevan to establish diplomatic relations and to open their common border, which has been closed since 1993. Rapprochement with Armenia has proven difficult due to domestic opposition, as well as pressure from Azerbaijan, including using its energy leverage to get Ankara to link the opening of the border with Armenia to progress on the Karabakh issues. Armenia has sought to maintain these issues separate but has been pressed by nationalist forces, especially in the diaspora, to link the agreement on establishing relations to Turkish recognition of the 1915 atrocities against Armenians as genocide.

Turkey has positioned itself as a key country in the region. This has contributed to the emergence in recent years of a closer relationship with Moscow, despite the close military relationship between Ankara and Tbilisi. Following the Georgia-Russia

war, Turkey proposed the creation of a Caucasus Pact in which Russia and Turkey would be the main players, excluding the EU and US. The initiative has not brought results but it signalled Ankara’s concerns over the region and demonstrated Turkey’s ambition to be increasingly engaged.

Turkey’s activism on the world stage, but especially in the greater Middle East and former Soviet republics, is in part inspired by realism over its relationship with the EU – an assessment that membership will not come any time soon, if ever. In the South Caucasus Turkey wants to perform a balancing act between pursuing its own direct interests in the sub-region – close energy ties with Azerbaijan and Georgia – with strengthening ties with Russia and avoiding alienating Europe. This also poses a policy choice for the EU and its neighbourhood policy. Can Turkey be included in initiatives such as the Eastern Partnership or will the EU go at it alone, which in turn might spur Turkey to devise more initiatives similar to the Caucasus Pact? Brussels has so far taken no concrete steps to accommodate Turkish voice in its neighbourhood policy, while Ankara’s South Caucasus influence continues to rise.

Relations with South Caucasus states and international conflict mediation efforts are increasingly played out through a multi-polar system in which Moscow, Washington, and Ankara project soft power, with Moscow quickly switching to hard power measures if necessary. There are competing models of stability built on particular relations to regional powers. This rivalry is inherently unstable and has contributed to conflict in the region, notably the Russia-Georgia war of 2008. With international organisations in decline in the South Caucasus, the European Union could become an important security player of a different sort in the region. If the EU substantially invests in developing a South Caucasus security policy it could play a leading role in building regional stability on the basis of cooperation rather than competition.

The EU approach to the South Caucasus

The European Union has been actively developing its political approach to the region for the last decade. In terms of energy issues support for the Southern Corridor initiative has become a key area. The EU continues to work through the European Neighbourhood Policy while most of the funding assistance is distributed through the European Neighbourhood Policy Instrument (ENPI). However the EU’s approach is now primarily channelled through the Eastern Partnership (which also includes Belarus, Moldova and Ukraine) that was established in 2008 and is still being developed.

The South Caucasus has two Special Representatives (SRs): Pierre Morel is responsible for negotiations between Georgia and Russia (at well as being EUSR to Central Asia) and Peter Semneby represented the EU Council in the whole South Caucasus,
devoting substantial time to the Nagorno-Karabakh conflict. Having two officials with partially overlapping mandates operating in the region has bred confusion.

Semneby’s term expired last February and his mandate was not extended by High Representative for Foreign Affairs and Security Policy Catherine Ashton who sought to scrap several EUSR posts and introduce a few new ones, amongst which might be a High Representative for Protracted Conflicts. While Pierre Morel still focuses on the Georgia conflict (in addition to being Special Representative to Central Asia) the broad mandate of a ‘conflict representative’ would probably decrease the already low interest the EU has in the Nagorno-Karabakh conflict.

In December 2010 Miroslav Lajcak was appointed Managing Director for Russia, the Eastern Neighbourhood and the Western Balkans in the EEAS to take the lead in the formulation of EU policies towards the eastern dimension. With such a geographically large and politically complex area of responsibility Lajcak is unlikely to be able to devote the necessary attention to the Nagorno-Karabakh conflict, which for the time being will be dealt with by the Head of the EU delegations in Baku and Yerevan.14 It is unclear if there will be an official with an overarching regional perspective – the idea behind the appointment of the EUSR– when Pierre Morel’s mandate expires. There is broad agreement that a sharper political focus is required which will be difficult to achieve without such a figure.

A new mechanism is required to coordinate the EU’s role in the region as Brussels is reluctant to return to the former arrangement of a single EUSR for the South Caucasus conflicts. One solution would be to create a task force for security, stability and development in the South Caucasus – under the EEAS – that would bring together the heads of EU delegations, other relevant EU institutions and also involve interested member states. The task force would have the responsibility of implementing an EU road map in the region and would give the Union a mechanism to respond to crisis if they emerged. It could also serve as one of the sub-pillars for a revised EaP (see below).

