Parliamentary Assembly
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Resolution 1525 (2006)[1]

The establishment of a Stability Pact for the South Caucasus

Parliamentary Assembly

1. The Parliamentary Assembly recalls its long-standing concern for democratic stability, security and well-being in the South Caucasus region. It has closely followed the situation in the three Caucasus republics, Armenia, Azerbaijan and Georgia, and largely contributed, in its areas of excellence – democracy, rule of law and human rights – to the democratic transformation of the region.

2. The Assembly reiterates its concern that a political solution of the separatist conflicts in the region has not been achieved so far. The political, social and economic progress of the Caucasian countries, as well as regional co-operation seem to be hostage to those conflicts.

3. At the same time, while not wishing to interfere with the negotiation process among the parties in those conflicts, the Assembly strongly believes that it is its duty and it has the capacity to create a positive climate around the negotiations, thus facilitating their successful outcome. Such a climate could emerge if, in parallel to the negotiations and with separate efforts from each Caucasian country to internally enhance European values, the prospect for a regional strategy of co-operation and integration were defined by all those concerned and made available by the international community.

4. The Assembly also recalls its support for the European Neighbourhood Policy (ENP) as outlined in its Recommendation 1724 (2005) on this question, and welcomes the inclusion of the three Caucasian republics into the ENP. The Council of Europe contributes in an important way to the implementation of the action plans for the countries of the region.

5. The Assembly stresses that while political settlement of the conflicts in the region (including the conflicts over Nagorno-Karabakh, Abkhasia and South Ossetia) is necessary for further development in the political, economic and social areas of each and every Caucasian country, their prosperous and secure future cannot be guaranteed without regional co-operation and integration. The co-operation between those countries as such might also create a climate of trust favourable to the settlement of the conflicts or the prevention of new conflicts.

6. The Assembly strongly believes that for the Caucasian countries, such regional co-operation leading to regional integration is also necessary in order to overcome the liabilities related to the small dimensions of each of the national markets, the disparities in their natural resources and the difficult geopolitical conditions circumscribed by their geographical position as transition areas for crude oil and gas, by their political neighbourhood and by the controversies linked to the different agendas of the main international players in the region. It believes therefore that the international community should contribute more actively to the creation of favourable conditions for political talks as well as for institutionally-enhanced regional co-operation after, or in parallel with, the possible success of those talks.

7. The Assembly has closely examined the concept of the Stability Pact for South Eastern Europe with a view to drawing from positive experiences gained and to developing a possible stability pact for the South Caucasus, taking into account the significant differences between these regions particularly as regards geopolitics and specific concerns.

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1. *Text adopted by the Standing Committee*, acting on behalf of the Assembly, on 17 November 2006 (see Doc. 11082, report of the Political Affairs Committee, rapporteur: Mr Severin).

8. The Assembly is fully aware that despite numerous similarities between the Caucasus and the Balkans, there are important differences, the most important being that:

8.1. the "frozen conflicts" in the region which are impeding democratic, social and economic development have not yet lead to confrontational fatigue, which makes peaceful solutions and political compromises more attractive;

8.2. the Caucasian states do not have, for the moment, the prospect of European Union accession;

8.3. the international community is not in the position to develop the kind of presence in the region which would allow for political decisions to be in line with the strategic needs of regional security even if they conflict with national short-term agendas;

8.4. the international community is more divided over the international status and the political future of the area than in the case of the Balkans.

9. It is obvious that the establishment of a stability pact for the South Caucasus would require the full and active support of all those concerned. However, the Assembly notes that the idea has not gained sufficient support from all parties concerned, in particular the three Caucasus republics, but also the European Union, the Russian Federation, Turkey and the United States of America. The Caucasian countries feel that the priorities are different, namely the management of the different frozen conflicts. The international players are not yet ready to promote a common policy in the region, and therefore they have more trust in the instruments they can use within their bilateral relations with each of the Caucasian states.

10. Nevertheless, the Assembly also notes that despite those reservations it is possible that such a concept might become useful if the appropriate conditions are created, if the substance of the pact is sufficiently clarified and if it responds both to the need for stability and security of the South Caucasus as a region and to the various specific interests and concerns of the countries involved (including the main international players).

