



European Security and Defence Assembly
Assembly of Western European Union

DOCUMENT A/2065

16 June 2010

FIFTY-EIGHTH SESSION

Frozen conflicts and Europe's security

REPORT

submitted on behalf of the Political Committee by Michael Hancock,
Vice-Chairman and Rapporteur (United Kingdom, Liberal Group)

DOCUMENT A/2065

16 June 2010

FIFTY-EIGHTH SESSION

Frozen conflicts and Europe's security

REPORT

submitted on behalf of the Political Committee by Michael Hancock,
Vice-Chairman and Rapporteur (United Kingdom, Liberal Group)

Report transmitted to: the President of the Council of WEU; the Secretary-General of the WEU; the President of the Council of the European Union; the High Representative of the Union for Foreign Affairs and Security Policy; the President of the European Commission; the EU Commissioner for institutional relations and communication strategy; the Presidents/Speakers and the Chairmen of the Foreign Affairs, Defence and European Affairs Committees of the 39 national parliaments represented in the Assembly; the Presidents of the Parliamentary Assembly of the Council of Europe, the NATO Parliamentary Assembly, the OSCE Parliamentary Assembly, the Baltic Assembly, the Nordic Council, the Parliamentary Assembly of the Black Sea Economic Cooperation, the CIS Parliamentary Assembly; the President of the European Parliament; the Secretaries General of the Parliamentary Assemblies of the Council of Europe, NATO and the OSCE.

*Frozen conflicts and Europe's security***REPORT¹**

*submitted on behalf of the Political Committee by Michael Hancock,
Vice-Chairman and Rapporteur (United Kingdom, Liberal Group)*

TABLE OF CONTENTS

RECOMMENDATION 859	2
on frozen conflicts and Europe's security	2
EXPLANATORY MEMORANDUM	4
submitted by Michael Hancock, Vice-Chairman and Rapporteur (United Kingdom, Liberal Group)	4
I. Introduction	4
II. The situation in Abkhazia and South Ossetia	5
III. Armenia and Azerbaijan – Nagorno-Karabakh	10
IV. Moldova – Transdnistria	15
V. Repercussions for Europe's security	22
APPENDIX I: FACT-FINDING MISSION TO MOSCOW	24
APPENDIX II: MAPS	29
MEMBERS OF THE COMMITTEE	31

¹ Adopted by the Committee on 18 May 2010.

RECOMMENDATION 859²
on frozen conflicts and Europe's security

The Assembly,

- (i) *Concerned* that a number of unresolved and ongoing conflicts in the EU's eastern neighbourhood continue to create tension and considerable instability, in particular in the wider South Caucasus region, and raise security concerns for EU member states;
- (ii) *Welcoming* the progress made by the EU through programmes such as the Eastern Partnership and the European Neighbourhood Policy that firmly establish regional policies and strategies with a view to increasing cooperation on many levels through Action Plans with the states concerned;
- (iii) *Recalling* its Recommendation 834 of 4 December 2008 on European security after the war in Georgia;
- (iv) *Noting* that since the signature of a ceasefire between Russia and Georgia, little progress has been made towards the normalisation of relations between those two states and *concerned* that tension continues to exist between them as each still perceives the other as a considerable threat;
- (v) *Concerned* that since Russia blocked the extension of the mandates of the UN observer mission in Abkhazia and the OSCE mission to Georgia, international observers have not been allowed to re-enter Abkhazia and South Ossetia;
- (vi) *Welcoming* the work of the EU Monitoring Mission (EUMM) in Georgia to ensure all parties' compliance with the six-point agreement and *regretting* that, notwithstanding their official mandate, EU monitors are not allowed access to either South Ossetia or Abkhazia;
- (vii) *Concerned* at the recent deterioration in the situation which has caused mounting tension between Armenia and Azerbaijan over the Nagorno-Karabakh conflict;
- (viii) *Noting* the increasing scepticism being expressed from within the region about the Minsk Group and its failure since it was set up in 1992 to make substantial progress in the Nagorno-Karabakh conflict;
- (ix) *Welcoming*, however, the recent, positive "evolution" of the Minsk Group's Madrid Principles which has brought the two sides to the negotiating table on a number of occasions with a view to resolving the conflict;
- (x) *Noting* that Turkey as a member of the Minsk Group and Iran are increasingly expressing interest in becoming actively involved in negotiations over Nagorno-Karabakh;
- (xi) *Aware* that on 22 April 2010 Armenia announced its decision to suspend ratification of the protocols that would have led to its rapprochement with neighbouring Turkey;
- (xii) *Concerned* that resolution of the status of Transdniestria remains at an impasse whilst the territory continues to give rise to concern over corruption and organised crime, such as smuggling;
- (xiii) *Welcoming* the work since 2005 of the EU Border Assistance Mission (EUBAM) to Moldova, which has made a significant impact by reducing smuggling activity;
- (xiv) *Noting* that the emergence of political opposition to the authorities in Tiraspol, now gaining popular support, means that attention must be paid as a matter of priority to ameliorating the poor state of Transdniestria's political, economic and social systems;
- (xv) *Regretting* the stalemate in the OSCE's 5+2 negotiations for resolving the Transdniestrian conflict;

² Adopted by the Assembly on 16 June 2010 at the 3rd sitting.

(xvi) *Concerned* that Romania's accepting to host the US missile defence shield was immediately met with apprehension on the part of the de facto authorities in Tiraspol who in turn offered to allow the installation of Russian Iskander missiles in Transdniestria,

RECOMMENDS THAT THE COUNCIL INVITE THE WEU NATIONS AS MEMBERS OF THE EUROPEAN UNION TO:

1. Continue their efforts, through EU regional policies and programmes, to encourage regional dialogue and stability which in turn foster a positive climate for conflict resolution;
2. Remind Russia of its engagement concerning the mandate of the EU Monitoring Mission in Georgia and demand that monitors be allowed to perform their tasks within the administrative borders of both Abkhazia and South Ossetia;
3. Endeavour to deepen the dialogue between Russia and Georgia, particularly in forums of which both, along with many EU countries, are member states (such as the OSCE and the Council of Europe) with a view to alleviating the continuing tension and distrust between them and in the region;
4. Increase their efforts to limit the consequences to the local population of the August 2008 conflict;
5. Continue to support the Minsk Group co-chairmanship countries, one of them an EU member state, and urge them to persevere with their talks on the Madrid Principles so as to ensure that the negotiations between Armenia and Azerbaijan on the Nagorno-Karabakh conflict are not derailed;
6. Explore possibilities for reviving the 5+2 negotiations in order to resolve the Transdniestrian conflict and accelerate determination of the final status of the territory by involving all the parties concerned.

EXPLANATORY MEMORANDUM

submitted by Michael Hancock, Vice-Chairman and Rapporteur (United Kingdom, Liberal Group)

I. Introduction

1. In today's ever evolving and shifting geopolitical environment, Europe is largely preoccupied with climate change concerns and economic uncertainty and, in the security sphere, with terrorism, corruption and organised crime. In the wider European neighbourhood, however, there exist a number of ongoing frozen conflicts which, as long as they remain unresolved, pose a serious threat to the neighbourhood's political, economic and ethnic stability and also indirectly threaten European security. The frozen conflicts in the South Caucasus and Moldova are therefore of direct concern to the EU. The lack of progress towards a resolution is having a destabilising effect on the wider region and raises questions about the EU's ability to project its foreign policy effectively.

2. This report examines current relations between Russia and Georgia, with particular focus on the situation and latest developments in South Ossetia and Abkhazia. Following the Georgian attack on South Ossetia and the ensuing Russian intervention in both regions in August 2008, they have only been recognised as independent states by Russia, along with Venezuela, Nicaragua and Nauru. This created a significant regional crisis, bringing relations between Russia and Georgia to a halt and though the hostilities were quickly defused, the situation remains of great concern for the region and for the international community whose monitoring activities in the affected areas have been seriously hampered.

3. The report also looks at the current stalemate in the Nagorno-Karabakh conflict between Armenia and Azerbaijan, which flared up in the 1990s following the breakup of the Soviet Union and led to a regional humanitarian crisis that resulted in numerous casualties and internally displaced persons (IDPs) fleeing the region. Nagorno-Karabakh's proclamation of independence and the ensuing breakdown of relations between Armenia and Azerbaijan over the better part of the last two decades have not only created a security void in the region but also significantly shaped relationships between neighbouring countries and Armenia and Azerbaijan. Although recently hopes of progress were revived in the peace process and within the Minsk Group framework, with the leaders of both countries holding talks several times during 2008 and 2009, the recent announcement by Armenia that it is halting ratification of the protocols that would lead to its rapprochement with Turkey is expected to add to the strain surrounding the Nagorno-Karabakh conflict.

4. Special attention is also paid in the report to the current situation in Moldova and in Transdniestria where Russian peacekeeping forces are still stationed. 20 years after both Moldova and Transdniestria declared independence this frozen conflict continues to present a security challenge on the EU's borders, as well as political and economic concerns. The nature of the deadlock and the intransigent positions of the main actors involved have often caused this conflict to be described as one of the hardest of the frozen conflicts to resolve. However, a number of efforts over the years – outlined in this report – have come close to producing tangible results and given encouraging signs that the two sides may, in the near future, agree to make concessions in favour of stability in their region.

5. The Political Committee of the European Security and Defence Assembly (ESDA) has always taken an active interest in finding ways to contribute to breaking the deadlock in the frozen conflicts in Europe's neighbourhood and in the South Caucasus in particular. The present report is the result of a number of fact-finding missions to the countries mentioned above and numerous interviews with local and government officials and parliamentarians, as well as representatives of the international community. In December 2009, members of the Assembly met with members of the Russian Parliament, represented by a joint delegation from the Federation Council and the State Duma, and set up a joint working group which to date has met at regular intervals to discuss current security and defence matters.

6. This report continues the useful debate initiated in the Political Committee's previous reports³ and makes recommendations to the EU member states which will hopefully continue and further develop this fruitful dialogue, both within the Assembly and among the countries concerned, with a view to achieving concrete results and coming closer to solving these frozen conflicts. The report also demonstrates how failure to address the current concerns will have far-reaching destabilising consequences which are likely to spread rapidly beyond the countries concerned.

II. The situation in Abkhazia and South Ossetia

(a) Background to the August 2008 conflict

7. On 7 August 2008, Georgia launched a military operation against South Ossetia codenamed "clear field". The following day, Russian troops entered South Ossetia in a move justified as being necessary in order to protect Ossetian civilians from Georgian forces following artillery attacks by the latter on South Ossetia's capital, Tskhinvali, and in the face of escalating conflict in the surrounding areas. By the time hostilities broke out both Russia and Georgia were in violation of their 1992 ceasefire⁴ agreement by building up significant forces in the area.

8. Russian troops, paratroopers and tanks also entered Abkhazia during the same period (11 August), exceeding the limit of 3 000 troops imposed by the 1994 peace agreement. Meanwhile, Russia requested that the 1 500-strong Georgian forces located in the Georgian town of Zugdidi near Abkhazia's border be disarmed – a request which was denied.

9. The hostilities ended with the 12 August ceasefire and the signing of a six-point agreement which was largely negotiated by the EU and the then French Presidency in conjunction with Russian President Dmitry Medvedev and Georgian President Mikheil Saakashvili. By 14 August the agreement had also been signed by de facto President Eduard Kokoity of South Ossetia and de facto President Sergei Bagapsh of Abkhazia.

10. The six-point agreement stipulated:

- no recourse to the use of force;
- definitive cessation of hostilities;
- free access to humanitarian aid;
- the Armed Forces of Georgia must withdraw to their permanent positions;
- the Armed Forces of the Russian Federation must withdraw to the line where they were stationed prior to the beginning of hostilities. Prior to the establishment of international mechanisms the Russian peacekeeping forces will take additional security measures;
- an international debate on the future status of South Ossetia and Abkhazia and ways to ensure their lasting security will take place.

