

# **The European Union and the Conflict over the Nagorno-Karabakh Territory**

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## 0. Introduction

As a political bloc of 27 states, comprising 500 million citizens and with a GDP of €12 trillion, the European Union is a global player, and consequently has far-reaching security interests beyond its own borders. Following the Union's 2007 enlargement that incorporated Romania and Bulgaria, the Black Sea Region is now part of the EU's immediate neighbourhood, and with it comes a heightened awareness of the threats posed by continued instability in the South Caucasus. Yet, the Union has so far only moved very gradually towards a proactive policy of conflict resolution in this region, and in particular in relation to the conflict over the Nagorno-Karabakh territory the EU remains reluctant to pursue its own initiatives.

## 1. The Geopolitics of Conflict in the South Caucasus

The South Caucasus is a region comprising three countries—Georgia, Armenia and Azerbaijan. It provides a land connection between the Caspian Sea and the Black Sea, is bordered on land by Russia, Turkey and Iran, and finds itself in relatively proximity to other areas of instability, such as the Middle East and Afghanistan. The South Caucasus as a whole is significant as a transit area for both energy and drugs.

The three countries of the South Caucasus are part of the former Soviet Union and current members of the CIS. They are part of what is often referred to as Russia's 'near abroad' and as such an area of vital security interest to Russia. The region experienced significant conflict in the late 1980s and early 1990s, partly related to, and exacerbated by, the break-up of the Soviet Union: Georgia is the site of two separatist conflicts in Abkhazia and South Ossetia, while Armenia and Azerbaijan are locked into the conflict over the Nagorno-Karabakh territory.

Relations between the three countries are complicated by a number of matters: apart from the direct dispute between Armenia and Azerbaijan (limited direct political and economic contact and closed borders), Armenia-Georgia relations are at times soured by the situation of the sizable Armenian minority in Georgia (around 110,000/54% of the local population in the southern Samtskhe-Javakheti region), while Azeri-Georgian relations, though generally constructive, have made little progress on the possible repatriation of around 50,000 Meshketian Turks from Azerbaijan to Georgia.

Armenia and Azerbaijan pursue a balanced foreign policy aiming at good relations with the EU, US and Russia, while Georgian-Russian relations are permanently at low levels because of the alleged Russian support for separatist movements in Abkhazia and South Ossetia. In contrast to Azerbaijan and Georgia, Armenia has no relations and no open border with Turkey. Azeri-Iranian relations are complicated by the presence of around 15-20 million ethnic Azeris in Iran and occasional calls for 'reunification'. Armenia, on the other hand, has significant trade links with Iran, not least because it remains land-locked in the east and

west. Georgia trades primarily with countries in the CIS, while for Armenia and Azerbaijan the EU is now the largest trade partner.

All three countries have received sizeable portions of Western aid. Largest donors are the US and the EU.

## 2. The European Union's Policy vis-à-vis the Conflict over the Nagorno-Karabakh Territory

The EU has two principal policy tools with which it seeks to address the conflict over the Nagorno-Karabakh territory: the European Neighbourhood Policy, developed and implemented by the European Commission (however, with Action Plans needing to be ratified by both the member states and the EU) and the EU Special Representative for the South Caucasus who operates under a mandate of the Council of the European Union.

### *2.1. The EU's European Neighbourhood Policy*

While a strategic policy initiative by the EU, the ENP is limited in its usefulness to deal with the N-K conflict in an effective way:

- The EU's commitment to consensus in the Action Plans means that it will always require the agreement of partner countries to any specific steps vis-à-vis conflict resolution and prevention. Where settling a conflict is not in the interest of the other state party or where the EU and the other state party have divergent visions of how best to achieve a sustainable settlement, the Action Plan will remain at best vague on any concrete measures towards conflict resolution and prevention.
  - The ENP Action Plan for Armenia (2006) makes only few references to the conflict, stating its "continued strong commitment to the settlement of the N-K conflict", in "close consultation with the OSCE", and "ready to consider ways to strengthen further its engagement". The ENPI Armenia Country Strategy Paper, estimating a total ENPI commitment of just under €100 million is somewhat more explicit and proactive, however: the N-K conflict is listed as one of the EC assistance priorities, stating that this "involves in the first place supporting efforts of the EUSR and OSCE Minsk Group", but further noting the EC's readiness to "provide specific assistance related to all aspects of peaceful conflict settlement and settlement consolidation", including post-conflict rehabilitation assistance under the Stability Instrument.
  - The ENP Action Plan for Azerbaijan (2006) also emphasises the EU's commitment to resolving the conflict, its intention to consult closely with the OSCE, and its preparedness to strengthen its engagement in conflict resolution and post-conflict rehabilitation. In contrast to the AP for Armenia, however, resolving the conflict is the number-one priority for the EU and Azerbaijan (number 7 in the Armenia AP). The specific actions mentioned also differ: in relation to Azerbaijan, the EU is more focused on the actual settlement of the conflict ("increase diplomatic efforts", "increase political support to OSCE Minsk Group", "intensify EU dialogue with the states concerned") rather than on "accompanying" measures (civil society initiatives, de-mining, IDP assistance). The ENPI Azerbaijan Country Strategy Paper makes clear reference to resolving the conflict by recalling that it is the number-one priority of the AP and offers specific assistance under the ENPI national allocation and the Stability Instrument, and leaves open the possibility of future enhanced allocations noting that if "if the N-K conflict is settled within the lifespan of the present CSP, the EC will provide further specific assistance to help consolidate the settlement...".

- The EU's (otherwise laudable) commitment to multilateralism has so far meant that it invests itself in the support of existing international initiatives to resolve or prevent particular conflicts, regardless of whether these have brought any measurable progress to a given situation. In the case of the conflict over the Nagorno-Karabakh territory, this means that the EU is tied to the OSCE Minsk Group of which France is a co-chair (alongside the US and Russia), but with the co-chairs' monopolisation of the negotiation process, the EU can influence the main existing conflict resolution mechanism at best indirectly.
- The inter-institutional division of policy responsibilities within the EU means that, for the most part, the ENP is following (pre-existing) CFSP/ESDP initiatives. Support for these policies is important (specifically noted in the ENP documents as "policy mix"), but does not amount to a distinct Commission contribution to conflict resolution and prevention, and, in fact, means that some policies and initiatives will be driven by the European Council rather than the European Commission. On the other hand, very little coordination between Commission and Council appears to be happening in the run-up to the finalisation of Action Plans which makes subsequent policy coordination in the implementation phase all the more difficult.
- The significance that the EU's internal security agenda has assumed of late, especially in relation to counter-terrorism, means that many aspects of the conflict resolution dimension of the ENP are viewed from the inside out. This has meant that organised crime and border security (i.e., symptoms of instability and responses to symptoms) have become priorities for the ENPI, whereas unresolved self-determination conflicts or religious and sectarian violence (i.e., causes of instability) are not even mentioned among the ENI's four key objectives. While this has been addressed to some extent in the Country Strategies for Armenia and Azerbaijan, even there references to the EU's internal security agenda take a prominent place.
  - In the ENPI CSP for Armenia, the following statement highlights this tendency: "In line with the ENP Action Plan, EC assistance in this area [cooperation in the field of Justice, Freedom, and Security—SW] should focus on migration issues, including readmission and asylum, fighting terrorism and organised crime, including trafficking in human beings and drugs, the illicit spread of small arms and light weapons, and money laundering."
  - In the ENPI CSP for Azerbaijan, cooperation in the field of Justice, Freedom, and Security is outlined along four priority areas: "migration and asylum", "border management, including document security/biometrics and visas", "organised crime and terrorism", and "the judiciary and the rule of law".

### *2.2. The EU Special Representative for the South Caucasus*

The EUSR was first appointed in July 2003 with a very broad mandate and a small staff and budget. The first EUSR, Heikki Talvitie, served until 2005, and was succeeded in 2006 by Peter Semneby whose mandate currently runs until 2008. Semneby's appointment was marked by a strengthened mandate, increased staff numbers, the establishment of some local presence (in Georgia and Azerbaijan), and an enhanced budget (up from €370,000 to €2,960,000).