The EU currently lacks a focused security approach for the region with the ENP and EaP offering relatively modest contributions in this area. The ENP applies to North Africa, some Middle East countries, Eastern Europe and the South Caucasus. This broad policy framework uses the ENPI as its main funding mechanism whilst National ENPI Indicative Programmes have been concluded until 2013. Assistance is largely provided through project funding, budget support and twinning.15 Relatively few resources are available for security matters such as security sector reform. Most ENPI funding has a broader and long-term objective in fostering stability and development on issues such as rule of law, democracy, human rights, good governance, energy security, economic development and poverty reduction. The ENP also undertakes several regional programmes although much of this work has now been taken up by the Eastern Partnership in the east, and the Union for the Mediterranean in the south. Alongside the ENPI there are also several worldwide and thematic funding mechanisms

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15. The National Indicative Programmes 2011–2013 for Armenia, Azerbaijan and Georgia amount to respectively 157.3, 122.5 and 180.29 million. These amounts include most aspects of funding through the new Eastern Partnership.
that apply to the South Caucasus such as the European Initiative for Democracy and Human Rights (EIDHR) which mainly funds civil society projects through the EU delegations. In 2011 specific focus will be devoted to projects on ‘peaceful management and mediation or resolution of conflicting interests or sources of deep-seated conflict or potential violent conflict (€7.3 million worldwide).’ This might be an opportunity for South Caucasus civil society organisations to establish new initiatives. The Instrument for Stability provides funding in the South Caucasus to support measures for areas where CSDP missions are deployed (EUMM in Georgia) and to support displaced populations (also in Georgia).

The Eastern Partnership was developed in 2009 to differentiate between southern and eastern partners in the ENP; to deepen political dialogue and, to develop new initiatives for Eastern Europe and the South Caucasus. The Eastern Partnership has added €350 million over the period 2010-13 to existing ENPI funding bringing the total of ENPI funding to €600 over the coming years. Although the EaP started several new bilateral initiatives with the six recipient countries and developed regional mechanisms in addition to ‘flagship initiatives’, progress has slowed, mainly as a result of the economic crisis but also due to the EU’s internal post-Lisbon reform process. The postponement of the next EaP Summit from May to the autumn is another sign of this although the decision, which was made before the uprisings in the Arab world, now seems sensible given the need to focus immediate attention on the Mediterranean and Middle East.

Bilaterally the EaP does not engage in security dialogue, funding or programming. The bilateral track offers new Association Agreements, visa liberalisation, institution-building programmes, deep and comprehensive free trade areas and additional cooperation in several technical fields. The multilateral track has important dimensions in the areas of security and stability. Several dialogue mechanisms have been created to bring these countries together to address these issues. Ministerial Councils are held every year; an EaP Summit is held biannually; a parliamentary dimension (EURONEST) is envisaged, and a Civil Society Forum was established that has already held two meetings.

These developments are important because they bring together Armenian, Azerbaijani and Georgian politicians, elected representatives and civil society experts to discuss and the issues within a European framework. The EaP also allows ‘third country’ participation (principally Russia, Turkey and the US) but so far European policymakers have been unable to identify concrete areas of the EaP where these countries could be involved.

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Soon after the establishment of the EaP, critics claimed that the initiative was premised on making two sub-regions (three East European and three South Caucasus countries) work together when they have little in common other than a shared Soviet history. The South Caucasus, unlike the other three EaP members, does not border directly with EU territory but is squeezed between Russia, Turkey and Iran.

The differences between Ukraine, Moldova and Belarus, on one side, and Georgia, Azerbaijan and Armenia, on the other, suggest that each sub-region would benefit from a specific European approach. In May 2010 the European Parliament agreed on a resolution that calls for an ‘EU strategy for the South Caucasus’. The strategy would bring together EU initiatives in the South Caucasus and add a ‘more active political role’. The strategy ‘would combine its soft power with a firm approach’. The resolution focuses on the South Caucasus’s security threats and challenges: Nagorno-Karabakh, Armenian-Turkish rapprochement and the conflicts in Georgia. It also ‘calls for the Council to explore the possibility of supporting the peace process (in Nagorno-Karabakh) with CSDP missions, including deploying a substantial monitoring mission on the ground that could facilitate the establishment of an international peacekeeping force, once a political solution is found’.

One of the six EaP multi-track ‘flagship’ initiatives is Integrated Border Management (IBM), the only directly security related initiative. Under this header the EU plans to bring together a host of border focussed programming. At the same time the EU maintains its significant monitoring mission in Georgia. Although the EU was applauded for its swiftness in deploying EUMM, the mission cannot fulfil its mandate due to Russian refusal to grant the EU monitors entry to Abkhazia and South Ossetia through Georgia. Russia was initially critical of the EU deployment but now sees the operation as largely beneficial (though does not publically say so). EU officers monitor the internal disputed borders in Georgia, which the EU does not recognise but Russia does, and this inadvertently reinforces the significance of these borders. Due to this the EUMM has received criticism that in the long run it helps to freeze both conflicts instead of contributing to conflict resolution.