11. In the course of the conflict Russia stationed troops in buffer zones stretching for several kilometres inside Georgian territory, adjacent to both South Ossetia and Abkhazia. In the case of South Ossetia, the buffer zone mostly occupied the routes used by Georgian forces during the conflict to reach Tskhinvali. Satellite photos reportedly showed evidence of damage to infrastructure in various villages within the buffer zones. Although the bulk of Russian forces withdrew from the buffer zones

³ See Documents 2029 adopted on 4 December 2008: "European security after the war in Georgia", report submitted on behalf of the Political Committee by Michael Hancock, Rapporteur (United Kingdom, Liberal Group) and Miltiadis Varvitsiotis, Rapporteur (Greece, Federated Group); and 1895 adopted on 14 June 2005: "Security cooperation between the EU and its eastern neighbours", report submitted on behalf of the Political Committee by Jean-Pierre Masseret, Rapporteur (France, Socialist Group) and Abdülkadir Ateş, co-Rapporteur (Turkey, Socialist Group).

⁴ The 1991-1992 South Ossetian War was fought, as part of the Georgia-Ossetia conflict, by Georgian government forces and ethnic Georgian militias against the forces of South Ossetia and ethnic Ossetian militias that wanted South Ossetia to secede from Georgia and become an independent state. The war ended with a Russian-brokered ceasefire, signed on 24 June 1992, which established a joint peacekeeping force.

in accordance with the six-point plan, peacekeepers have remained in two specific areas: Akhlagori and the Perevi checkpoint. In December 2009 the EU Monitoring Mission in Georgia, set up to monitor the implementation of the peace agreement, urged Russia to meet its commitments under the peace plan and withdraw all troops from those areas.

12. Russia's disproportionate military response in Georgia, the continuing presence of Russian troops in the buffer zones after the six-point agreement had been signed, and the ensuing recognition of the independence of both regions by the end of August 2008 contributed to the further deterioration of relations between Russia and the West. More specifically, the NATO-Russia Partnership suffered, with the Alliance suspending formal meetings of the NATO-Russia Council (NRC) and calling a halt to cooperation in certain areas. However, in December 2008 NATO foreign ministers agreed to pursue a phased and measured approach to re-engagement with Russia and in March 2009 decided to resume formal meetings of the NRC, including at ministerial level, after NATO's April summit.

13. The conflict also raised major humanitarian concerns. By the end of August 2008, 192 000 IDPs were recorded as fleeing South Ossetia and the Russian buffer zones in Georgia; in June 2009, 25 000 IDPs were still unable to return to their homes.⁵ During the hostilities the infrastructure of South Ossetia, particularly in Tskhinvali and the larger towns of the region, suffered considerable damage. There were also reports of damage to numerous buildings in villages inside the buffer zones where Russian forces were stationed.

(b) Current situation

14. The conflict of August 2008 brought long-simmering tensions in the region to the surface and, more importantly, highlighted the evolution of certain geopolitical realities with an obvious capacity to influence not only regional but also global politics. This twofold impact of the conflict was of major importance on a number of counts.

15. Firstly, it pointed up the number of very significant players holding major stakes in the South Caucasus, a volatile and conflict-ridden region, the overspill effects of whose problems could endanger the stability and security of its wider neighbourhood. This was an issue of deep concern to the EU which therefore needed to show it could act decisively and effectively.

16. Secondly, it revealed that Russia was not unwilling to take drastic action outside its borders, especially in response to events that might cause disturbance in the North Caucasus and if it felt that its sphere of influence was being threatened or altered in ways it did not agree with. The risks of disproportionate numbers of Russian troops entering South Ossetia and Abkhazia were countless and Moscow was well aware of the consequences, both for the region and for its relations with the West. However Moscow also knew it was in a relatively comfortable position to act in the way it did, being fairly confident that major retaliation from the West would not materialise; also that the United States would not risk aiding Georgia militarily in the course of the conflict, as this would translate into armed conflict between the two superpowers. Indeed the United States dismissed military action as an option and instead sent a "message" to Russia by supplying aid to Georgia via a military and not a civilian aircraft.⁶

17. Thirdly, it could be argued that Moscow was reacting to a number of policies pursued by the West in the recent past that could be described as provocative. These primarily concerned NATO's eastward expansion, which was opposed by Russia, and the international community's decision that Kosovo be allowed to secede from Serbia, leading to the recognition of Kosovo as an independent state by a large number of countries.

18. Thus the brief Russia-Georgia conflict of August 2008 marked a significant turn in Russia's relations with the West, highlighting not only that country's willingness to act militarily but, more importantly, its ability to do so without hesitation. The point is often made that the case of Kosovo cannot be compared to those of Abkhazia and South Ossetia as over the past decade Kosovo was an

⁵ "Georgia-Russia: Still insecure and dangerous", International Crisis Group, Policy Briefing, 22 June 2009. www.crisisgroup.org

⁶ Humanitarian and medical supplies were sent in a C17 cargo aircraft.

enclave under international control and in some sense therefore in the process of gradually being groomed for independence. The risk was always present of Kosovo being used as a precedent in connection with other conflicts; a fact highlighted not only by Russia's opposition to independence for Kosovo, but also by the refusal of a large number of other countries to recognise it, among them five EU member states.

19. Not only did the conflict with Georgia bring to the surface Russia's dominant position and its willingness to act in its own neighbourhood and in the Caucasus; it also brought the EU to the forefront of the stage. The EU, due to successful diplomacy when leading the negotiations under the French Presidency, was portrayed as an effective actor in conflict resolution. This course of action was naturally enough not without risk. Had the negotiations failed and the EU been unable to cease hostilities or had the conflict escalated resulting in extensive casualties, in the glare of the mass media, the EU would have borne the brunt of the blame and been portrayed as ineffective without the US holding its hand. Serious questions would have been raised in member states' capitals, around the world and within other international organisations about the effectiveness of both the EU itself and its foreign policy.

20. By swiftly defusing the conflict, however, the EU seized an opportunity to resolve an issue that other actors were unable to deal with. Nor were they prepared to take an effective lead in the political negotiations necessary at the time to bring about an end to hostilities. Although many argue that it was fortunate that a large and powerful member state, France, held the presidency at the time, the EU's prompt response served to highlight the importance of the region to the Union and the lengths to which it would go to keep the South Caucasus relatively stable and prevent the risk of its descending into war.

21. Judging by developments almost a year and a half on, it can be said with certainty that the absolute loser in the conflict has been Georgia. The biggest blow to the country, its population and government is a significant loss of territory highly unlikely to be returned to it in the short to medium term. Even in the longer term, the possibility of Abkhazia and South Ossetia being willing to become a part of Georgia remains doubtful. Another major setback to the Saakashvili regime was the critical EU-supported report of the Independent International Fact-Finding Mission on the Conflict in Georgia⁷ (IIFFMCG) (also known as the Tagliavini Report) which placed much of the blame on Georgia for "illegally" starting the war with Russia. The report also maintained that Moscow had "violated" international law by invading its neighbour in response to the attack. But it was Georgia's actions at the outset that were severely criticised internationally and attracted most attention in the months following the war.

22. During the time your Rapporteur was in Moscow⁸ on a fact-finding mission, the Kremlin signed an agreement with Abkhazia to create a 3 000-troop-strong military base. When asked about those developments, Russian officials expressed a variety of differing opinions ranging from clear agreement to doubt as to whether the latest military moves would prove wise for the region and for the course of Russia's relations with the West. Also Dmitry Trenin, Director of the Carnegie Moscow Centre, writes in an article⁹ that "the two salient security issues in the Euro-Atlantic area today are Moscow's suspicions of US intentions and motives toward Russia (think of NATO enlargement; Washington's support for Georgia, Ukraine, etc; or the Bush Administration's proposed missile defence deployments in central Europe), and Russia's neighbours' at least equally dark suspicions of the country. Both sets of fears are real, if largely baseless, but each requires hard thinking and a realistic strategy before it can be laid to rest". The latest military-base development on the one hand clearly reflects updated Russian military doctrine¹⁰ which sharply criticises NATO's expansionist ambitions but on the other does not appear compatible with President Medvedev's proposal to end cold war rhetoric and create a unified Euro-Atlantic security space.

⁷ The Tagliavini Report. www.ceiig.ch/Report.html

⁸ 18-19 February 2010. See Appendix 1 for a detailed account of the meetings which took place.

⁹ "A Treaty to replace all Treaties", Dmitry Trenin. Carnegie Moscow Centre.

¹⁰ The 2010 Russian Military Doctrine. www.worldpoliticsreview.com

23. It is clearly too soon to decipher the long-term effects of the August 2008 conflict. However South Ossetia and Abkhazia, whose independence has been recognised by some countries, now seem increasingly to be relegated to the sidelines whilst a tense political battle is played out between Russia and Georgia. All the officials your Rapporteur spoke to in Moscow were absolutely certain that Georgia still presented a political and military threat in the region and to Abkhazia and South Ossetia – an opinion essentially the same as that held by Georgia of its northern neighbour. Despite simmering tensions, the first opening of the border between Russia and Georgia since the conflict occurred in February 2010 at the Verkhny Lars crossing. However, this was done in order to allow freight trade movement from Russia to Armenia rather than because of progress towards normalisation of relations between Russia and Georgia.

24. Since the conflict ended in August 2008, Russia has not allowed international observers to re-enter South Ossetia and Abkhazia and at the same time has vetoed the extension of the mandate of the UN observer mission in Abkhazia and refused to extend the mandate of the OSCE mission in Georgia. It is crucial for the international community to be able to place observers in those two areas from where very little information about the state of society has been released to date.

25. For the time being, only the EU has a monitoring mission (EUMM) in Georgia. This is the sole international presence in the country with a mandate to “provide civilian monitoring of parties’ actions, including full compliance with the six-point agreement and subsequent implementing measures on a countrywide basis throughout Georgia, including South Ossetia and Abkhazia”.¹¹ Its main tasks are to monitor, analyse and report on the situation pertaining to the stabilisation process and to the normalisation of civil governance and rule of law; and to contribute to the reduction of tensions through confidence-building measures such as liaison and facilitation of contacts between parties.

26. Although both entities today depend heavily on Russia’s support to be able to sustain their independence, Abkhazia is in a slightly better financial state than South Ossetia. Abkhazia did not have to bear the brunt of much of the violence during the conflict and is relatively stable today. It possesses a port and has established economic and trade relations with its northern neighbour. South Ossetia, on the other hand is entirely reliant on Russian aid for its survival whilst the majority of the population of approximately 70 000 have close ties with various parts of Russia, particularly North Ossetia, giving rise to a considerable migratory outflow towards the north and an absolute refusal to allow Georgians who fled their homes in August 2008 to return. This is a very different position to that of the 170 000 or so Abkhazians who, although they virtually all possess Russian passports, remain in their land and maintain a level of informal relations with their Georgian neighbours within Abkhazia and in the surrounding areas.

27. However, the economic and political situation in both Abkhazia and South Ossetia will continue to be one of total dependence if their sole “benefactor” remains Russia. Normalisation of relations with Tbilisi is crucial for the economic stability of the wider region and in order to establish trade routes with the wider neighbourhood. Although relations with Georgia are virtually impossible at the present time, representatives from both Abkhazia and South Ossetia, MM Akhba and Medoev respectively, told your Rapporteur that their countries wanted normalisation of relations with Tbilisi and to begin establishing economic and political ties. Under the current Georgian leadership foreign policy approaches to the two entities focus solely on the end goal of their return to Georgia.

28. The Abkhazian representative in Moscow, Igor Akhba, characteristically stated that Georgia’s actions, not only in August 2008 but over the past 100 years, meant it had lost its right to demand the return of Abkhazia. A consistent policy of “cultural genocide” was implemented in order to eradicate all foreign elements and impose Georgian language, history and religion. Though the secession of Abkhazia came in 2008, relations between Tbilisi and Sukhumi had been virtually non-existent for many years before that time. The latest developments only served to highlight the severity of tensions between the two capitals.

