

**Engaging external actors:  
The EU in the geopolitics of the  
Nagorno-Karabakh conflict**

Marco Siddi

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#### About the Author

Marco Siddi is a Marie Curie Researcher at the University of Edinburgh. His main focus is on EU-Russia relations and Russian foreign policy. Previously, he worked at the Trans European Policy Studies Association (Brussels) and at the Institute of World Economics (Budapest). He studied at the Diplomatic Academy of Vienna (MA) and the University of Oxford (BA).

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## Engaging external actors: The EU in the geopolitics of the Nagorno-Karabakh conflict

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Twenty-four years after the beginning of the Azeri-Armenian conflict, Baku and Yerevan are still at war over the small, mountainous region of Nagorno-Karabakh. The area covers 4,400 square kilometres and is currently controlled by the Armenian army, which drove out the Azeri population during the 1988-1994 conflict. Although a ceasefire was signed in 1994, the ensuing conflict resolution talks in the highly confidential OSCE Minsk Group (chaired by Russia, the United States and France) have failed to produce any significant results. Localized armed clashes continue to take place on the line of contact between the two armies. Most Azeri refugees have not settled in the rest of the country; Baku believes that their integration outside Nagorno-Karabakh would constitute an acceptance of the status quo. However, the presence of the Armenian army in Nagorno-Karabakh and the surrounding Azeri districts makes their return impossible. Neither Yerevan nor Baku will renounce their claims to the region. The Armenians consider it their cultural cradle and base their territorial demands on the principle of self-determination of peoples, as Nagorno-Karabakh is now inhabited almost exclusively by ethnic Armenians. Azeri claims to the disputed area refer to the legal principles of territorial integrity and *uti possidetis*, according to which Nagorno-Karabakh should have fallen under Baku's jurisdiction after the dissolution of the Soviet Union. The Charter of the United Nations and other key texts of international law uphold both the principle of self-determination and territorial integrity, but fail to specify which one prevails in case of conflict.

### Recent developments

Following two decades of failed negotiations, the conflicting parties have launched rearmament programmes and strengthened their arsenals. Azerbaijan has used the large revenues obtained from the export of fossil fuels to buy new weapons.

Its defence budget grew from \$175 million in 2004 to \$3.1 billion in 2011, exceeding Armenia's GDP. Baku considers itself to be the main loser of the status quo. Azeri president Ilham Aliyev has repeatedly declared his intention to resort to force if no peaceful settlement can be reached in the near future. However, the Armenian army has consolidated its positions in Nagorno-Karabakh and is prepared to fight a protracted defensive campaign. It may also count on Russian support, as Yerevan is a member of the Collective Security Treaty Organization (CSTO), a Moscow-led defence alliance. In addition, Armenia hosts a Russian base with approximately 3,000 soldiers on its territory.

The vulnerability of Azerbaijan's vital energy infrastructure on the Caspian Sea and the uncertainty concerning Russia's reaction if a full-scale conflict breaks out have so far deterred Baku from launching an attack. However, a snipers' war is currently taking place along the line of contact, with casualties on both sides every year. This increases the risk of an accidental war through the escalation of skirmishes into all-out armed conflict. The absence of international observers on the line of contact further heightens the danger. So far, international involvement in conflict resolution efforts has obtained only abstract results, most notably the formulation of the Madrid principles in 2007. These provide guidelines for the resolution of the Nagorno-Karabakh conflict and include: the return to Azerbaijan of the territories surrounding Nagorno-Karabakh and occupied by the Armenian army; the deployment of a peace-keeping operation; the establishment of a corridor linking Armenia to the rest of Nagorno-Karabakh; the determination of Nagorno-Karabakh's final status by referendum; the right of return for refugees; and the provision of international guarantees for the peace settlement. However, the principles leave crucial issues unresolved, such as the composition of the

peace-keeping operation and the determination of a specific date for the referendum. Moreover, both Armenia and Azerbaijan are seeking alternatives to the Madrid principles. The compromise offered by the principles is hardly a viable option in the current context of mutual suspicion and hatred campaigns fuelled by the media on both sides.

