



**SÜDOSTEUROPA-
GESELLSCHAFT**

in cooperation with

DGO

► Deutsche Gesellschaft
für Osteuropakunde e.V.

International Conference

The Black Sea Region: New Challenges and Opportunities for Regional Cooperation

Berlin / Germany, 14-15 May 2009

**Panel III: Development, Integration and Cooperation:
The Black Sea Region in the Focus of Supra-National
Actors / International Organizations**

Pascal Heyman

Deputy Director for Policy Support Service of the Conflict Prevention
Centre of the OSCE, Vienna

Introductory Remarks

Ladies and Gentlemen,

I would like to thank the organizers of this Conference for providing me with the opportunity to present the OSCE's perspective on the Black Sea region and the challenges and opportunities that exist for development, integration and regional co-operation. It is both a pleasure and an honour to address this distinguished audience here today.

Allow me first to underline that the OSCE is a regional security organization that includes 56 participating States, spanning the transatlantic and Eurasian spaces. The Black Sea region is an integral part of the OSCE area; home to some of the Organization's participating States. Moreover, the OSCE has a long history of activity in the region, including the presence of field operations in some Black Sea states.

These field operations, together with the OSCE Secretariat and the three specialized OSCE Institutions, support states in their long-term reform processes through the implementation of programmes and activities across all three dimensions of security. OSCE activities aimed at fostering good governance, prosperity and security in the wider Black Sea region have been comprehensive, ranging from support for legislative and electoral reform and local business development to environmental initiatives and the destruction of excess stocks of liquid propellant oxidizer, known as 'melange'.

Early warning, conflict prevention, crisis management and post-conflict rehabilitation activities are the core of the work of the OSCE. As this is the bulk of what we do, I would like to focus here on the unresolved conflicts in the wider Black Sea region as key challenges to development, integration and co-operation. In light of time constraints, I will elaborate on the Nagorno-Karabakh conflict and developments in Georgia specifically.

Armenia/Azerbaijan: the Nagorno-Karabakh conflict

The OSCE is the only international organization directly involved in the process of settling the Nagorno-Karabakh conflict. The three Co-Chairmen of the Minsk Group lead the efforts to provide a forum for negotiations towards a peaceful settlement of the conflict. The Co-Chairmanship's tasks include measures to be taken after a settlement has been reached, such as the deployment of international peacekeepers, but currently the focus lies on providing an appropriate framework for conflict resolution by facilitating the negotiation process.

The Personal Representative of the OSCE Chairperson-in-Office (PRCiO) on the Conflict dealt with by the Minsk Conference, Ambassador Andrzej Kasprzyk, conducts regular monitorings on the Line of Contact, which is the ceasefire line since 1994, as well as on the Armenian-Azerbaijani border, roughly on a bi-weekly basis. During these monitorings, he collects statements of cease-fire violations on both sides, as well as

information on other military and civilian issues. He also maintains relations with the senior leadership of the Sides, on a formal as well as informal basis.

Numerous incidents on the ground during the first quarter of 2009 are a cause of concern. Simultaneously, media on both sides have increased their reporting of incidents. Our judgment so far, however, is that the increase in the number of reports represents no real escalation in either the nature or frequency of incidents as compared to previous years. However, close monitoring is needed to prevent any escalation. On several occasions in the past, when an increased number of cease-fire violations had led to a tense situation along the front lines, the intervention of the PRCiO was instrumental in reducing tension and stabilizing the situation.

The past six months have seen developments in the conflict settlement process, starting on 2 November last year with the Presidents signing a joint Declaration in Moscow. After that, the Presidents continued a series of Summits (27 January in Zurich, 7 May in Prague). We have been encouraged by these developments, and it is crucial to maintain this momentum. However, there are indications from both Sides that there is still a long way to go.

The process is also affected by, and is affecting, the Armenia-Turkey rapprochement. The encouraging steps taken, with the announcement of a roadmap on 22 April 2009, were watched closely by all actors with an interest in the South Caucasus. As demonstrated by

statements preceding the announcement, the issue has been tied closely to the Nagorno-Karabakh conflict settlement.

As a consequence of the Nagorno-Karabakh conflict, the potential for regional co-operation in the South Caucasus has been extremely limited so far. Until Armenia and Azerbaijan solve the Nagorno-Karabakh conflict peacefully, it is unrealistic to talk about long-term stability and full economic co-operation in the region. Peace would bring immense benefits to all sides, to the whole region and beyond. It would create a favourable climate in the entire region and open up possibilities for regional co-operation and development.