¹¹ EU Monitoring Mission in Georgia. www.eumm.eu

29. The South Ossetian representative in Moscow, Dmitry Medoev, spoke in much the same vein stating that South Ossetia and Abkhazia were the two basic pillars of the Caucasus and an absence of stability and security in those countries would translate to instability in the wider region.

30. The Chairman of the International Affairs Committee of the State Duma of the Russian Federation, Konstantin Kosachev, said that Georgia's political and military stance after August 2008 remained a concern; there were however certain "voices" within Georgia's political system which were viewing the situation in a different light, one that may eventually lead to a commencement of normalisation of relations in the region at some point in the future.

31. The current internal political situation in Georgia remains unstable, and all the more so after the conflict. Many believe it quite extraordinary that President Saakashvili has managed to continue in power a year and a half after the war which he was widely blamed for starting and which resulted in significant territorial loss for his country. At this point in time it is crucial for the West and particularly for the EU to begin developing a long-term policy envisaging the eventual normalisation of relations between all parties in the region. Though the situation remains tense and relations between Tbilisi and Moscow, Tbilisi and Tskhinvali and Tbilisi and Sukhumi cannot be expected immediately to resume, certain informal lines of communication could begin, particularly with South Ossetia and Abkhazia – a wish which has also been expressed by those two regions.

(c) The situation in the North Caucasus

32. The North Caucasus region on the southern edge of the Russian Federation, encompassing the newly-created administrative North Caucasus Federal District comprising six ethnic republics¹² and the Stavropol administrative district, is one of the most ethnically complex regions in the world. The region, which occupies a strategic geographic location at the crossroads between Europe and the steppes of Asia and is also a major route for the transit of oil and gas, has long been synonymous with political instability, lawlessness and terrorism. It seems appropriate to include a brief analysis of the situation in the region, in the light of the Moscow metro bombings in March 2010.

33. The fragmented religious and ethnic composition of the North Caucasus has hindered any real integration with Russia and the region's relations with the centre have often been marred by rebellion, political discord and, in recent years, increasingly bloody violence and terrorism.

34. Russia's recognition of the independence of South Ossetia and Abkhazia also has wider implications for the region as a whole, and offended some politicians in the Caucasus frustrated by Russia's involvement in international territorial disputes whilst its own internal border disputes remained unsolved.¹³ This argument was countered, however, by Ramzan Kadyrov who stated that the situation in South Ossetia and Abkhazia had no bearing on that of Chechnya, citing the referendum on the constitution the Republic held in 2003, which supported Chechnya's continuing to be subject to the Russian Federation.¹⁴

35. The situation in the North Caucasus remains complex, whilst previous Moscow policy has not solved any of the region's problems or stemmed the flow of violence, either within the region or in "mainland" Russia. Growing unemployment, political grievances and economic problems have only served to further the extremist cause in the North Caucasus.

36. The presidency of Dmitry Medvedev has created some windows of opportunity for progress. For as well as emphasising the need for harsher counter-terrorism operations, much as did his predecessor, he has also stressed the need for more investment in the region and for better social, economic and educational conditions.¹⁵ This change of approach could, after the Kremlin's previous harsh policies, stem the flow of disenchanted and resentful inhabitants of the North Caucasus towards the extremist cause.

¹² The six republics are: Karachayevo-Cherkessia, Kabardino-Balkaria, North Ossetia, Ingushetia, Chechnya and Dagestan.

¹³ Carnegie Moscow Centre, "Losing the Caucasus", August 2009, A. Malashenko, p. 6.

¹⁴ North Caucasus Analysis, vol. 9, "McCain's call to recognise Chechen independence has inspired Chechens", September 2008.

¹⁵ The Times, "Russia bombings show President Dmitry Medvedev coming into his own", 6 April 2010.

III. Armenia and Azerbaijan – Nagorno-Karabakh

37. There have been periods of increasing tension over the past 15 years since the signing in 1994 of the ceasefire between Armenia and Azerbaijan which ended the hostilities between the two countries over the Nagorno-Karabakh region. Following increased pressure and mediation on the part of the international community, the two sides have recently been engaged in negotiations on resolving the conflict which continues to take lives.¹⁶ The negotiations are, however, more often marked not by windows of opportunity or optimism but rather by suspicion and distrust on the part of the leaderships in both Armenia and Azerbaijan.

38. The conflict erupted at the time of the collapse of the Soviet Union. Violence broke out in 1988 following a declaration by the regional Karabakh authorities of secession from Azerbaijan and unification with Armenia, thereby exacerbating ethnic tensions. The 1989 Soviet census in the region showed that the population was made up of 75% ethnic Armenians and 22% Azerbaijanis.

39. In 1993, the violence spread to other parts of Azerbaijan as Karabakh Armenian forces, often supported by the Republic of Armenia, conducted military operations in the Azeri-populated areas surrounding Nagorno-Karabakh.¹⁷ The Armenian capture of the Azerbaijani stronghold of Shusha and increasing internal political instability in Azerbaijan led ethnic Armenian forces to expand their control over the region and to open a land corridor between Armenia and Nagorno-Karabakh through the city of Lachin.

40. A Russian-brokered ceasefire was announced on 16 May 1994 and ratified two months later by Armenia, Azerbaijan and the head of Armenian Karabakh forces.¹⁸ By this time as many as 25 000 people had been killed in the conflict and IDPs within Azerbaijan still number some 570 000.¹⁹

41. The ongoing complexities of the conflict and the number of factors influencing it, as well as the number of actors involved in the negotiations make it a particularly challenging feat to reach a consensual solution between the two countries. However the momentum which has been recently re-created needs to be pushed forward further through the principal channels of communication so that the two countries can establish normal relations and deal effectively with the conflict.

(a) The Minsk Group and the Madrid Principles

42. The OSCE Minsk Group, the mediator for the Nagorno-Karabakh conflict, co-chaired by France, Russia and the United States²⁰ (with the additional participation of permanent members Armenia, Azerbaijan, Belarus, Finland, Germany, Italy, Sweden, Turkey), was set up in 1994 with the main tasks of:

- “providing an appropriate framework for conflict resolution in the way of assuring the negotiation process supported by the Minsk Group;
- securing the conclusion by the Parties of an agreement on cessation of the armed conflict in order to permit the convening of the Minsk Conference;
- promoting the peace process by deploying OSCE multinational peacekeeping forces.”

The three Minsk Group co-chairmen presented the original Madrid Principles to both sides in November 2007, in the search for a comprehensive approach to solving the conflict.

43. The negotiations based upon the initial Madrid document over a period of two years led to its evolution and modification. As a result, the Madrid Principles were significantly updated in 2009 with the support of the presidents of France, Russia, and the United States who, in a joint statement,

¹⁶ According to the International Crisis Group, the military and civilian casualties along the Nagorno-Karabakh frontline since 1994 number approximately 3 000.

¹⁷ Human Rights Watch, “Seven Years of Conflict in Nagorno-Karabakh”, December 1994.

¹⁸ Silk Road Studies, “The Nagorno-Karabakh Conflict”, 1999.

¹⁹ BBC News, “Azerbaijan Displaced Await End of Conflict”, 18 February 2009.

²⁰ The co-chairmen of the Minsk Group are Ambassadors Fassier (France), Merzlyakov (Russia) and Bradtke (United States).

announced that they had asked the co-chairmen to draft and submit “an updated version” of the Madrid Principles to the presidents of the two countries involved in the dispute. They noted that they represented “a reasonable compromise” between the principles of equal rights and self-determination of peoples, on the one hand, and territorial integrity on the other, together with the non-use of force. All three principles are enshrined in the Helsinki Final Act of 1975. The co-chairmen further asked the Armenian and Azerbaijani presidents “to resolve the few differences remaining between them and finalise their agreement on these Basic Principles,” which are to serve as the nucleus of “a comprehensive settlement”.

44. The most recent, undisclosed draft of the Madrid Principles which continues to evolve and be amended as the current negotiations progress, envisages a phased rather than packaged solution to the conflict, to be implemented in two distinct stages. It entails a number of specific confidence-building measures and steps towards rapprochement designed to bring the two sides to an agreement. Although the details have not been disclosed, in a July 2009 press release the OSCE announced the following points of the updated Madrid Principles which propose:²¹

- the return of the territories surrounding Nagorno-Karabakh to Azerbaijan’s control;
- an interim status for Nagorno-Karabakh with guarantees of security and self-governance;
- a corridor linking Armenia to Nagorno-Karabakh;
- the future determination of the final legal status of Nagorno-Karabakh through a legally binding expression of will;
- the right of all internally displaced persons and refugees to return to their former places of residence; and
- international security guarantees that would include a peacekeeping operation,

and further express the hope that “the endorsement of these Basic Principles by Armenia and Azerbaijan will allow the drafting of a comprehensive settlement to ensure a future of peace, stability, and prosperity for Armenia and Azerbaijan and the broader region”.

45. Although initial reactions to the Madrid Principles by both sides were mixed, with Azerbaijan expressing general agreement and scepticism being expressed by the Armenian leadership. While meeting Russian President Medvedev in Sochi in January 2010, Armenian and Azerbaijani Presidents Sarkisian and Aliyev reached a verbal agreement on the preamble to the document and agreed to put forward amendments to the text for further negotiations.

46. A major point of contention for Armenia was the fact that the original Madrid document outlined a phased withdrawal of Armenian troops from the Azerbaijani territories surrounding Nagorno-Karabakh whilst the updated 2009 Principles omitted the word “phased”. Another issue is the final status of Nagorno-Karabakh: in recent statements the Armenian president has stressed that the region has never been part of an independent Azerbaijan, the settlement therefore should be based on human rights and the will of the Karabakh people. Yerevan has repeatedly stated that a final deal will also need to be acceptable to Nagorno-Karabakh Armenians, and must be one that recognises their right to self-determination, whilst preserving a secure corridor between Nagorno Karabakh and Armenia. Over the past year the Armenian president has come under increasing criticism at home and is accused of being prepared to make concessions that will be harmful to Armenia’s interests.

47. Rather than being concerned with popularity at home, the Armenian leadership needs to give much more thought to settling the conflict and to the positive political, economic and social consequences that this will create. Regionally, Armenia remains politically and economically isolated. It is landlocked between two countries with which its borders remain closed and with which relations are non-existent. Additionally, the August 2008 war between Russia and Georgia sealed its corridor to Russia (although this has since re-opened) highlighting further its regional vulnerability.

²¹ Statement by the OSCE Group co-chair countries, 10 July 2009. www.osce.org

48. Though Azerbaijan's position in the region is a much more confident one, this is not to say that it gains from the current situation; Baku also stands to gain far more from the regional stability that would be generated by resolving the conflict. But it insists that Nagorno-Karabakh's final status can only be determined within the framework of Azerbaijan's territorial integrity and that Azerbaijanis must be allowed to return to Nagorno-Karabakh.

49. Upcoming parliamentary elections in the autumn of 2010 are currently impelling the government in Baku to tread extremely carefully. President Aliyev's rhetoric has often boosted his popularity at home whilst having exactly the opposite effect on the Nagorno-Karabakh negotiations and, of course, in Yerevan. For example, the stationing of snipers on the front line in order to "not allow the Armenian troops to sit comfortably in our own country" and statements by officials close to the president and members of parliament,²² to the effect that if the conflict is not resolved there will soon be no choice but to use military force to reclaim the territories, all go to suggest that behind the negotiations the conflict is very much alive.

50. Even if an agreement is reached between the two sides on the Madrid Principles, it is unlikely that Azerbaijan will sign a final document before the elections, as this will entitle representatives from Nagorno-Karabakh to take part in the final settlement of the region. It is also equally unlikely, in the event that the talks break down, that Azerbaijan would decide to use military force to reclaim the territories, thereby risking a full-scale war with its neighbour; the implication of a number of third countries which would be forced to take sides; massive instability in the South Caucasus; and destroying, at one at the same time, its foreign investments at home, its international political and trade relations and the flow of oil out of the Caspian Sea.