The EU mission also monitors the return of Internally Displaced People (IDPs) but is not engaged in integrated border management reform and training. The latter is part of yet another EU initiative, the EUSR Border Support Team (BST) that was part of the responsibility of Special Representative Semneby but is now likely to be managed through EEAS directives. The BST was established in 2005 when the OSCE Border Monitoring Mission ended due to a Russian veto. The current EU initiative assists the Georgian Border Police and other relevant Georgian government institutions in the implementation of a border management reform strategy.

Finally the EU financially supports the South Caucasus Integrated Border Management (SCIBM) programme that is active in all three states and assists the countries in introducing and implementing an IBM strategy. Again, the EU’s efforts are broad and extensive: before Lisbon and until the time that the EEAS is fully up and running

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the EUMM is a European Security and Defence Policy (ESDP/CSDP) mission; the BST, a programme under the EUSR’s mandate; and the SCIBM a Commission/ENPI financed programme. These should now all become part of the EEAS (and within the EaP border management flagship initiative) which in turn will foster coordination and uniformity in the EU’s approach to border management assistance.

Towards a European security strategy

In recent years the EU has increased its engagement in the South Caucasus but it has so far been unable reverse the region’s slide into instability and conflict. The breakdown of multilateral approaches—signalled by the decline in the OSCE, NATO and UN—and the rise of a destabilising competition amongst regional powers indicate there is now a pressing need and an opportunity for the EU to forge a new role in the South Caucasus. This role should be based on advancing conflict resolution and prevention and designed to overcome the security deficit that threatens the region. Three priorities stand out:

First, the EU should outline its vision for positive peace in the South Caucasus—not just the absence of violence but a view of what comprehensive stability for the region would involve in terms of the security, political and economic dimensions—including a roadmap of how this can be achieved. This would go one step further than the European Parliament’s proposal for a strategy on what the EU hopes to achieve in the existing conflicts in the region and would bring together existing EU initiatives and efforts. The organisation and activities of the EEAS should be designed around the implementation of the roadmap and achieving its goals. As mentioned earlier, one way this could be done is by setting up a task force under the EEAS umbrella that would coordinate the implementation of the roadmap but also be a mechanism for resolution in case of crisis. The task force would include the heads of EU delegations and relevant EU institutions plus possibly the interested member states.

The results will largely depend on the political support of the South Caucasus leaders and influential external players, principally Russia. Garnering support for EU engagement should be an intrinsic element of the approach.

Second, concerning Georgia, the EU will need actively to promote creative solutions for the two conflicts somewhere between full reintegration (into Georgia) and full independence of Abkhazia and South Ossetia. Europe’s mini-states might offer useful examples. Creative models that offer some sort of status to both regions and focus initially on refugee returns and security guarantees for the population with a view to eventual normalisation should be contemplated. Whereas non-recognised northern Cyprus and broadly recognised Kosovo are lessons learned of how not to
Jos Boonstra and Neil Melvin

Challenging the South Caucasus Security Deficit

Proceed with European mini-states, Hong Kong might offer some interesting pointers towards a settlement.

At the same time the EU should seek to pursue regional cooperation as a way to diffuse the sovereignty challenge and enhance contacts. This could involve a multilevel approach aimed at creating positive sum relations: from links between civil society actors in Georgia, Abkhazia, and South Ossetia to meetings of the political elites with EU officials. The EU could, through roadmap, link steps in this process to movement towards a solution. This suggests a need to go beyond the current ‘engagement through cooperation’ to a position of ‘engagement without recognition’, involving support for Georgian sovereignty accompanied by a flexible approach to territorial issues.\(^{21}\)

The EU (and US) will need to convince the Georgian government to ease its hard-line position on Russian occupation of parts of Georgia. This would offer the EU a point of entrance into Abkhazia and South Ossetia at the political, economic, social, and cultural level. In Abkhazia, for instance, the political and business elites currently have no alternative to Russian patronage while they would likely be interested in building relations with Turkish and EU circles which in turn will help build Georgian-Abkhaz contacts.

The EU is best positioned to push for engagement with the Abkhaz and South Ossetian people given the vicinity of these regions to Europe (in relation to travel documentation) but also through its presence in Georgia, especially the EUMM. Brussels would have to make clear that full recognition of independence will not be on the agenda. An ‘engagement without recognition’ approach would also be a test for Russia as it will either need to show more flexibility or block all EU engagement with Abkhazia and South Ossetia and be seen to hinder progress.

