

also have ties with the EU through stabilization and association agreements as in the case of the SEE countries.

The SCC would launch a process of regional cooperation and integration in the South Caucasus. The supranational level of the SCC should handle issues around trade (first by opening up all borders, setting up an effective administration and then working on the arrangements leading to free trade), infrastructure and security. The main concern of the SCC, however, must be the latter. With all conflicts resolved, a security system would be overseen by the OSCE. This organization would also be asked to provide a peacekeeping force for the three main disputed regions, provide various patrols to stop infiltration by armed combatants along permeable borders like the Pankisi Gorge and coordinate negotiations on arms reduction and the demilitarization of specific areas.

The CSP authors also plan to transform the Black Sea Economic Cooperation (BSEC) organization into a "*Caucasian* Black Sea Economic Cooperation Organization" that would accept the EU as a full member. This body could thus concentrate more on transportation, energy and environmental protection programs and include new political and security initiatives.

To take this geographic dimension of the Caucasus into account,¹⁶ the CSP introduces a "southern dimension" to the EU-Russia cooperation concept, based on the "northern dimension" model being developed for the Baltic region. This "southern dimension" could be the pivot for coordinating Western humanitarian or emergency assistance to the North Caucasus in the short term and, in the longer term, technical assistance and financial support to economic development.

Last, the pact affects oil and gas development. The new climate emerging after the conflicts are resolved and the stability pact is ratified would open the way for developing the region's full economic potential, especially in the energy sector. This would provide economic justification for numerous oil pipeline projects that may bring many economic benefits and help to improve the political climate in the region.

2.2 Resolution of the Nagorno-Karabakh conflict as a model and driving force for giving the pact effect

Resolution of the Caucasian conflicts has to be the first stage of CSP implementation. Indeed there can be no stability in the Caucasus so long as the peace processes fail to find solutions acceptable to the parties. According to the promoters of this project, the initial conflict-resolution objective should be Nagorno-Karabakh, which would then become an example for other secessionist conflicts and could help to remove major barriers to regional cooperation.

There are numerous reasons for focussing mediation efforts on this hot spot. For one thing, it is the only one in the region with a major international element. Although this is a war of secession like the other

¹⁶ Dividing the Caucasus in two to exclude the northern portion within Russia is not the ideal solution when looking for a regional stability pact. Many interests are common to the entire region and instability in one place will inevitably impact on the stability of the others.