51. Though the Minsk Group's activities over the past 15 years have ensured that the ceasefire has remained in place and that a return to total conflict was, until recently, generally perceived as unlikely, violence along the borderlines of the Nagorno-Karabakh region continues, along with the casualties. It is crucial at this point for the international community to urge all sides, including the Minsk Group co-chairmen, to press on with the Madrid Principles under which significant progress has been made and which, by placing no barriers or pressures and by taking into account the concerns of all parties, to date constitute the only realistic way forward.

52. Currently, largely due to the fact that for such a long time the conflict has remained "frozen" with no tangible progress being made, the Minsk Group is coming under increasingly heavy criticism from the main countries involved in the conflict and international sources, often in the countries that co-chair the process. (It should be stressed, however, that there is a general consensus that the only way forward now is by way of the Madrid Principles – their failure would also spell the end of the process). Furthermore, certain actions "outside" the designated framework of the process, principally by the co-chairing countries, are indicative of a certain amount of frustration at the inability of the Minsk Group to influence the negotiations. They also attract the criticism that many mediators are not so much interested in the conflict as in furthering their own geopolitical ambitions. It is important to remember that although the three chairing countries of the Group have cooperated closely in this particular framework they nevertheless have considerable differences, as well as their own interests and agendas in the international arena; these do create friction and could eventually also affect their relationship and the balance of power within the Minsk Group itself.

(b) International and regional efforts

53. A prime example is the direct involvement of Russian President Medvedev in the organisation and the hosting of several bilateral meetings between the Armenian and Azerbaijan presidents, with Russia acting as a mediator. Though this is a welcome development in the negotiation process, it does also point to a certain degree of frustration or fatigue as regards the Group's inability to reach a breakthrough which is driving the parties to "test" out other means of mediation. When meeting with your Rapporteur in Moscow, Mr Kosachev, however, defended Russia's neutrality in the conflict and particularly in the bilateral negotiations, stressing that the Kremlin's efforts aimed for a speedy and

²² Mr Azgarov, First Deputy Chairman of the Milli Mejlis, speaking with NATO PA officials, 12-14 April 2010. www.nato-pa.int

peaceful resolution, important for both countries and for the wider region. He was adamant that Russia was not going behind the Minsk Group's back.

54. Ambassador Merzlyakov, the Russian co-Chairman of the Minsk Group, who also met your Rapporteur in Moscow, equally stressed Russia's neutrality in the conflict and its unwillingness to get involved unilaterally. The Ambassador defended the Minsk process stating characteristically that a "pre-cooked" solution to the conflict did not exist and should not be sought. The Group focused upon qualitative rather than quantitative results; sadly the opposite had been witnessed in the recent past. He added that Armenia's increasingly intransigent position was not encouraging the process forward, neither was Azerbaijan's heightened militancy or the frustration it expressed at the Armenian-Turkish rapprochement.

55. An additional factor influencing developments involves another co-chair of the process, France, which signed a military agreement with Armenia during a recent visit to Paris by the Armenian Defence Minister, Mr Ohanyan, in February 2010. Under the proposed deal the two countries will initiate bilateral defence cooperation with a view to developing military cooperation. France has made a parallel offer to Azerbaijan to sign a similar agreement with it. This would effectively give France a regional advantage, politically and economically, thereby placing it roughly on a par with Russia. It could therefore also seek to influence the negotiations independently. Speaking at a NATO Parliamentary Assembly conference in Yerevan in March 2010, the French Minsk Group co-Chairman, Ambassador Fassier, defended this development and France's long-term involvement in the region and commitment to bringing the conflict to an end. He spoke in support of the Madrid Principles as the way ahead, urging the two parties to the conflict to do their utmost to take the current discussions forward.

56. In recent months Iran has expressed its interest in having a direct role in the resolution of the Nagorno-Karabakh conflict. It has repeatedly criticised the Minsk Group for failing to find a solution after almost 20 years of dealing with the conflict. Iran advocates that the issue should be dealt with primarily by the countries of the region, and the countries directly concerned and affected by the conflict. The announcement, made in February 2010, highlights Tehran's concerns, particularly in regard to one of the Madrid Principles proposals – for an international peacekeeping force in Nagorno-Karabakh, and consequently only a few kilometres from Iran's border. It is evident that Iran would have grave concerns if an OSCE peacekeeping force comprising forces from the three Minsk Group co-chairmanship countries were to be stationed in the region.

(c) Turkish-Armenian relations

- The protocols:

57. In October 2009, the Turkish and Armenian Foreign Affairs Ministers signed protocols on the establishment of diplomatic relations and the development of bilateral relations between the two countries, thereby concluding two years of bilateral negotiations under Swiss mediation. These first intergovernmental texts to be signed between Turkey and Armenia since the Treaty of Kars (13 October 1921) are a positive development in the South Caucasus in a situation characterised by conflicts, blockades and trade restrictions.

58. The protocols lay the ground for establishing diplomatic ties, opening the common border and improving bilateral and interpersonal relations according to a set of principles and a timetable. It would be naive and mistaken to imagine that the texts could fully normalise relations or settle all the problems between Turkey and Armenia overnight. Nonetheless, the ratification of the protocols by the two countries' parliaments will mark the beginning of a reconciliation process.

59. The protocols underline the need for cooperative action to promote stability and security as well as democratic and sustainable development in the region. They specifically highlight the importance of cooperation in the fields of science and education, with a view to preserving each side's cultural heritage and launching common cultural projects. They make provision for setting up a number of sub-commissions, including one on trade, tourism and economic cooperation and another on the historical dimension. The tasks of the latter are set out in detail: to carry out an impartial scientific examination of the historical records and archives in order to define existing problems and formulate

recommendations, with a view to opening up a channel for dialogue and enabling Turks and Armenians to look back jointly on their common history and progressively bridge the historical gap currently symbolised by the sealed border between the two countries.

60. Indeed, both sides have much to gain in the regional and international arenas from this proactive approach to solving their problems. In the words of President Sarkisian: “The initiative to normalise Armenian-Turkish relations is at the epicentre of attention of the international community”, and in those of President Gül: “The bilateral efforts aimed at the normalisation of Turkish-Armenian relations attracted due attention world-wide by creating a new hope for peace in our conflict-ridden geography”.

- **Current developments:**

61. However, on 22 April 2010 the Armenian Government announced it would halt the process for ratifying the protocols currently going through its parliament, stating that the decision stemmed mainly from Turkey’s refusal to ratify those protocols without their being linked to preconditions concerning settlement of the Nagorno-Karabakh conflict. A number of recent developments in both countries in the months leading up to the Armenian decision were already suggestive of a standstill in the parliamentary ratification processes and of a generally negative outlook for rapprochement between the two countries.

62. Although the Turkish Minister of Foreign Affairs, Ahmet Davutoğlu, had submitted the protocols to parliament in October 2009, with a speech describing recognition of the border as a major gain for Turkey, he had not explicitly urged parliament to ratify the texts.

63. On 12 January 2010 the Constitutional Court of the Republic of Armenia issued a short statement announcing the protocols’ conformity with the Constitution of Armenia. However, it is important to bear in mind that the negotiation process ended with the signatures of Ministers Nalbantyan and Davutoğlu. The bottom line is that the Court’s decision related only to the constitutional compliance of the protocols: it gave no indication of what Armenia’s final decision on the issue of their ratification would be.

64. In March 2010 the Armenian Government sent the ratification papers to Parliament for approval. Some at the time saw this as an indication that Armenia had officially launched a ratification process. However, on 23 February 2010 the country’s National Assembly began debating a government bill that would make it easier for Armenia to cancel its normalisation agreements with Turkey if Ankara continued to delay their ratification.

65. Another factor that affected developments was the resolution calling on President Obama to “characterise the systematic and deliberate annihilation of 1.5 million Armenians in 1915 as a genocide” which was passed by the US House of Representatives Committee on Foreign Affairs on 4 March 2010 despite efforts by the White House and State Department to delay the vote. Although the issue is not expected to go to the House floor, as a first result US-Turkish ties became significantly strained and as a first response Turkey recalled its ambassador from Washington DC whilst at the same time freezing efforts to strengthen defence, energy and trade ties with the United States.

66. It is uncertain whether the US vote had any tangible and direct effects upon Turkish-Armenian ties at this stage. However, there are two aspects to consider: firstly Turkey’s renewed role as a regional power. This past year in particular we have seen an emphasis on developing relations with immediate neighbours. This would seem to indicate that although the US vote is a blow to US-Turkish relations it will not seriously affect the Turkish-Armenian reconciliation plans. A second factor, however, is the fierce lobbying by the influential Armenian diaspora which was no doubt instrumental in securing the vote in the United States; this could well again bring currently fragile Turkish-Armenian relations to a halt.

- **Nagorno-Karabakh:**

67. Normalisation of Turkish-Armenian relations and a resolution of the Karabakh conflict are directly linked. None of the members of the OSCE Minsk Group seem to be prepared to accept a change in the longstanding negotiating format. But, normalisation of Turkish-Armenian relations

could foster new dynamics that would be conducive to a settlement of the Karabakh conflict, one of the most intractable obstacles to regional cooperation. At this stage the interruption of Turkish-Armenian bilateral relations will very likely shift the focus of international attention away from the region and therefore decrease the chances of settling the Karabakh conflict in the foreseeable future.

68. An additional effect of the halting of the ratification process will be the immediate amelioration of Azerbaijani-Turkish relations. Since 2009, the leadership in Baku had urged Turkey not to reopen its border with Armenia before the Nagorno-Karabakh conflict was resolved as in the first place the border was closed as a result of the conflict. The gradual progress in Armenian-Turkish relations therefore caused a shift in (normally favourable) Azeri public opinion away from Turkey, whilst at the same time prompting the Azerbaijan Government to put the preferential price for natural gas that it charges to Turkey under threat and to supply large amounts of gas to Russia. Ankara and Baku have overcome their differences during thorny negotiations over the price and quantity of natural gas that Turkey will purchase from Azerbaijan. The two countries signed the agreements during Mr Erdogan's visit to Baku on 17 May 2010.²³

69. Armenia stands to lose a lot from the latest developments: geographically it remains landlocked between closed borders and the economic and social situation whereby trade is limited and there is virtually no free movement of people will remain, whilst the relationship between its neighbours to the east and west continues to flourish.

- **Outlook:**

70. If this window of opportunity is missed and the process remains suspended indefinitely, the opportunity to establish normal state-to-state relations between Turkey and Armenia will be lost for many years to come. The region might then regress far beyond the point it was at when the talks started. The resulting disappointment and disillusion would be all the greater given the high hopes generated by the two presidents' visits and the signing ceremony in Zurich. The two presidents' initiative is seen as an additional source of legitimacy by Turkish and Armenian civil societies and business communities which are looking forward to increased interaction between their two countries.

71. In Armenia the main motivation should be much more than the expectation of economic gain: the aspiration to be allowed to travel beyond the border to Turkey is also an essential factor. The issue of normalising Turkish-Armenian relations is popular in Turkey. However it is not a central issue at national level and the signing of the protocols did not trigger any lively debate there. This highlights the fundamental asymmetry of Turkish-Armenian relations. Armenia cannot forget about Turkey: even a Turkish policy of indifference will have an impact on the Armenian side. That is not to say that the opening of the border would be advantageous solely to one party, as it would give Turkey a chance to increase its regional influence and move towards a much more balanced foreign policy in the South Caucasus.

72. An exchange of messages between 7-11 February 2010 by Presidents Gül and Sarkisian had reaffirmed their support for the essential provisions of the protocols and stressed their shared political will to complete the process that had been jointly initiated. At the time, both sides stressed the importance of following up words with deeds and underlined their determination to honour their joint commitments and to show political courage and vision thereby opening a small window of opportunity for the ratification process to be propelled forward. Since then, however, the process has stalled once again and eventually ground to a halt.

