

EXECUTIVE SUMMARY

In May 2002, the Centre for European Policy Studies (CEPS) published a working paper entitled a « Stability Pact for the Caucasus ». In many ways, this proposal for a stability pact in the Caucasian region is modelled on the Stability Pact for South Eastern Europe. A careful analysis of these two pacts, however, reveals that the means proposed in order to resolve similar problems differ considerably. In the case of South Eastern Europe, a complex structure has been created to settle practical issues, but the key factor that seems to have contributed the most to regional cooperation is the prospect of integrating the European Union. Conversely, regional cooperation in the Caucasus should be developed by creating a regional body: the South Caucasus Community, which would reproduce the EU model at the local level. However, it is unclear that this South Caucasus Community will constitute in and of itself an incentive strong enough to make the parties collaborate in the making of this future common project. Petroleum resources may have a potentially stabilizing effect, but it is still hard to assess. Lessons learned from the Stability Pact for South Eastern Europe indicate that in order to succeed the Stability Pact for the Caucasus should 1) be put in place only in the absence of unresolved conflicts; 2) involve all the actors in the region; 3) include a strong incentive that will interest all the parties in the region; and 4) make the incentive achievable only through regional cooperation.