Furthermore, a negotiated settlement would secure broad international support and would pave the way for post-conflict rehabilitation and peace-building. It would also allow military spending to be diverted into spending for civilian purposes to the benefit of all citizens. With these tangible benefits in reach, every effort should be made to encourage the sides to come to an agreement in the nearest future. Both sides need to be reassured that an agreement would create a win-win situation for all.

Developments in Georgia

The other topic I would like to touch on here today in detail is the situation in Georgia. The geographic position of Georgia at the lock of international transport corridors is of

strategic importance for the neighboring countries as well as for all key players in the region. This strategic position has been a major asset for the country. The launching of the Silk Road, the Baku-Tbilisi Ceyhan oil pipeline (BTC) and the Baku-Tbilisi-Erzurum gas pipeline (BTE) have contributed to economic development. They have also opened the path for bringing Georgia closer to European and trans-Atlantic structures.

At the same time, these developments have neglected the interests of regional players on the north-south axis, thus creating frustration and tension. In this respect, the OSCE – which has been present in Georgia since late 1992 – has witnessed deterioration in the Georgian-Russian bilateral relations over the past decade. This accumulated tension brought the resolution of the protracted conflicts of South Ossetia and Abkhazia into deadlock, and led to missed opportunities for building long-term stability in the region.

We believe that developing regional economic co-operation was the main missed opportunity. Proposals to re-open the railway line through Abkhazia and to simultaneously facilitate a return of displaced persons and start co-operation with regard to the management of the Enguri hydro power plant could have given impetus to the settlement of the Georgian-Abkhaz conflict. Furthermore, developing the economic potential of the Trans Caucasian Highway through South Ossetia could have served the interests of all parties involved in the resolution of the Georgian-Ossetian conflict. There were opportunities for building confidence and stability through developing economic inter-dependencies, and without prejudging the end-result of political talks on the status of South Ossetia and Abkhazia.

Instead, the parties involved in the resolution of these conflicts have chosen a path of radical steps, which led to the tragic events of August 2008. Half a year after the conflict, the overall situation in Georgia remains far from stable:

- Cross boundary fire and cases of detention are frequent in areas close to South Ossetia and Abkhazia, where people are also facing humanitarian problems.
- The international talks on stability and security in these conflict areas – the so-called Geneva discussions - remain hostage of considerations over the status of South Ossetia and Abkhazia; thereby obstructing the implementation of practical security and humanitarian measures.

Under its Greek Chairmanship, the OSCE believes that the overall situation in Georgia requires that security be addressed with the involvement of all key players in the region. The OSCE, with its broad membership, is well designed to fulfill this task. Its participating States are currently holding consultations on a formula for maintaining a field presence in the region. The aim of the Organization is to maintain expertise to assist Georgia in its democratization process, and to deploy monitors on both sides of the Georgian-Ossetian administrative boundary line to promote contact and co-operation.

The immediate priority in the conflict area is to strengthen security and re-establish dialogue for the mutual benefit of civilians on both sides. This has proven difficult and may take time. Once the situation is stabilized, proposals to develop cross-boundary and regional economic co-operation will have to be launched, taking into consideration

experience gained. We do not see any other way to achieve long-term stability in the region.

Concluding Remarks

Ladies and Gentlemen,

The OSCE will continue its active involvement in searching for a peaceful settlement of the protracted conflicts in the wider Black Sea region. I have focused today on two examples due to time constraints. There is of course also the Transnistrian conflict as well as potential for future instability in Crimea. The existence of these unresolved conflicts adversely affects the overall climate in the region, introduces elements of instability and unpredictability, and restricts trade and transport links. Unless solutions to these conflicts are found in a mutually acceptable way through non-violent means, prospects for the region are limited.

In closing, I would like to point out that the conflicts do have similarities in the way in which they damage the prospects for the region and the consequences for ordinary people. However, it is important to recognize that they have evolved in different ways and will require solutions, within existing principles and conflict settlement mechanisms that address their specific contexts.

Moving forward will require a certain level of mutual trust among the conflicting parties, and this in turn will require concrete signs of good will from all actors involved. Progress

hinges upon the level of genuine political will all sides bring to the table. The success of OSCE's efforts, or those of any other international actor for that matter, depends to a large extent on the willingness of the conflicting parties to arrive at a compromise. Vision and responsibility on the part of leaders is required more than ever.

Thank you kindly for your attention.