The strengthened 2006 mandate notes that the EUSR, rather than merely "assist[ing] in conflict resolution" (July 2003), is to "contribute to the settlement of conflicts and to facilitate the implementation of such settlements". In an interview with RFE/RL in June 2006, Semneby, however, pointed out that this

adjustment of the mandate “may not change very much in practical terms, but it is an important political signal.” Given the relative lack of any concrete activity of the EUSR under the preceding mandate, this cannot be taken as a particularly encouraging sign.

The primary focus of the EUSR’s activities appears to be Georgia, where the EU has been operating an EUSR Border Support Team since 2005 with a current mandate until February 2008 and for which a support team has been created by the Council in the 2006 Joint Action appointing Semneby. Otherwise, the EUSR relies on one Political Advisor based in Baku, three further advisors, one Liaison Officer with the Council Secretariat, and one assistant (all based in Brussels) to carry out a mandate that reaches from support for political and economic reforms in the three countries of the South Caucasus, to conflict prevention and settlement, to constructive engagement with main interested actors concerning the region (presumably including countries and organizations outside the South Caucasus), to encouraging regional cooperation, and to enhancing the effectiveness and visibility of the EU in the region.

It is stating the obvious to say that without clear priorities the EUSR will remain nothing more than a token gesture toward the problems of the region. If there are any visible priorities in his work, then these are related to Georgia rather than to the N-K conflict, and given the greater urgency of the situation in Georgia, this is not necessarily wrong, even though it may be unfortunate from the perspective of resolving the N-K conflict.

### 3. Prospects and Recommendations for Future EU Engagement

Unless the current relative overstretch of the EUSR in relation to the N-K conflict is overcome, the only real hope, at least in the near future, for a more effective contribution of the EU to the settlement of the N-K conflict lies with the ENP. As has been emphasised above, this is not without its own problems either and will require a careful re-think of the role of the ENP in relation to the N-K conflict and a recalibration of some of its policies.

The ENP is a strategic policy for the EU establishing, as it does, a blueprint for the intended relationships with the EU’s near neighbours. The design of the ENP is not inherently flawed and it has the potential to offer substantial benefits to the partner countries. However, the policy is not *primarily* designed for the purposes of conflict prevention and conflict management. Especially in relation to the conflict between Armenia and Azerbaijan over the Nagorno-Karabakh territory, three key issues need to be addressed if the policy is to be converted into a successful avenue for conflict prevention and conflict management:

- The first is a willingness to shoulder the financial and political costs that the successful implementation of a more robust and main-streamed conflict prevention and resolution component of the ENP would entail.
  - The Commission needs to take on real responsibility, set itself clear and manageable priorities in relation to conflict prevention and resolution, and implement them as a Commission policy relatively independently of the European Council.
  - The Commission (and the Council) need to focus in particular also at the regional or cross-border impact of ENP and related policies. The high degree of interdependence among the countries of the South Caucasus and their neighbours means that an impact assessment and monitoring procedure must not be country-specific, but rather needs to proceed from the existing and latent conflicts as a starting point.

- Second, there is the need to directly address the question of the strategic finality of the EU's relations with the South Caucasus. Such a debate is linked to a wider debate of where the final borders of Europe are and where the EU sees its neighbourhood beginning and ending. This is a far more difficult undertaking but it is an imperative if there is to be a fully-informed understanding as to what a successful ENP can, or cannot, deliver in relation to conflict resolution in N-K.
  - Especially if seen from a conflict perspective, the EU's policy of triangulation (i.e., bringing in Turkey, which, however, is in itself not without problems given the difficult relations between Armenia and Turkey) is an important, but probably insufficient step. More direct engagement with Russia and Iran is equally necessary regardless of the complexity of existing local, regional and bilateral relations.
  - The question of strategic finality is also related to the "carrots" available in the implementation of ENP vis-à-vis the conflict parties in the N-K conflict: unlike in the Central and Eastern Europe and the Western Balkans, membership for the countries of the South Caucasus is not even a distant possibility, thus depriving ENP of the key prize that enlargement offered (and continues to offer in the Western Balkans). Hence, other mechanisms of inducement and conditionality need to be found and applied in order to develop and implement an effective conflict settlement policy under ENP.
  