IV. Moldova – Transnistria

(a) Background

73. Moldova declared its independence from the Soviet Union in June 1990, whilst Transnistria followed suit by declaring itself the autonomous Pridnestrovian Moldavian Republic (PMR) in August 1990, although this status was not recognised by the authorities in Chisinau. This secessionist movement is attributable to a number of causes.

²³ Anastasios Giamouridis. www.pfcenergy.com

74. The predominantly Slavophone population in the breakaway region (40% Moldovan, 54% Russian/Ukrainian, representing approximately 70% of Moldova's Slav population) was becoming increasingly concerned at the likelihood of Moldovan reunification with Romania. Transnistria had ideologically been much more supportive of the Soviet regime. The region had also been the centre of intense industrial development under the Soviet Union and thus the Transnistrian leadership had the most to lose under any regime change: about 30% of Moldova's industries and over 90% of its energy production are located on territory currently controlled by the Tiraspol authorities.²⁴

75. Transnistria's declaration of independence was followed by sporadic violence in the region that escalated into an armed conflict in 1992. The Russian 14th Army, stationed in Transnistria from Soviet times, became a key factor, unofficially siding with the separatists and providing them with military support. In May and June of 1992 Moldovan forces and the 14th Army clashed over control of areas around the river Dniestr. The latter forced the Moldovan forces out of the town of Tighina/Bendery and prevented them from re-establishing control in the breakaway region.

76. A ceasefire was signed between Moldova and Russia in July 1992 and quadripartite meetings between Russia, Moldova, Romania and Ukraine led to the creation of security zones guarded by peacekeeping forces consisting mostly of Russian troops and troops from the two sides. On 21 October 1992 Moldova and Russia agreed to the withdrawal of Russian troops within three years, although the document was never officially ratified by the Russian State Duma.

(b) Attempts to resolve the conflict

77. A new Moldovan constitution adopted on 29 July 1994, although reaffirming sovereign territorial integrity, gave the breakaway region substantial powers of autonomy. Article 111 pertaining to Special Autonomy Statutes granted special forms of autonomy to "the places on the left bank of the Nistru river", but the conflict has remained unresolved. The secessionist government in Transnistria acts as the de facto authority, claiming to exercise sovereignty, and is still attempting to translate this de facto independence into independent statehood. Neither Moldova nor any UN member state recognises this secession.

78. The Primakov Plan or Moscow Memorandum, signed in 1997 by the then Moldovan President Pyotr Lucinschi and Transnistrian de facto President Igor Smirnov, proposed the creation of a "common state" of Moldova and Transnistria, and gave Tiraspol the right to conduct independent economic policy. Both Russia and Ukraine became guarantors of Transnistria's status. Although the agreement should have led to the normalisation of relations between Moldova and Transnistria, the lack of a clear definition of "common state" led to differing interpretations and the plan was never ratified by the Moldovan Parliament.

79. Two years later on 16 July 1999, Chisinau and Tiraspol signed the Kiev Joint Statement which reiterated the principles of common borders and common economic, legal, defence and social domains and significantly noted that "in the absence of historical, religious, national and other contradictions there are no objective obstructions to achievement of a political settlement of the problem".²⁵

80. Despite these positive elements, negotiations continued to stall. In July 2002 the OSCE, Russia and Ukraine presented the "Kiev Document",²⁶ a draft agreement presenting a federal solution to the conflict; this, however, was rejected by Transnistrian "President" Smirnov who wanted a confederative rather than a federative plan.

81. The Kozak Memorandum of 2003, presented by Russia, was seen as reaching a possible final settlement for Moldovan-Transnistrian relations. It endorsed a plan of asymmetrical federalisation leading to a situation similar to that witnessed in Serbia and Montenegro, i.e. a loose political confederation of two sovereign states. The memorandum would have formally recognised the Tiraspol regime and allowed Russia to maintain military and political influence in the region with the stationing

²⁴ www.politicom.moldova.org

²⁵ Joint Statement of Participants in the Kiev Meeting on Issues of Normalisation of Relations between the Republic of Moldova and Transnistria. <http://www.osce.org>

²⁶ OSCE Tenth meeting of the Ministerial Council, 6-7 December 2002.

of 2 000 troops in a Russian military base for 20 years, and would seemingly have held Chisinau hostage to Moscow.

82. Moldovan President Vladimir Voronin backtracked on the agreement just before it was due to be signed, reportedly on account of the memorandum's formalisation of the status quo, which led to a worsening of Chisinau-Moscow relations. However, the fact that Moldova came so close to signing could be seen as an indication that its opposition was not to the fundamental federal political structure of the proposal per se but more, it would appear, to the prolonged stationing of Russian troops in the region.

83. In April 2005 Ukrainian President Viktor Yushchenko proposed the initiative "Towards settlement – through democracy", which involved the so-called "3 D's" of demilitarisation, decriminalisation and democratisation, whilst granting Transdniestria some level of autonomy. This proposal was calculated to ensure the withdrawal of Russian troops, the enacting of democratic changes and the decriminalising of state and economic structures in Transdniestria before any final settlement was reached. However, in August 2005 in a joint declaration by the mediators, the OSCE, Russia and Ukraine, concern was voiced "over the lingering pause in the settlement of the Transdniestrian question and the absence of direct dialogue".

84. From October 2005, a new "5+2" negotiation framework was introduced which included the EU and the United States at the request of Chisinau. Although it was hoped that this extension of the negotiating mechanism would bring renewed impetus to end the conflict, little tangible progress was made in breaking the political deadlock.

85. In 2007 Russia-Moldova bilateral negotiations took place, during which Moldova proposed autonomy for Transdniestria within a sovereign state and a central government in Chisinau, replacing Russian peacekeepers with an international presence, and promising the continued neutrality of Moldova (i.e. it would not join NATO). Moscow and Chisinau reportedly reached an agreement that would have given Tiraspol significant autonomy and power within a reunited Moldova, but Mr Smirnov refused to hold direct talks with Chisinau.²⁷

(c) Current situation

86. Moldova's Communist Party began to take a pro-Western stance after President Voronin withdrew from the Kozak Memorandum and relations with Russia soured. In the March 2005 elections all parties in the Moldovan Parliament were pro-European. However, in 2007 President Voronin did a U-turn on relations with Russia, ostensibly on account of the communist defeat in local elections. Moldova said it would cease to block Russia's accession to the World Trade Organization and Russia reciprocated by lifting its ban on Moldovan exports.

87. The Communist Party victory in the 5 April 2009 parliamentary elections was denounced by the opposition as fraudulent and unrest broke out in Chisinau. The Parliamentary Assembly of the Council of Europe gave a negative assessment of the situation to the effect that "the electoral process was marked by a number of significant procedural shortcomings and that significant improvements in the electoral process were required".²⁸

88. With opposition parties boycotting the presidential election, the Communist Party failed to obtain the 61 votes necessary to elect a presidential successor to Mr Voronin who had served the maximum two terms. Failure of a second ballot resulted in the dissolution of parliament and another round of elections held in July of the same year which were endorsed by international observers. The Communist Party lost its outright majority, winning only 48 seats whilst the four pro-EU opposition parties (Liberal Democratic Party of Moldova, Liberal Party, Democratic Party of Moldova and Our Moldova Alliance) together won 53 seats and formed a new centre-right coalition, the Alliance for European Integration, with an agenda consisting of five principles of government: restoration of a legal state; decentralisation of authority and local autonomy; resolution of the conflict in the separatist

²⁷ UNHCR Freedom in the World 2008 – Transdniestria.

²⁸ Council of Europe Parliamentary Assembly Resolution 1666 (2009).

region; European integration; and the pursuit of a balanced and responsible foreign policy.²⁹ Liberal Party leader Mihai Ghimpu was elected acting president. However, the Communist Party has indicated that it will continue to boycott all coalition presidential candidates. Moldova's political crisis allows Tiraspol to argue that negotiations cannot recommence until Moldova elects a head of state.

89. Transnistria's de facto President Igor Smirnov is currently in his fourth term. Presidential and parliamentary elections are not monitored by any international organisations and are generally agreed not to be transparent. However, some political pluralism does seem to be appearing. The political party Obnovlenie (Renewal), led by Yevgeny Shevchuk in opposition to Mr Smirnov, won a majority of 23 of the region's 43 parliamentary seats in elections held in December 2005. The party is linked to the Transnistrian business community and its election success could be a sign of their growing influence within the region's internal politics and of the increasing popularity of progressive policies.

90. Obnovlenie is pro-business and pro-Western. It supports independence for the breakaway region, although in the context of its adopting a more European-style market economy. Its manifesto cites the party's priorities as "state support and encouragement of particular small businesses (...) the formation of entrepreneurial atmosphere, closely interrelated to the procedure for state control and supervision".³⁰

91. In November 2009 a new draft constitution, put forward by Mr Smirnov and aimed at extending presidential powers, was rejected by the region's parliament and provoked criticism and calls for his resignation from a former parliamentary speaker, Grigore Marakutsa, as well as from majority leader Mr Shevchuk.³¹ The proposed constitution put no limit on the number of consecutive presidential terms an incumbent of that office can hold and consolidated absolute authority in the hands of the president, with the power to dissolve the state assembly in cases of conflict.³²

92. Former Moldovan President Voronin had signalled earlier that the most suitable person with whom to hold negotiations might be Mr Shevchuk³³ and the increasing influence of the business community in Transnistria's internal politics could be a sign that economic rather than political or military negotiations could be a way to normalise the region's status.

93. Ethnic Moldovans are not represented in parliament and reportedly are discriminated against institutionally.³⁴ In July 2004, the Transnistrian authorities closed four of the six schools in the region which used Roman script in teaching, leading to a dramatic deterioration in relations between the secessionist region and the Moldovan authorities and resulting in Chisinau imposing a blockade on the breakaway region (unsuccessfully, through lack of cooperation from Ukraine). OSCE representatives had previously expressed concern at this closure of schools teaching in the Latin alphabet, which contradicts European standards on human rights.³⁵ The schools have since reopened but receive no monetary aid from the Transnistrian authorities.

94. Much of the region's economy relies on trade, mainly with CIS countries but also with western Europe and the United States. Moldova's major trading partner is Russia, the recipient of almost a third of its total exports.³⁶ The region is also reliant on smuggling arrangements designed to evade import taxes, with goods arriving in Ukraine being transported to Transnistria and then re-exported from there illegally, thus avoiding customs duties and VAT.³⁷ A border agreement with Ukraine and the EU's Border Assistance Mission have made some progress in countering the illegal border trade.

²⁹ Keesing's News Digest, July 2009.

³⁰ <http://eng.obnovlenie.info>

³¹ www.politicom.moldova.org

³² The Black Sea Trust for Regional Cooperation, "Summary Vision of Transnistria Problem", October 2009.

³³ "Weapons from Transnistria were supplied to Iraq", 31 October 2005. www.politicom.moldova.org

³⁴ UNHCR, Freedom in the World 2008 – Transnistria.

³⁵ OSCE Permanent Council, 29 July 2004.

³⁶ SouthEast Europe Investment Guide 2007.

³⁷ "Moldova's Uncertain Future", Crisis Group Europe Report 175, 17 August 2006.

(d) Russia's role

95. Russia is a key player in the conflict, not only because of its role in the negotiation process, but also due to its economic and military influence in both the Republic of Moldova and Transdniestria. Currently 1 199 Russian 14th Army peacekeepers are stationed in the breakaway region, ostensibly as part of the Joint Control Commission³⁸ to observe the ceasefire, although it has been accused of protecting the status quo, consolidating the region's de facto independence and making reintegration more difficult.

