

“New Security Arrangements for the South Caucasus”

Reichenau a/d Rax, Austria, November 16-18, 2023

17 November 2023, 11:45 - 13.15, PANEL 2: “Building an Integrated South Caucasus – A Merger of Alternative Peace Plans?”

- Since its relaunch in 2012, one of the aims of this Study Group has been to foster the notion of an *integrated strategic persona* for the South Caucasus, enabling it to emerge as a regional actor in its own right, promoting its interests constructively as a group of countries. So far, the unresolved conflicts have been the main hinderance to regional integration. From this perspective, the most important strategic variable which has indeed changed over the last several years has been the conflict between Armenia and Azerbaijan over Nagorno Karabakh. This conflict acted as a brake to regional integration, as was also the case in the still unresolved conflict between Georgia and its breakaway regions, which were supported by Moscow. While Baku and Yerevan would get closer to peace as they concluded a peace agreement, the conflict in Georgia might still remain open, though not necessarily violent for the foreseeable future.
- Given a long-expected change of the regional dynamics in favour of peace this might seem an appropriate time to enable the South Caucasus to reshape the diplomatic and political tools to maintain its links with, and relevance to, the West. In that context, our distinguished panellists have been invited to present their views on what a peace plan could look like for each of the conflicts that we encountered in the region. To that end, the co-chairs suggested they could share their views on several key issues:
 - What form of conflict resolution could be expected in the near future?
 - Could there be a regional solution created to move on from conflict to peace? How could such a solution affect the competitive interests and strategic goals of regional powers like Russia, Türkiye, and Iran? Would a merger of existing peace plans be feasible?
 - How could the three South Caucasus states best deal with the confrontation between Russia and the West over Ukraine and the ensuing regional strategic competition? Would better geopolitical coordination among Armenia, Azerbaijan and Georgia be feasible, and could it work like an incentive or a hinder to re-building new, functional arrangements for stability and security in the South Caucasus?

- Is there a choice to be made between an exclusive or an inclusive regional context? Meaning should the South Caucasus become a region closed to certain external powers, such as the EU and the US, or should it be open to every global and regional power who could make a significant contribution to the security and prosperity of regional countries?
- How would a possible expansion of the Israel-Hamas conflict impact on the peace processes in the South Caucasus? Would it strengthen or weaken them?

Conclusion

- There is still hope that the South Caucasus states could overcome the hurdles on their way to peace, stemming from the positioning of the key actors against the ongoing negotiations processes, as well as from the geopolitical confrontation between Russia and the West, and the Turkish manoeuvring around it. However, the possible escalation of the Israeli-Hamas war is likely to impact on geopolitical and strategic calculations and on the overall balance of power in the South Caucasus. It remains to be seen if the effects of war in the Middle East would strengthen or weaken the ongoing peace processes. Rational geopolitical thinking should favour the former, but one couldn't underestimate the latter.

**17 November 2023, 16.30-18.00; 18 November 2023, 08.30-10.00, Interactive Discussion:
Sub-group Thucydides: Status and Prospects of Armenia-Azerbaijan Peace Process.**

- In an epilogue to the 44-day war, Azerbaijani forces launched on September 19, 2023, a brief “antiterrorist operation” which delivered the final blow to the self-declared Nagorno-Karabakh Republic (NKR). Ten days later, local authorities announced a “presidential decree” had been signed to dissolve the NKR and all of its institutions, as of January 1, 2024, while its defence forces have been disbanded and their armament handed over to Russian “peacekeepers”. The territorial integrity of Azerbaijan has been fully restored within its internationally recognized borders, while many Armenians condemned prime-minister N. Pashinyan’s government for letting down their brothers in Artsakh after almost 35 years of struggle for “national self-determination”. The ensuing massive exodus of Armenians fleeing to neighbouring Armenia for fear of Azerbaijani retribution for 35 years of *de facto* independence has triggered a humanitarian crisis.
- In the wake of this latest episode of the Nagorno-Karabakh conflict, the November 2020 Trilateral Statement of Armenian, Azerbaijani, and Russian leaders lost much of its relevance, while many were hoping that the dissolution of the NKR would pave the way for Baku and Yerevan to sign a Peace Agreement. However, others fear that Azerbaijan might take advantage of its military superiority to impose its terms of peace, including settlements on:
 - o the so-called “Azerbaijani enclaves” in the territory of Armenia, a historical heritage of the former Soviet Union;
 - o special guarantees for Azerbaijanis who travel via the “Zangezur corridor” in Southern Armenia to/from Nakhichevan;
 - o the right to return of Azerbaijani war refugees (since the end of the 1980’s) to their former properties in Armenia.
- **SWOT Analysis on the Prospects of Armenia-Azerbaijan Peace:**
 - o What are the Strengths/Benefits of the ongoing peace process?
 - o What are the Hinders of peace? How could they be overcome?
 - o What are the Opportunities (joint interests, areas/topics, economic and infrastructure projects, regional frameworks, etc.) potentially leading to Peace?
 - o What are the Threats against Peace?