

EXECUTIVE SUMMARY

In May 2000, 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 Caucasus Region is modelled on the Stability Pact for South-East Europe. A careful analysis of these two pacts, however, reveals that the means proposed for resolving similar problems differ considerably. In the case of South-East 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 joining the European Union. Conversely, regional cooperation in the Caucasus was to develop 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 cooperate on this future common project. Petroleum resources may have a potentially stabilizing effect, but this is hard to tell. Lessons learned from the Stability Pact for South-East Europe indicate that in order to succeed, the Caucasus Stability Pact should 1) be introduced only when there are no unresolved conflicts; 2) involve all the actors in the region; 3) include a strong incentive that will interest all parties in the region; and 4) make the incentive achievable only through regional cooperation.