96. Russia does not recognise any obligation to withdraw troops from Moldovan territory until a solution to the conflict is reached and supports Tiraspol's right to determine an acceptable settlement. The speed of settlement negotiations has frequently depended on relations between Chisinau and Moscow. From meetings your Rapporteur attended in Moscow, it would appear that Russia is content with the current status quo, which ensures Tiraspol remains dependent on Russia and its support. It also means Moldova cannot completely disregard Russia, regardless of the rhetoric issuing from Chisinau.

97. MM Smirnov and Shevchuk both assert that Russian troops should remain in the region, although Mr Shevchuk is somewhat less radical than Mr Smirnov who has gone so far as to suggest a referendum on Transdniestria joining the Russian Federation as a constituent federal unit.³⁹ There are even reports that, following the announcement that Romania would be hosting the American missile defence system, Mr Smirnov offered to host Russia's Iskander tactical missiles,⁴⁰ although different sources suggest that this offer was rejected by Moscow.⁴¹ As recently as October 2009 the Transdniestrian authorities called for Russian troop numbers to be increased to 2 700 and warned that peacekeepers of any other nationality would be treated with "hostility".⁴²

98. Although their number was reduced from 9 250 to 2 600 between 1992 and 1999, there have been frequent international calls for Russia to remove completely those troops still positioned in the region, in view in particular of the 1999 OSCE Istanbul summit at which Russia pledged withdrawal or destruction of all arms and equipment by the end of 2001 and to withdraw troops from Moldova by 2002 under the terms of the Conventional Forces in Europe Treaty.

99. In May 2006 an economic cooperation agreement was signed guaranteeing Transdniestria energy imports from Russia and giving Transdniestrian businesses preferential tariffs for the export of domestic products to Russia. In March 2009, Mr Smirnov announced that President Medvedev of Russia had pledged US\$200 million of assistance to the region,⁴³ and a humanitarian assistance programme from the Russian State Duma to the Transdniestrian Supreme Soviet is worth US\$30 million annually. In addition to this, Transdniestria owes Gazprom an estimated US\$2 billion in debts and penalties which has effectively been written off.⁴⁴

100. The European Court of Human Rights concluded in July 2004 that the Transdniestrian Republic "remained under the effective authority, or at the very least under the decisive influence, of Russia, and in any event that it survived by virtue of the military, economic, financial, and political support that Russia gave it".⁴⁵

101. Russia also gains economic leverage in negotiations by imposing economic embargoes on Moldova. In April 2005 it introduced a ban on imports from Moldova of meat, fruit and vegetables,

³⁸ The JCC was established following the signing of the ceasefire agreement and is responsible for security in the buffer zone between Moldova and Transdniestria. It comprises representatives from Moldova, Russia and Transdniestria.

³⁹ "Negotiations on the Transnistrian Conflict in a Deep Freeze", Eurasia Daily Monitor, vol. 6, October 2009.

⁴⁰ "Transnistria welcomes Russian missiles", Jurnal de Chisinau, 16 February 2010.

⁴¹ The Economist, 20 February 2010.

⁴² "Rebel Moldovan region seeks more Russian peacekeepers", Reuters, 27 October 2009.

⁴³ "Moscow-Tiraspol sidelining the west from negotiations on Transnistria conflict", Eurasia Daily Monitor, vol. 6, 31 March 2009.

⁴⁴ "Has the Transnistria Conflict gone from dead end to wrong turn?", Eurasia Daily Monitor, 15 April 2008.

⁴⁵ Grand Chamber Judgment in the case of Ilașcu and others v. Moldova and Russia.

extended in 2006 to include wine, which was widely seen as a punishment for Moldova's increasingly pro-Western political stance. The "wine ban" had a serious impact on Moldova's economy, as it affected the country's most important industry, 80% of whose production is exported to Russia. In January 2006 Russia also cut gas supplies to Moldova (which is 100% dependent on Russia for its gas) for 16 days following a dispute over pricing.

102. Acting Moldovan President Ghimpu met Russian President Medvedev in Chisinau on 9 October 2009 and again called for the removal of Russian troops from Moldova and a peaceful resolution to the conflict, with the involvement of international civilian observers. At the same time he reiterated Moldova's intention to remain neutral and not to seek to accede to NATO.⁴⁶

103. A Russian delegation visiting Moldova in January 2010 called for a "solution based on a special status for Transdnistria, with observance of Moldova's territorial integrity and neutrality". It also reaffirmed Russia's position that its troops would be withdrawn "only after a final solution to the conflict is found" and continued to emphasise bilateral negotiations in preference to the 5+2 format.⁴⁷

(e) Romania's role

104. Following the collapse of the Soviet Union in the early 1990s, Romania and Moldova missed an opportunity to reunite that is unlikely to materialise again. Despite various attempts to revive this issue, such as Romanian President Trajan Basescu declaring in 2006 that he had offered Moldova the chance to join the EU as part of Romania, it is unlikely that either country and particularly Romania would, under the current political and economic circumstances, seek such a reunification. A deterioration in their relations occurred after the 2009 Moldovan elections when President Voronin accused Romania of inciting the post-election violence in an attempt to foment a coup. This resulted in the expulsion from Moldova of the Romanian Ambassador Filip Teodorescu and several Romanian journalists as well as in the introduction of a new visa system for Romanian visitors which Romania claimed was in contravention of the Moldova-EU cooperation agreement. The EU called on Moldova to "resume normal relations".⁴⁸

105. On his first trip to Moldova this year President Basescu vowed to support Moldova in its efforts to join the EU, as well as pledging to ease visa rules for Moldovan citizens. In addition, in Brussels in January 2010, the Romanian Foreign Affairs Minister Teodor Baconschi launched an informal Support Group for the European action of the Republic of Moldova in order to foster dialogue at EU level on Moldova's European prospects.

106. Though these latest actions signal a return to cordial relations between the two countries they also led to the Transdnistrian authorities calling for an increased Russian presence in the region on grounds of concerns over the prospect of Moldova-Romania reunification. Furthermore, Romania's decision to host the American missile defence system will certainly have an impact on the conflict, especially since the first reaction to this development was the offer from Transdnistria to host Russian Iskander missiles. Shortly after the announcement, Moldovan politicians expressed their concern at the proposal, suggesting that the project would endanger stability and security in the region, and could harm the negotiation process.

(f) Ukraine's role

107. Ukraine's relations with Moldova improved greatly after Ukraine's Orange Revolution in 2004. The Yushchenko administration became less supportive of the regime in Transdnistria than the previous administration, and it was Yushchenko who proposed the "3 D's" plan of democratisation to solve the conflict. In 2005 and early 2006 Ukraine made Moldova one of its foreign policy priorities, with the foreign minister stating that restoring Moldova's territorial integrity was one of Ukraine's main tasks.⁴⁹

⁴⁶ "Acting president says CIS obsolete but still beneficial", 12 October 2009. www.politicom.moldova.org

⁴⁷ "Transnistria remains the only really 'frozen' conflict", Eurasia Daily Monitor, vol. 7, 25 January 2010.

⁴⁸ "Romania slams Moldova's sanctions", 9 April 2009. www.bbc.co.uk

⁴⁹ Moldpres, 27 June 2006.

108. In March 2006 under Yushchenko, Kiev introduced a customs regime to help Moldova regulate exports from Transnistria. Until then exports to Ukraine could be made without any reference to Chisinau, resulting in the region being used to avoid taxes on goods traded mainly between Ukraine and Russia.

109. It is uncertain how Ukrainian-Moldovan relations will develop in the coming months under the new regime installed in Kiev since the February 2010 presidential elections. President Yanukovich's first foreign presidential visit was on 1 March 2010 to Brussels, where he met both Mr Van Rompuy and Mr Barroso, at a time when the EU and Ukraine are negotiating an association agreement aimed at Ukraine's gradual economic integration and a deepening of political cooperation.⁵⁰ However, one of Mr Yanukovich's first acts as president was also to abandon Ukraine's bid for NATO membership and to announce its position as a non-aligned state, in a very public shift away from previous president Mr Yushchenko's pro-Western stance.⁵¹

(g) The EU's actions in the region

110. In February 2003 in a joint action with the US, the EU imposed travel restrictions on the Transnistrian leadership for their "lack of cooperation in ... promoting a political settlement of the conflict."⁵² This ban was upheld by the EU in February 2010 and extended until 27 February 2011⁵³ due to the lack of any substantive progress towards a settlement of the conflict.

111. In 2004 the European Commission included Moldova in its European Neighbourhood Policy, based on the Partnership and Cooperation Agreement aimed at improving relations with countries on the EU's borders and preventing the emergence of new dividing lines in Europe. This was followed up with the signing of a three-year Action Plan in February 2005.

112. The EU Border Assistance Mission (EUBAM), deployed since 2005 in Moldova with the tasks of observing customs services, border checks, examining border control documents and records, providing assistance in preventing smuggling and accompanying patrols, is helping to curb illegal trafficking across the Transnistria-Ukraine border. The main challenges it faces remain illegal migration and human trafficking, smuggling of prohibited goods (drugs and other high value or counterfeit products such as alcohol and cigarettes) and the evasion of tax and import duties through the use of counterfeit certificates of origin.⁵⁴

113. However EUBAM's findings also suggest that weapon trafficking is not as widespread as Moldovan authorities have implied and that rather, the main illegal trade is in consumer goods, alcohol, cigarettes and foodstuffs.

114. Negotiations on an EU-Moldova Association Agreement began in January 2010 with the aim of developing bilateral cooperation, increasing political dialogue and aligning more closely with EU standards.⁵⁵ Four working groups have been set up to discuss the themes of political dialogue, economic cooperation, justice and security, and interpersonal contacts. The Association Agreement is designed to replace the Action Plan which expired in February 2008.⁵⁶

115. If the EU wants to become truly involved in solving this frozen conflict and peacefully negotiating a final status for Transnistria, it needs to engage with all the actors in the region, and particularly with Russia which in reality controls the Transnistrian region – politically, economically and militarily. There is a positive mood developing in Tiraspol as the more "moderate" opposition gains in popularity and is indicating a readiness to take negotiations in a much more positive direction – a sentiment reciprocated by Chisinau.

⁵⁰ The Financial Times, 1 March 2010, "Brussels offers early welcome to Yanukovich".

⁵¹ The Times, "Ukraine abandons bid for NATO membership", 26 February 2010.

⁵² www.america.gov

⁵³ The ban has been provisionally suspended until September 2010 in order to further encourage a settlement.

⁵⁴ www.eubam.org

⁵⁵ Joint statement, EU-Republic of Moldova Cooperation Council, 21 December 2009.

⁵⁶ "Next Talks on Moldova-EU Association Agreement to be held in March". www.politicom.moldova.org

116. An additional factor which could influence and derail any progress being made is the installation of the US missile shield in Romania. This has met fierce criticism at home and abroad and needs to be discussed at EU level as it concerns not only the two nations negotiating the deal but the wider region and the EU as well. Your Rapporteur has repeatedly stressed that these kinds of bilateral relations are detrimental to the EU's external relations. It is for this reason that a wide, pan-European debate on missile defence must be initiated with a view to urging the EU Political and Security Committee to develop an EU missile defence concept in relation both to NATO and Russia.

V. Repercussions for Europe's security

117. The EU has always striven to keep its neighbourhood stable and prosperous. Through numerous external policies such as the European Neighbourhood Policy and the Euro-Mediterranean Partnership and through its bilateral relationships and its operations, the Union has achieved many of its goals and has, in many cases, managed efficiently and improved difficult and unstable situations. The ongoing frozen conflicts in its eastern neighbourhood, however, continue to pose a number of concerns and challenges which the EU continues to address and to attempt, with its allies, to find ways forward in solving.

