
Challenges for the EU in the resolution of the Nagorno-Karabakh conflict: An Azerbaijani perspective

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BACKGROUND

While the role and capacity of the EU in the South Caucasus has evolved and strengthened over the past decade, the institution continues to face serious challenges, specifically related to unresolved regional conflicts. Acknowledgment of the potential negative implications of these conflicts for its own energy interests represented a 'paradigm shift' in the EU's approach, with the EU Security Strategy in 2003 building on the European Neighbourhood Policy (ENP). Progress came in the form of a new EU Special Representative (EUSR) for the South Caucasus in the summer of 2003, whose mandate included increasing the EU's role in the conflict settlement process. However despite these initiatives, the August 2008 Russia-Georgia War sparked criticism that the EU has not become a decisive force for good in the region; specifically, it has not alleviated negative regional conflict patterns. Following this, the EU launched the 'Eastern Partnership' (EaP), which also states conflict resolution as a priority, yet has so far failed to deliver a success story in this respect.

While the EU has boosted its role in both the South Ossetia and Abkhazia conflicts in Georgia, the EU's role in Nagorno-Karabakh remains marginal. It is predominantly focused on track-two diplomacy, including confidence- and peace-building measures as well as financial assistance for internally-displaced people (IDPs). The justifications the EU once gave for this (pre-2003) state of affairs – insufficient demand from Azerbaijan and Armenia, and preoccupation with the situation in the Balkans – are no longer relevant.

STATE OF PLAY

Traditionally, the EU has invested a great deal of political energy in maintaining a neutral approach to the conflict. It has tried to develop a balanced partnership with Armenia and Azerbaijan, avoiding partisanship. Alas, this neutrality has been significantly undermined, first through the precedent of its explicit support for the territorial integrity of Moldova and Georgia along with more tangible engagement on the ground there, and also through its ambiguous position on Azerbaijan's territorial integrity.

Currently, track-two diplomacy is not Azerbaijan's priority. Baku wants and needs track-one diplomacy, where EU involvement in negotiations could help with conflict resolution. This involvement would also serve EU interests in various ways.

First is the energy factor: the EU is eager to diversify sources of natural gas and reduce reliance on Russia, which supplies roughly a quarter of the EU's gas. Any regional conflict could jeopardise EU energy interests.

The second factor is Russia. From November 2008, Russia encouraged trilateral meetings between Moscow, Baku and Yerevan, but since January 2012 these have stopped. The EU could take advantage of this to prevent these countries from falling back into Russia's orbit through some of Moscow's proposed regional initiatives (the Eurasian Union and Customs Union). Given that since 2008 the US has also been reducing its involvement in resolving the conflict, the EU is the best placed for Western engagement.

Thirdly, the EaP seeks to foster multilateral relations with partner countries. The Nagorno-Karabakh conflict involves two partner countries, and the continuation of the *status quo* will damage the integrity and credibility of this aim. More EU involvement will increase the effectiveness of multilateral cooperation and boost the EU's public image, enabling it to push harder for democratic development.

Finally, the signing of Association Agreements with partner countries will be the cornerstone of EU policy, and the means through which it can ask more from Azerbaijan and Armenia in exchange for increased commitment on conflict resolution.

Notwithstanding this window of opportunity, the EU's low level of involvement in Nagorno-Karabakh is due to it being *de facto* represented by France, in that country's role as Minsk Group Co-chair since 1997.

European Minsk Group

With the hope of increasing EU engagement in the Nagorno-Karabakh conflict resolution process, Azerbaijan has several times raised alternative courses of action.

The first alternative is replacing France with an EU representative. Azerbaijan has openly discussed this option, with the aim of increasing the EU's contribution, which some believe could prove essential. However, senior EU officials have repeatedly stated that France adequately informs the EU, and that such a change is unnecessary. However, Azerbaijan is not the only proponent of this idea. In March 2012, the European Parliament's Committee on Foreign Affairs proposed replacing the mandate of France with an EU mandate. Azerbaijan obviously wants to see more EU involvement, but the concern is that if Baku continues to make this demand and is successful in generating change, France may bear resentment toward Azerbaijan, which in turn could destabilise the European approach to Nagorno-Karabakh. The influential Armenian diaspora in France may advocate recognition of the breakaway Nagorno-Karabakh territory, or support lobbying campaigns inside France. Thus in this sense, the format of the Minsk Group Co-Chairmanship is a balancing act for Azerbaijan.

The aim of this proposal is not to change the format of the negotiations. On the contrary, it seeks to 'Europeanise' this conflict resolution mechanism, making it less dependent on one country. Looking at the original Minsk Group format of 1992, seven of the twelve participating states were European. Thus replacing France with the EU makes sense, though due to Armenian opposition and anxieties about political capital in Paris, any sign of change seems unlikely. The alternative is to refrain from making any radical changes to the format, but increase EU involvement within the current framework. The latter involves first formalising France's reporting to the EU on conflict resolution, and secondly enabling close cooperation between France's OSCE Co-Chair and the EUSR.