- Third, the EU as a whole cannot, and should not, rely any longer on existing multilateral frameworks if these have not resulted in any measurable progress towards the resolution of conflicts across the South Caucasus. Equipped with the political and economic muscle of the world's most successful project of regional integration, the Commission can and must take a far more proactive role in approaching conflict prevention and resolution in its neighbourhood, including in N-K.
  - This would, preferably, include a far more proactive role of the EUSR in cooperation with the Commission, i.e., a real and effective "policy mix", including an involvement of the EUSR in the second instalment of Action Plans with Armenia and Azerbaijan. The EU should either strive to become part of the present troika of Minsk-group chairmen (replacing France) or at the very least, France should lend an effective voice to the EU position in the Minsk-group troika.
  - It will require direct engagement with the N-K leadership, including the offer of financial support and assistance if certain conditions are being met (de-mining, return of IDPs and refugees, etc.).
  - The EU needs to engage more directly and more effectively with civil society, media, and the broader publics in Armenia, Azerbaijan, and N-K to counter the predominant propaganda of hatred that poisons public opinion and limits elites' opportunities to make concessions and compromises.
  - The EU needs to offer credible security guarantees in an interim period of conflict settlement, as well as long-term financial assistance in support of post-conflict rehabilitation across the entire region.
  - The EU should promote an interim solution/"phased-package" solution that would address urgent issues immediately while leaving questions of final status and borders to a later date and separate yet agreed process. It is particularly important to initiate such a "phased-package" solution with a view towards issue areas in which both parties might find it easy to make concessions that

can contribute to building confidence between the sides that may then create a situation in which the really hard compromises can be made that will find sufficient support among their followers.

A final point might be worth considering: the EU does have a range of different experiences with policies of crisis management and conflict settlement. Not all of them are of a positive nature, and indeed many of them could be described as outright failures and disasters. Yet, it is important to learn from both past successes and failures in order to develop proactively more effective policies in the future. One striking feature of the EU's activities in the area of crisis management and conflict settlement (and prevention) is that the EU is normally a rather passive player in the stages of settlement negotiation, but takes on significant responsibilities in the implementation and operation of settlements into which it has had little input. The Western Balkans clearly serve as the primary example of this situation, and highlight how unsatisfactory and frustrating a situation can emerge when neither the local parties nor the main post-conflict rehabilitation organisation feels any particular ownership over a given settlement. This is another reason why more proactive effective conflict settlement policies are required on part of the EU.

Related to this, is of course, the question of the final status of Kosovo (and, to a lesser extent, Northern Cyprus), which has been flagged up by most if not all of the principal players in the N-K conflict (and beyond) as an important (or irrelevant) test-case. In this sense, the EU's conflict management policies in one case will have immediate repercussions for its chances of success in other cases. While it may not be possible to de-couple any of the conflicts in the South Caucasus from the outcome of the final status negotiations on Kosovo, the EU needs to be prepared to manage any consequences of one outcome or another in relation to the N-K conflict. This in particular highlights again the absolute necessity of engaging with all political players, including the N-K leadership, to offer them and their constituencies incentives for constructive and peaceful approaches to conflict settlement, and to have capacities ready to deploy to facilitate such a process.

#### 4. The Role of the Parliamentary Assembly of the Council of Europe

PACE is well-placed to provide a forum for exchange and sensitisation on the issues of frozen conflicts. Because of its broad membership, it also offers a platform in which experiences from a much wider range of conflict settlement processes can be discussed and lessons be learned.

Members of PACE can and should use the forum not only to discuss these issues but also take information back to their own governments and lobby them to support peaceful conflict resolution, to facilitate the implementation of conflict settlements, and to assist in the long-term stabilisation and democratic consolidation of the countries and regions affected.