118. In contrast to the Balkans which, after the terrible wars that followed the ending of communism and the disintegration of former Yugoslavia, emerged as a cluster of countries on Europe's borders whose primary goal was to join the European bloc, the countries involved in the frozen conflicts analysed in this report present not only a proximity challenge but are also situated in areas of the world where major regional and global powers have a direct stake. Those countries do not foresee EU accession any time soon and each frozen conflict additionally comes with its own unique challenges, be they political, racial or religious, as well as its own deep-rooted and troubled history. Such factors mean that these conflicts represent a number of different challenges and threats to European security and that the EU's delicate approach to each has moreover had to take into account the sensitivities of the region concerned.

119. All three conflicts presented in this report severely affect the countries concerned and their wider regions; they block economic and social development; they protract the dire state of their impoverished societies; they facilitate organised crime and corruption and serve as a barrier to political progress. The crime that originates in those countries is more often than not "exported" to the West via illegal migration, prostitution or east-to-west drug transit routes, posing serious risks to Europe's internal security.

120. In addition to the threats outlined above, the issue of energy security is also crucial to the EU. Instability in the South Caucasus will certainly disrupt the flow of hydrocarbons from the Caspian Sea on their way to European markets, mainly through the Baku-Tbilisi-Ceyhan (BTC) pipeline but also by road and rail as well. There were disruptions to supplies during the war in August 2008 when the oil giant BP was forced to shut down the Tbilisi-Supsa pipeline, whilst destruction of a railway bridge forced the closure of a rail transit route from Azerbaijan to Georgia's Black Sea ports. Further disruptions to European energy supplies have also occurred in the past, largely due to the deterioration in relations between Russia and Ukraine.

121. In the face of increasing public pressure to tackle climate change and as a result of supply disruption, energy security has in recent years been pushed to the top of the EU's agenda. In 2007, the EU member states unveiled "An energy policy for Europe"⁵⁷ which specifically highlights today's dangers to energy security in light of the increasing dependence on imported energy and calls for greater solidarity among member states in tackling such crises.

122. Instability in the South Caucasus region and its multifaceted consequences need to be tackled by a united EU with a common goal vis-à-vis the region; moreover, European focus on the South Caucasus needs to be moved much higher up the EU's agenda of priorities. Through its external policy and operations, such as its mediation efforts during the Russia-Georgia war, and the EUBAM mission, the EU has demonstrated how important it is to provide stability in that region and is already taking

⁵⁷ An energy policy for Europe, Doc. COM (2007) 1, European Commission. www.europea.eu

significant steps in a number of sectors in order to export expertise. The fact, however, remains that many of the 27 often pursue independent policies and develop their own relationships with the region, and although this does not constitute a disadvantage in its own right as it provides an additional dimension of stability, it can also serve to create tensions within the EU and impinge on its efforts in the South Caucasus.

123. The EU also has to realise and accept that it cannot act alone in bringing an end to the frozen conflicts in the region. In addition to the creation of specific negotiation processes designed to deal with individual frozen conflicts, there is also the existence of major regional powers and emerging actors that are increasingly expressing interest in taking part in negotiations. This automatically means that all countries concerned need to be part of the evolution of these negotiations. At the same time however, the EU must not find itself in the position of being dictated to as to how policy in that region will evolve; clear goals and the promotion of Western values must stay high on the agenda, with priority being given to stabilisation of the security environments and political and economic systems of the countries concerned so as to improve living standards and the outlook for their populations.⁵⁸

⁵⁸ The Rapporteur would like to thank Ms Ekaterina Zatuliveter for her aid and input to this report.

APPENDIX 1: FACT-FINDING MISSION TO MOSCOW

18-19 February 2010

In the framework of the report on Europe's security and frozen conflicts by the Political Committee of the European Security and Defence Assembly/Assembly of WEU, the Rapporteur and Vice-Chairman of the Committee, Michael Hancock, conducted a fact-finding mission to Moscow on 18 and 19 February 2010 during which he met a number of officials and experts.

Mr Hancock spoke to several members of the Russian Duma and the Council of the Federation about the Committee's work in general and the main subject of the report: the frozen conflicts in Europe's neighbourhood which, he said, continued to pose significant security and stability concerns for the wider region. It was not possible to resolve these conflicts without substantive and structured dialogue and they would continue to pose a serious threat to Europe and Russia as well as to their political, economic and military relations – with the danger that these latter might take a wrong turn.

Mr Likhachev, the Deputy Chairman of the Council of the Federation's Foreign Affairs Committee, stated that these conflicts also shaped geopolitical developments in the regions concerned and influenced diplomatic dialogue. Internal security aspects could not be discussed whilst these conflicts continued to exist. As regards South Ossetia, Mr Likhachev said that it was now an independent state that fulfilled all the criteria under international law, much like Kosovo. However he added that in contrast to Kosovo, South Ossetia possessed credible government and civilian institutions as well as a viable economic base which was gradually developing. It was important to highlight positive perspectives for South Ossetia and Abkhazia vis-à-vis Georgia and bring the two sides closer together.

Mr Hancock observed that reinitiating relations between Georgia and the two regions would be a difficult task, especially considering the fact that Russia had recently signed an agreement with Abkhazia to open a military base and station 3 000 troops there. He questioned whether Georgia still presented a military and political threat to South Ossetia and Abkhazia.

Mr Likhachev stressed that Georgia in fact still presented a considerable political and military threat to both South Ossetia and Abkhazia and the mere presence of peacekeepers was not sufficient to ensure the protection of both regions. It was largely as a result of Georgia's actions that Russia had taken the action it had and recognised the independence of the two regions. He added that even if Mikhail Saakashvili was not in the future Georgian Government, developments in western foreign policy, especially regarding NATO, would make it necessary to keep a Russian presence in the area. He went on to say that the newly recognised countries did not want to go back to being part of Georgia and it would be a considerable amount of time before they established any kind of relations with their neighbour. However Russia would want to see peaceful relations established soon, a view shared by both Russian President Medvedev and Prime Minister Putin.

Mr Hancock noted that in the August 2008 conflict a number of peacekeepers and Russian troops had lost their lives and asked whether the public at large still supported the presence of Russian peacekeepers in the area and the opening of a military base in Abkhazia.

Mr Likhachev replied that as this issue was central to Russian security and to the stability of Russia and its neighbourhood, it was supported by both the public and the media. The situation bore similarities to that in Iraq and Afghanistan, which was why Russia allowed the transit of Western supplies and troops through Russian air space.

Regarding Transdniestria, Mr Likhachev said it was very close to being a state as it possessed all the necessary state mechanisms, a viable economy and established social rights. He did not foresee relations with the Moldovan regime making much progress in the near future. He recalled that the situation in the region was extremely complicated. Russia had believed that with the adoption of the Lisbon Treaty the EU would adopt a more unanimous approach in addressing this issue. However bilateral relations between the United States and certain countries such as Romania – which had agreed to host ABM shield elements – demonstrated what was akin to cold-war policy; that was why the Transdniestrian authorities had offered Russia the opportunity to place Iskander missiles in their territory.

Mr Hancock remarked that there had been a window of opportunity at the beginning of the 1990s for Moldova to join Romania. The opportunity had been lost and there was little prospect of it happening now, especially from the Romanian point of view.

Mr Likhachev pointed out that in recent years conflict resolution had had an unfortunate tendency to become internationalised and that as a result the central interests and influence of the actors directly involved became diluted.

H.E. Mr Dmitry Medoev, the Representative of South Ossetia to the Russian Federation, said that the current situation in the region was the result of Georgia's actions in August 2008. He felt that his country would never again become part of Georgia. Georgia had crossed a significant line when it had bombed its own civilians. Its neighbour had also accused the South Ossetian authorities of attempting to organise a revolution, but, he added, there could be no revolution without the will and support of the people. He hoped that relations would be normalised in the future and that his country would be able to become an economic partner with Georgia. It would be against the interests of the whole region if South Ossetia did not have good relations with all its neighbours.

Mr Hancock expressed concern about the idea of a greater Ossetia being sought in the future and the link between North (which is an integral part of Russia) and South Ossetia. He questioned whether there was still a perceived military threat from Georgia.

Mr Medoev replied that Ossetia had been divided by Stalin and the time had passed when it was possible to reunite the two regions. He very much believed that Georgia still presented a military threat and that the presence of Russian peacekeepers was necessary, but this presence should not be made permanent. He added that relations remained very tense between the two countries, a situation that had been exacerbated not only by the war casualties but also by the 100 South Ossetian prisoners taken by Georgia in August 2008, half of whom were now believed to be dead.

Mr Hancock observed that both South Ossetia and Abkhazia had experienced very similar situations in 2008 and asked how close the two regions were and whether their future was co-dependent.

Mr Medoev said that the two were bound by their opposition to a common aggressor. He also stressed that they were the two basic pillars of the Caucasus, which meant they had a common future. Instability in South Ossetia and Abkhazia would translate into instability for the wider region.

H.E. Valery Nesterushkin, Russian Ambassador-at-large and Special Representative of the Russian Federation for the Transnistria settlement process, said that he looked forward to reading Mr Hancock's report and hoped that it would adopt a wider and more global approach to include conflicts such as the one in Cyprus and not only the conflicts concentrated in Russia's neighbourhood.

Mr Hancock replied that the report addressed the particular conflicts in which Russia was an important mediator and that the main aim of his fact-finding mission to Moscow was to receive the Russian point of view. His report was not aimed against Russia. He stressed that he wanted to present an all-inclusive and objective view.

Mr Nesterushkin remarked that the Transnistria issue remained delicate and political ambitions in the wider region complicated it even further. Given that there were also ethnic, cultural and language factors, it was not an issue which would be solved in the near future. One party still believed that full reintegration was possible whilst the other pushed for independence. Since neither of those options was realistic at the present time, both sides contented themselves with the status quo – a frozen conflict – and he himself believed that this was the best and most viable option for now. He also felt that Moldova was not fully convinced it did not want to join Romania.

Mr Konstantin Kosachev, Chairman of the International Affairs Committee of the State Duma of the Russian Federation, said that following the conflict of August 2008 a new reality had been created, largely due to Georgian acts of aggression and that Georgia did not recognise this. Georgia's main goal at present was to take over and reintegrate South Ossetia and Abkhazia, but without their populations. There were therefore no signs of reconciliation. However there were some individuals in Georgia's political elite, such as former Prime Minister Noghaideli, who were willing to initiate negotiations. He was therefore optimistic that all options would be considered in the quest for

reconciliation, even peaceful cohabitation. He believed that Abkhazia with its present economy and its port was in a better position to sustain its independence than South Ossetia. In addition, South Ossetia's population was composed of a very large number of Russian speakers with ties in North Ossetia. The people and government did not want Georgians to return to their homes; this view differed to that of Abkhazians who were more open to this prospect. He added that he was not sure about the recent Russian decision to create a military base in Abkhazia but believed that Georgia still presented a military threat in the region and there was evidence it was still buying large amounts of weapons.

Regarding the Nagorno-Karabakh conflict, Mr Hancock wondered why a poor country like Armenia should maintain a long-term frozen conflict against its richer neighbour Azerbaijan, especially when a normalisation of relations would lead to greater stability and therefore greater prosperity for Armenia and the wider region.

Mr Kosachev said that Russia was completely neutral regarding the Nagorno-Karabakh conflict. It wanted to see the conflict resolved as quickly and as peacefully as possible. The many efforts made by President Medvedev towards resolution demonstrated this. In the past year the leaders of Armenia and Azerbaijan, MM Sarkisian and Aliyev respectively, had met six times and President Medvedev had been present at three of those meetings. Although there was hope of a breakthrough in the peace talks, unfortunately there had been none; furthermore, President Aliyev had recently shown signs of becoming more militant. Regarding Armenia and its position, its policy was largely based on national dignity and very much rooted in the history of the country. It was therefore very difficult for the country to take a step back or make any compromises in its negotiations. The recent surprising moves towards normalising relations with Turkey meant that Armenia had an additional advantage in the Nagorno-Karabakh negotiations; Azerbaijan had not hidden its frustration at these developments.