Baku's and Yerevan's quest for international partners is arguably the most important development of the last four years. Following the August 2008 war in the South Caucasus, Russia paid more attention to security issues in the area and attempted to take the initiative in mediating the Nagorno-Karabakh conflict as well. Despite the personal involvement of President Dmitry Medvedev, no progress was made. Armenia is satisfied with the status quo, while Azerbaijan is wary of the Russian and OSCE mediation. Moscow is Yerevan's closest ally, whereas its relationship with Baku is less warm. Azerbaijan has announced its intention to become a key transit country and energy supplier for the EU, providing an alternative route to the Russia-controlled pipelines. Its recent decision to dramatically increase the rent of the radar base in Gabala, which is part of Russia's early-warning system from Soviet times, may also strengthen Russia's distrust of Baku.

Azerbaijan is keen on moving negotiations on Nagorno-Karabakh to other forums, such as the United Nations, where it could count on the support of numerous other Islamic countries. In particular, Turkey became a strategic ally for Baku during the last two years. In 2010, a strategic partnership was signed and Ankara stepped up its military assistance. Turks and Azeris also share similar cultural roots and language. Most importantly, Ankara and Baku consider Armenia a common foe. Given the recent reorientation of its foreign policy towards the Middle East, the Caucasus and Central Asia, Ankara is expected to increase its role in the Nagorno-Karabakh conflict.

## The European Union

The European Union has a Special Representative for the South Caucasus and the Crisis in Georgia, the French diplomat Philippe Lefort, who focuses *inter alia* on the resolution of the Nagorno-

Karabakh conflict. Brussels also has diplomatic representations in Armenia and Azerbaijan and has concluded Action Plans with both countries within the framework of the European Neighbourhood Policy. However, the power of the Special Representative is constrained by his exclusion from the negotiations of the Minsk Group, the lack of active political support from Brussels and the absence of clear guidelines for an EU conflict resolution policy. Moreover, the Action Plans mention the Nagorno-Karabakh conflict only tangentially and in contradictory terms. The bilateral Action Plan with Armenia stresses the principle of self-determination of peoples, while the one with Azerbaijan emphasizes the inviolability of territorial integrity. Despite its considerable interests in terms of energy security and stability of the neighbourhood, the EU has maintained a low profile in conflict resolution efforts.

## Recommendations

1. Given its current lack of access to the conflict zone and to the main negotiation forum, the EU could address the Nagorno-Karabakh conflict in its summits with Russia and Turkey, the key external actors in the conflict. Brussels should bring them together and mediate the drafting of a shared conflict resolution plan. A **peace proposal supported by the EU, Turkey and Russia** would be boosted by the powerful economic and military leverage that this 'trio' has on both Armenia and Azerbaijan.
2. Eventually, the EU-Turkish-Russian mediation should lead to the deployment of a **joint monitoring mission or peace-keeping operation**, with a mixed composition that would make it acceptable to both parties.
3. The EU's negotiations for the **Association Agreements with Baku and Yerevan should be made conditional** to the serious commitment of both parties to solving the Nagorno-Karabakh conflict.
4. Brussels should insist on **upgrading the French chair in the Minsk Group to the European level**. This would give the EU direct access to the main conflict resolution forum. It would also allow the EU's High Representative

and/or the Special Representative for the South Caucasus to step up their role in negotiations.

5. In the short run, the EU should contribute to **confidence-building measures**. In particular, it could become involved in **projects that foster reconciliation** and counter the hatred campaigns of Armenian and Azeri media.
6. The EU should **revise its Action Plans** with Armenia and Azerbaijan and remove any inconsistency. The revision must include clear references to the EU's **unconditional support for the Madrid principles**.
7. Brussels should enforce an **arms embargo** of all its member states on both Armenia and Azerbaijan.