More engaged EU Special Representative

While France is the unofficial EU representative within the Minsk Group, the EUSR has never worked visibly with Paris to establish a strong EU position on the resolution process. Therefore, in order to increase the functionality of the Minsk Group, it is not necessary to find a new format, but rather to re-work the current options. On the one hand, the EUSR and the French Co-Chair, with the participation of the heads of the EU delegations in Azerbaijan and Armenia, could find a working framework to improve the EU's role in Nagorno-Karabakh resolution. The delegation heads, member-state ambassadors and the EUSR could meet every month, and then present the results to the EU institutions. Secondly, the EUSR could informally attend, or attend with 'observer status', the meetings of the Minsk Group Co-Chairs. This would mean slightly changing the format: 3 Co-Chairs + 1 EUSR. This requires both expanding (in terms of content) and extending the EUSR mandate.

Unfortunately discussions over the EUSR's engagement in the Nagorno-Karabakh conflict often end with criticism of Azerbaijan following the 2007 incident, when the Azerbaijani Foreign Minister recalled the then-EUSR from his unauthorised visit to Nagorno-Karabakh. This incident has since been cited by EU officials as evidence that Azerbaijan opposes increased EUSR involvement. Azerbaijan's demand is that the EUSR promotes inter-community dialogue in Nagorno-Karabakh; otherwise the *de facto* Nagorno-Karabakh authorities will cite these visits as a sign of recognition, or international support. The realisation of these inter-community negotiations is characteristic of an end-stage peace process, but they are crucial at this current stage given the decreasing tensions and trust-building. However, Nagorno-Karabakh Armenians are monopolising the right to speak on behalf of the territory, and are refusing to accept the Azerbaijani community as part of Nagorno-Karabakh. Therefore, if the EUSR wants to contribute to the resolution process, it should start by further promoting contact between Azerbaijanis and Armenians.

Beyond this, other alternatives include: that the EU stimulates dialogue through EURONEST, to increase bilateral contacts between Azerbaijanis and Armenians in the parliamentary dimension. The European Commission, through the

EaP and other mechanisms, can increase its role. The EP has adopted resolutions on the conflict, suggesting increased engagement. Its resolution 'On the need for an EU strategy for the South Caucasus' (20 May 2010) said "frozen conflicts are an impediment to the economic and social development and hinder the improvement of the standard of living of the South Caucasus region, as well as the full development of the EaP of the ENP; whereas a peaceful resolution of the conflict is essential for stability in the EU Neighbourhood". The same resolution calls for the withdrawal of Armenian forces from occupied Azerbaijani regions surrounding Nagorno-Karabakh.

The EU can facilitate better engagement in the Nagorno-Karabakh conflict by deploying its instruments – both carrots and sticks – more effectively. Thus the EU can deliver benefits in response to the performance of the targeted country, and/or suspend or terminate benefits. Also of importance is how the EU uses its influence in conflict resolution, either directly or indirectly. A direct impact stems from deliberate EU actions as a foreign policy actor, i.e. diplomatic activism. Indirectly, for the prospective member countries affected by secessionist conflicts, the EU offers a single currency and visa-free regimes, making territorial disputes less relevant to the daily life of the affected population. Until now, the EU has acted indirectly in conflict resolution; in this regard, despite the fact that both Azerbaijan and Armenia may sign Association Agreements and thereby get more benefits from the EU, until the conflict is resolved, neither country will really benefit in concrete terms. The Association Agreements and more generally the EaP support multilateral and regional cooperation – which is currently unworkable in the South Caucasus. A further argument is that in the Balkans, for example, the offer of prospective membership was more compelling, given that the region is geographically surrounded by EU members, meaning that the visa and trade regimes would have an immediate impact. But the South Caucasus is surrounded by non-EU members, and the opportunities for non-energy sector trade with the European market are limited. Therefore, for the EaP and Association Agreements to provide real benefits, the EU must boost the effectiveness of its policy on Nagorno-Karabakh by creating a new vocabulary for conflict resolution through the Association Agreements.

Association Agreements as pressure mechanisms and Post-Conflict Resolution Commitments

Negotiations on the Association Agreements with both Azerbaijan and Armenia were launched in July 2010, and so far 24 of the 28 negotiations have been successfully completed with Armenia, and 13 with Azerbaijan. For the Association Agreements to come into force, they must be ratified by the EP as well as by EU countries' national parliaments.

EP resolutions adopted at the end of March 2013, containing recommendations for the Council, the European Commission and European External Action Service regarding the negotiation of Association Agreements with Azerbaijan and Armenia, are encouraging. The text includes links to confidence-building measures, taking into account the recommendation that EUSRs can and must engineer inter-community meetings. The language echoes the 'Madrid Principles' in calling to end occupation and all activity in the occupied territories, urging Armenia to put an end to any kind of settlement-building initiative designed to increase the Armenian population in the occupied territories, to provide accurate data on ethnic representation in Nagorno-Karabakh's population, and to take immediate steps toward peaceful resolution. The 'Madrid Principles' are the most recent iteration of the 'Basic Principles', which were initially proposed by the OSCE Minsk Group to the presidents of Armenia and Azerbaijan in 2007 and then revised in 2009. Only 6 of the 14 principles have been agreed and made public. These are: the return of the occupied territories surrounding Nagorno-Karabakh to Azerbaijani control; granting interim status to Nagorno-Karabakh and guaranteeing security and self-governance; the right of all internally-displaced persons and refugees to return to their places of origin; opening a corridor between Armenia and Nagorno-Karabakh; defining the future status of Nagorno-Karabakh through a legally-binding expression of will; and international security guarantees, including a peacekeeping operation.