Regarding the Transdniestria issue, Mr Hancock felt that in a way the status quo suited both parties which were well aware that they would have to make considerable compromises if the conflict were to be solved. Furthermore, the input of Romania was no longer an option; Romania stood to lose a lot economically if it were to absorb Moldova.

Mr Kosachev agreed and said that it was possibly the most complicated frozen conflict. All possibilities to move forward were being examined, even some kind of Dayton plan. As regards Iran, in view of the Iranian Government's recent decision to further enrich uranium, it was very likely that Russia would now support international sanctions in order to bring Iran back to the negotiating table. However he added that sanctions needed to be negotiated carefully as his government would not tolerate sanctions that would target and harm the Iranian population. It would only support sanctions aimed at the regime.

Mr Hancock agreed and added that China also needed to be prepared to support international sanctions. The recent rapprochement between the United States and the Dalai Lama was complicating the situation for China.

H.E. Mr Yuri Merzlyakov, co-Chairman of the Minsk Group, said that Armenia's position in the Nagorno-Karabakh conflict was becoming increasingly tough. Despite the progress made in negotiations between Armenia and Azerbaijan, he believed it to be quantitative not qualitative. The future was very unpredictable and depended on numerous factors such as the development of Turkish-Armenian relations. When asked whether he was surprised by the increasing prospects of a Turkish-Armenian accord being signed, he said that he had expected it.

Mr Hancock highlighted that the Minsk Group had been dealing with this issue since 1992 and asked the Ambassador whether he thought that the Group had a future if no significant progress was made soon. He added that he was surprised to see that the Armenian diaspora was much more vocal on the Nagorno-Karabakh issue than the people he had met in the region.

Mr Merzlyakov said that there was no alternative to the Minsk Group. The Group's present priorities were focused on stopping the conflict, especially the presence of Azeri snipers on the frontline, rather than finding a complete settlement to the whole conflict. Even that appeared immensely difficult since President Aliyev had repeatedly stated that he could not allow Armenian forces to sit comfortably in

the trenches they had dug on Azerbaijan's territory. The population of Nagorno-Karabakh was less vocal as the people were tired of this long-term conflict. They would be prepared to fight and die if there was an escalation, however. Only a completely balanced solution would solve the Nagorno-Karabakh conflict. Even if the Minsk Group failed to provide this solution, Russia would not intervene unilaterally as that would mean imposing a solution upon the parties involved which would be a recipe for disaster. A "pre-cooked" solution did not exist. It would only come through negotiations.

H.E. Mr Igor Akhba, the Representative of Abkhazia to the Russian Federation, said that Georgia's policy of ethno-cultural genocide and the imposition of violent Georgian rule on Abkhazia's population throughout history, in addition to Georgia's actions in August 2008, meant that Abkhazia could never again become part of Georgia.

Mr Hancock noted that although the Abkhaz people wanted independence, they were a minority not only in Georgia but also in Abkhazia. He asked about relations with Georgia in the years prior to the August 2008 conflict. Now that Abkhazia was independent, he wondered what its chances of political and economic survival were and whether its future might be linked with South Ossetia.

Mr Akhba said that Georgia largely conducted a policy of oppression against Abkhazia. Some examples included schools being closed and the Abkhaz language and traditions being banned. His country's main priorities now were to establish and develop its relations with other states. Abkhazia had already shown it was capable of developing democratically. It shared a common future with South Ossetia based on mutual assistance and cooperation. He believed that this could also be the case for its relations with Georgia in the long term, but that largely depended on Georgia.

Programme

Thursday 18 February 2010

- 14.00 Meeting with Mr Likhachev, Deputy Chairman of the Council of the Federation's Foreign Affairs Committee
- 16.00 H.E. Mr Dmitri Medoev, Representative of South Ossetia to the Russian Federation

Friday 19 February 2010

- 10.00 Meeting with H.E. Valery Nesterushkin, Ambassador-at-large and Special Representative of the Russian Federation for the Transdnestria settlement process
- 12.00 Meeting with Mr Konstantin Kosachev, Chairman of the International Affairs Committee, State Duma of the Russian Federation
- 14.00 Meeting with H.E. Yuri Merzlyakov, co-Chairman of the Minsk Group
- 16.00 H.E. Mr Igor Akhba, Representative of Abkhazia to the Russian Federation

APPENDIX II: MAPS

The South Caucasus*



*Copyright: © Radio Free Europe. www.rferl.org

Moldova and Transdniestria*



* Copyright: © State Department. www.state.gov

MEMBERS OF THE COMMITTEE

Chairman

Mr Piero FASSINO (IT) (Soc)

Vice-Chairmen

Mr Michael HANCOCK, MP (UK) (Lib)

Mr André SCHNEIDER (FR) (PPE/CD)

Titular Members

Mr Pedro AGRAMUNT FONT DE MORA (ES) (PPE/CD)

Mrs Genoveva ALEKSIEVA (BG) (Fed)

Lord ANDERSON of SWANSEA (UK) (Soc)

Mr Francisco ASSIS (PT) (Soc)

Mr John AUSTIN, MP (UK) (Soc)

Mr Luuk BLOM (NL) (Soc)

Mr Cristian BOUREANU (RO) (Fed)

Mr Agostinho BRANQUINHO (PT) (Fed)

Mr Mihaita CALIMENTE (RO) (Lib)

Mr Erol Aslan CEBECI (TR) (PPE/CD)

Mr Daniel DUCARME (BE) (Lib)

Mrs Josette DURRIEU (FR) (Soc)

Mr Andras György EDLER (RO) (Fed)

Ms Gunvor ELDEGARD (NO) (Soc)

Mr Arthur ELZINGA (NL) (Soc)

Dr Matyas EÖRSI (HU) (Lib)

Mr Dario FRANCESCHINI (IT) (Lib)

Mr Zdenko FRANIC (HR)

Mr Erich G. FRITZ, MdB (DE) (PPE/CD)

Mr Norbert HAUPERT (LU) (PPE/CD)

Mr Joachim HÖRSTER, MdB (DE) (PPE/CD)

Mr Andrej HUNKO, MdB (DE)

Mr Zmago JELINČIČ PLEMENITI (SI) (Fed)

Mr David KAFKA (CZ) (Fed)

Mr Norbert KAPPELLER (AT) (Fed)

Mr Jan KASAL (CZ) (Fed)

Mr Leon KIERES (PL) (Fed)

Mr Haluk KOC (TR) (Soc)

Mr Tarmo KOUTS (EE) (Fed)

Mrs Elzbieta KRUK (PL) (Fed)

Mr Pavol KUBOVIC (SK) (Fed)

Mr Jaakko LAAKSO (FI) (Soc)

Mr Markku LAUKKANEN (FI) (Lib)

Mr Harald LEIBRECHT, MdB (DE) (Lib)

Mr Gennaro MALGIERI (IT) (PPE/CD)

Mr Jenno MANNINGER (HU) (Fed)

Mr Kestutis MASIULIS (LT) (Fed)

Mr Jean-Pierre MASSERET (FR) (Soc)

Mr Jan NADVORNIK (CZ) (Fed)

Mr Ionas NICOLAOU (CY) (PPE/CD)

Mr Aleksandar NIKOLOSKI (MK) (Fed)

Mr Rory O'HANLON (IE) (Lib)

Mr Remzi OSMAN (BG) (Lib)

Mr Yüksel OZDEN (TR) (Fed)

Mrs Elissavet PAPADIMITRIOU (GR) (PPE/CD)

Mrs Vassiliki PAPANDREOU (GR)

Mr Johannes PFLUG, MdB (DE) (Soc)

The Rt. Hon. John PRESCOTT, MP (UK) (Soc)

Mr Gabino PUCHE RODRÍGUEZ (ES) (Fed)

Mr Frédéric REISS (FR) (PPE/CD)

Mr François ROCHEBLOINE (FR) (PPE/CD)

Mrs Malgorzata SADURSKA (PL) (Fed)

Mr Giacomo SANTINI (IT) (PPE/CD)

Mr Janis STRAZDINS (LV)

Mr Giacomo STUCCHI (IT) (Fed)

Mr Zoltán SZABÓ (HU) (Soc)

Mr Tugrul TURKES (TR) (Fed)

Mr Christian TYBRING-GJEDDE (NO) (Fed)

Mr Pol VAN DEN DRIESSCHE (BE) (Fed)

Mr José VERA JARDIM (PT) (Soc)

Mr Paul WILLE (BE) (Lib)

Mr David WILSHIRE, MP (UK) (Fed)

Mr Jordi XUCLA I COSTA (ES) (Lib)

Mrs Hanna ZDANOWSKA (PL) (Fed)

Alternate Members

Mr Adam ABRAMOWICZ (PL) (Fed)

Mr Ruhi AÇIKGÖZ (TR) (Fed)

Mr Miroslav ANTL (CZ)

Mr Roberto ANTONIONE (IT) (Fed)

Ms Virginija BALTRAITIENE (LT) (Soc)

Mrs Meritxell BATET LAMAÑA (ES) (Soc)

Mrs Deborah BERGAMINI (IT) (Fed)

Mr Jozef BURIAN (SK) (Soc)

Mr Lorenzo CESA (IT) (Fed)

Mr Constantin CHIRILA (RO) (Fed)

Mr James CLAPPISON, MP (UK) (Fed)

Ms Viola von CRAMON-TAUBADEL, MdB (DE) (Soc)

Mr Hendrik DAEMS (BE) (Lib)

Mr Klaas DE VRIES (NL) (Soc)

Mr Arcadio DIAZ TEJERA (ES) (Soc)

Mr Metin ERGUN (TR) (Fed)

Mrs Lydie ERR (LU) (Soc)

Mrs Blanca FERNÁNDEZ-CAPEL (ES) (Fed)

Mr Kenneth G. FORSLUND (SE) (Soc)

Mr Jean-Claude FRECON (FR) (Soc)

Mr Dimitar GLAVCHEV (BG) (Fed)

Mr Michael GLOS, MdB (DE) (PPE/CD)

Mrs Arlette GROSSKOST (FR) (Fed)

Mr Reijo KALLIO (FI)

Mr Michail KATRINIS (GR)
Mrs Birgen KELES (TR) (Soc)
Mr Franz-Eduard KÜHNEL (AT) (PPE/CD)
Mrs Izabela LESZCZYNA (PL) (Fed)
Mr Patrick MEINHARDT, MdB (DE) (Lib)
Mr Dan Ilie MOREGA (RO) (Lib)
Mrs Tuija NURMI (FI) (PPE/CD)
Mr Arpad PAL (RO) (Fed)
Mrs Liljana POPOVSKA (MK)
Ms Karin ROTH, MdB (DE) (Soc)
Mrs Tineke STRIK (NL) (Soc)
Lord TOMLINSON (UK) (Soc)
Mr Dirk VAN DER MAELEN (BE) (Soc)
Dr Rudolf VIS, MP (UK) (Soc)
Mr Konstantinos VRETTOS (GR) (Soc)
Mrs Betty WILLIAMS, MP (UK) (Soc)

Mr Paul KEHOE (IE) (Fed)
Baroness KNIGHT OF COLLINGTREE (UK) (Fed)
Mr Jean-François LE GRAND (FR) (Fed)
Mr François LONCLE (FR) (Soc)
Mr Atanas MERDJANOV (BG) (Soc)
Mr Philippe NACHBAR (FR) (Fed)
Mr Pieter H. OMTZIGT (NL) (PPE/CD)
Mr Evangelos PAPACHRISTOS (GR)
Mr Gonzalo ROBLES OROZCO (ES) (Fed)
Mrs Albertina SOLIANI (IT) (Lib)
Mr Stanislaw SZWED (PL) (Fed)
Mrs Özlem TÜRKÖNE (TR) (PPE/CD)
Mr Karim VAN OVERMEIRE (BE) (n-a)
Ms Tanja VRBAT (HR)
Mr Karl-Georg WELLMANN, MdB (DE) (Fed)
Mr Marco ZACCHERA (IT) (Fed)