11. Therefore the Assembly believes that it is necessary to:

11.1. formulate the main principles and the basic guiding ideas for a stability pact for the South Caucasus as a starting point for further international reflection;

11.2. propose the initiation of an international conference on security and co-operation in the South Caucasus (ICSCSC) to evaluate the potential of such a stability pact and to offer incentives and assistance for its possible enhancement in the appropriate form and at the appropriate time.

12. The Assembly further believes that the above-mentioned international conference should adopt the pact in the form of a joint strategy which would include a joint offer for Caucasian states to which international players would contribute. This joint strategy should begin with the identification of the common interests of all the Southern Caucasian peoples and countries, achieved with the direct participation of their legitimate representatives. Such solidarity of interests – obviously including such goals as sustainable freedom, security, prosperity and dignity – once defined, should allow for the development of common projects aimed at achieving security through pluralist democracy and stability through sustainable development.

13. The Assembly also believes that the common projects forming the substance of the stability pact's strategy should include measures aimed at encouraging and assisting regional integration through communication, consultation, confidence-building, co-ordination and co-operation among the South Caucasian players. Within this context, the Council of Europe should use its expertise in promoting programmes concerning inter-ethnic, inter-cultural and inter-religious respect and coexistence, as well as the establishment of transcaucasian civil society and political parties.

14. As long as the European Union cannot offer the Caucasian countries European Union membership it should offer them, together with the Council of Europe, full technical assistance and generous financial support in adopting and enhancing the European Union model in the South Caucasus. Within this process, the integration strategy of the region has to be based on the principles of subsidiarity, solidarity, transparency and accountability. At the same time, it should promote the free circulation of goods, capital and people in the whole region.

15. The Assembly is of the opinion that the stability pact's mechanism must include three round tables – one on security, one on economy and social affairs and one on democracy and human rights – whose role will be to identify regional priorities in conjunction with national and local priorities and to define the necessary concrete programmes, which should be tailored to those priorities in the respective fields of competence. The respective programmes must have as their ultimate goal the gradual establishment of a South Caucasian

internal free market, a South Caucasian economic and monetary union, and an area of security, freedom and justice (including social justice) in the region, possibly supported by a common taxation policy and a common defence identity.

16. The Assembly strongly believes that a stability pact for the South Caucasus must reiterate the principle of the total withdrawal of foreign military forces from the internationally recognised territory of another country and propose a mechanism for the implementation of such a principle. The pact should not try to identify or impose solutions to the existing frozen conflicts, but must create a favourable framework for those asked to find these solutions, including, among others, confidence-building programmes. In this respect, the ICSCSC could initiate a separate dialogue in an appropriate format for the negotiation of the said withdrawal of the foreign military forces under international guarantees and possibly their replacement by international peacekeeping forces under the United Nations flag.

17. The Assembly believes that the non-alignment of the South Caucasian countries with any third political and military regional alliance, other than the one they might want to establish together, would facilitate the feasibility and sustainability of peace, co-operation and integration in the region. However, this could not and should not prevent the South Caucasian countries establishing special economic partnerships which are consolidated and developed with global or regional players such as the European Union. Such partnerships should be coupled with a most-favoured-nation status granted to the countries which will have contributed to putting in place the stability pact for the South Caucasus. Likewise, the enhancement of the stability pact should imply adequate undertakings concerning fair and equal opportunities offered to those interested in the free transit of goods through the region.

18. Finally, the Assembly recommends that an international fund be established for the stability pact for the South Caucasus, composed of public and private donations. This fund could and should represent the most important, effective and transparent financial instrument for a coherent mobilisation and distribution of the financial resources required by the implementation of the programmes and policies promoted within and by the pact.

19. Furthermore, the Assembly resolves to pursue its efforts aimed at facilitating regional co-operation at the parliamentary level, and in particular to:

19.1. continue consultations at parliamentary level concerning the establishment of the stability pact for the South Caucasus and the feasibility of an international conference on security and co-operation in the South Caucasus;

19.2. advance its own reflection on this subject;

19.3. invite its committees to step up co-operation with their counterparts in the three South Caucasian republics with a view to organising joint regional events in their field of competence;

19.4. step up adequate parliamentary assistance programmes in support of the enhancement of a possible stability pact for the South Caucasus to be launched at the appropriate time.