It should be noted that the EU missed an earlier opportunity for similar progress. In 2006, both countries signed ENP Action Plans, which focused primarily on political and economic transformation rather than resolving the Nagorno-Karabakh issue. While Azerbaijan's Action Plan includes "the respect of and support for the sovereignty, territorial integrity and inviolability and internationally-recognised borders of each other," representing the first priority area, in Armenia's Action Plan conflict resolution is only seventh in the priority list, and entails the competing principle of 'self-determination of peoples'. In terms of EU leverage, the ENP Action Plans did not include clear statements or demands from the conflict parties.

The signing of the Association Agreements with Azerbaijan and Armenia should be conditional on a serious commitment by both parties to resolve the conflict. The principle of territorial integrity should be included in the texts of both agreements, as well as the Madrid Principles, tied to expectations of results. By doing this, the EU can avoid future criticism from Azerbaijan that EU member countries have double standards with respect to Azerbaijan's territorial integrity. Furthermore, the Agreements should include a commitment from the EU that it will take a guarantor position for the second phrase (Nagorno-Karabakh status negotiations) if the parties reach a political solution. Hence, the EU Foreign Affairs Council¹ asked the EU institutions, in close consultation with the OSCE, to provide post-conflict scenarios for Nagorno-Karabakh as a basis for future EU engagement. The Agreements, by adding both commitments for

conflict resolution and post-conflict resolution, will make both countries dependent on a "more results, financial support" system of conflict resolution. The guarantees will also be helpful, especially regarding the security of Nagorno-Karabakh's Armenian population, which Armenia has repeatedly questioned.

The EU has in the past successfully used the 'conditionality principle' to gain results, specifically in relation to the conflict between Macedonian security forces and the ethnic Albanian National Liberation Army. The implementation of the Ohrid peace agreement has been used as a pre-condition for Macedonia's EU membership aspirations.

Based on this success, the EU could commit to involvement in the post-conflict zone civilian mission in Nagorno-Karabakh, once a political solution is reached. The EU's current lack of involvement has become an impediment to discussion of other commitments, namely human rights issues. The effectiveness of a 'carrot and stick' policy will be better grounded, and the 'more for more' approach will be applied not only to the integration process but also to conflict resolution. From Yerevan's point of view, the financial resources of the EU could help to reduce the country's dependence on Moscow. From Baku's point of view, Yerevan is using this as a means of pressuring the EU.

PROSPECTS AND RECOMMENDATIONS

In the months leading up to the Vilnius Summit, the main debate will be around the Association Agreement negotiations of Azerbaijan and Armenia, although neither agreement is expected to be signed at the November EaP Vilnius Summit. The EU's immediate dilemma is how seriously to take the threat of Russian influence over Armenia (Moscow would like to see Armenia as a member of the Customs Union and eventually its Eurasian Union project). Thus the EU will be reluctant to make Armenia feel frustrated, which essentially means that Yerevan will not be asked to make clear commitments on resolving the Nagorno-Karabakh conflict. On the other hand, if Baku's concerns are realised as above, EU-Azerbaijan relations will stagnate, and the Association Agreement negotiations will be tougher and less fruitful. The Agreements will include commitments on human rights, freedom of speech, and democratic development – all of which will be affected by a lack of progress on the Karabakh question.

There are a number of options for increasing the EU's visibility in Nagorno-Karabakh conflict resolution:

- Institutionalising the EU's role in the OSCE Minsk Group Process as described above.
- Increasing the EUSR's mandate, emphasising Nagorno-Karabakh conflict resolution, building close cooperation with EU bodies, and prolonging the EUSR mission.
- Including a conflict resolution commitment with a timeline for the current and post-conflict periods in the Association Agreement, along with recognition of the principle of territorial integrity and the Madrid Principles as core parts of both texts. Through the Agreements, using the 'more for more' principle, the EU can establish a single and consistent conflict resolution mechanism framework using both track-one and track-two diplomacy.

Ahead of the Vilnius Summit, the EU should take seriously the option of adding more tools to the Association Agreements, and urging partner countries to make good their existing commitments on conflict resolution. By doing this, the EU will pave the way for a more engaged approach, which in turn will lead to increased institutional visibility in the resolution of regional problems.

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The views expressed here are entirely the author's own, and do not reflect the beliefs of any institution at which he currently works or has worked previously.

1. Conclusions on the South Caucasus as adopted by the Council (Foreign Affairs) on 27 February 2012, available at <http://register.consilium.europa.eu/pdf/en/12/st06/st06932.en12.pdf>

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