Third, regarding the Nagorno-Karabakh conflict the EU should begin preparations, possibly in cooperation with the OSCE, for the future deployment of a monitoring mission for a final agreement on a peace settlement, as proposed by the European Parliament resolution of May 2010. Such preparations will require increased access by the EU to the conflict areas; a step that would improve the EU’s ability to engage all sides of the conflict. Currently EU officials cannot enter Nagorno-Karabakh via Armenia because it would prompt censure from Azerbaijan nor enter through Azerbaijan because Armenia and Nagorno-Karabakh military forces block passage at the Line of Contact. The EU should also promote confidence building measures to reduce the danger of a military conflagration. For example, the EU should push for the withdrawal of snipers from the Line of Contact and offer to provide monitors to observe an agreement. It should do so in coordination with Russia which has been leading talks between both Presidents for the last two years.

This should not bypass the Minsk Group talks which remain the main forum for Nagorno-Karabakh negotiations. A positive signal of the EU’s new approach to the region with the creation of the EEAS would be for it to take the place of France in the Minsk Group, alongside Russia and the US. This would be a clear signal that the Union is ready to mediate a solution. But this is unlikely to happen soon due to the opposition of some member states, principally France. These concerns should not stand in the way of the EU taking on the role of Co-Chair. If a CSDP mission is considered in the future and if the EU is to play a more substantial role in filling the South Caucasus security deficit, direct involvement in these talks would be beneficial, with an experienced French diplomat in the lead so to make sure the French foreign ministry’s experience is not lost.

In sum, there are a variety of activities that the EU could undertake to leave a heavier footprint on the South Caucasus security landscape which would not necessarily involve huge extra investment. The key lies in a clear strategic vision that can command the support of member states, stepped up diplomatic efforts and especially in-house coordination of EU instruments and mechanisms. A roadmap should include CSDP activity; a new and influential Special Representative; and elements of the ENP plus its funding instrument ENPI as well as a refocused Eastern Partnership (with a stronger sub-regional focus).

Conclusion

As a result of the shifting security and political tectonics of the Caucasus and the decline of regional security and mediating organisations – NATO, the OSCE and the UN – a security deficit has emerged in the region. The August 2008 war helped to spur this process. Meanwhile, the ambitions of influential state players have grown in the South Caucasus, notably through the leading role of Russia together with Turkey’s active foreign policy and alongside the US’s more modest but continuous financial support to Georgia. The uncoordinated activity by this group of players is unlikely to bring about positive change in the region due to Russia’s alliance with Armenia and strongly anti-Georgian positions, and the Turkish bond with Azerbaijan. US efforts continue to be hampered by energy interests in Azerbaijan and the political influence of Armenian diaspora organisations, which had been holding up the appointment of a new ambassador to Azerbaijan until recently.

The OSCE has both been a platform for debates on South Caucasus security and a monitoring (Abkhazia up till 2008) and mediation (The Minsk Group for Nagorno-Karabakh) mechanism. While the organisation is troubled by differences among its members, it has experience in the region and understands the security threats facing the South Caucasus. Its comprehensive security approach and all-inclusive membership make it suitable for joint initiatives. This is why the revival of the OSCE as the main ‘talking shop’ bringing together the region’s countries and the EU, Turkey, Russia and the US to discuss key security issues is an urgent priority.
The EU too has important challenges to overcome if it is to play a stronger role in the South Caucasus. The EU wants energy supplies to reach European markets through the Southern Corridor, which will increase the significance of Azerbaijani hydrocarbons. The EU remains divided in its approach to Russia. These are important considerations but not insurmountable problems if the EU is to develop a coherent strategy. The EU can bring considerable benefits to the South Caucasus and this should provide the basis to overcome barriers to strengthening engagement in the region.

An increase in EU diplomacy and activism is likely to be welcomed by all three South Caucasus states. The EU is not biased towards any specific party (though felt to be pro-Georgian by Russia) and brings considerable resources and experience, not least in peace operations. The prospect of renewed conflict in the South Caucasus is likely to remain a concern for the international community for the foreseeable future as quick solutions to the region’s twenty year old conflicts are improbable. The EU could play an increased role to help remedy the South Caucasus security deficit if it actively proposes conflict resolution options for Georgia; is prepared to extend more CSDP monitoring missions to the region (Nagorno-Karabakh); and starts by devising a roadmap for South Caucasus security and reviving multilateral security forums.

Over the coming period the EU’s attention – as well as that of the wider international community – will focus on the radical changes in the Arab world. These historical events demand additional attention including funding from the EU over a long period. They should however not distract the EU from developing a security approach for the South Caucasus (or from policies in other key regions in its vicinity: the Balkans, Eastern Europe and Central Asia). The security challenge in the South Caucasus is simply too demanding and urgent to postpone.
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