



# SPECIAL REPORT

## War in the Caucasus:

### *A Proposal for Settlement of the Conflict over Nagorno-Karabakh*

#### **ABOUT THE PROPOSAL**

John J. Maresca is a former U.S. ambassador to the Conference on Security and Cooperation in Europe (CSCE) and former special U.S. negotiator for Nagorno-Karabakh. He is currently a guest scholar at the United States Institute of Peace.

At the United States Institute of Peace, on July 1, 1994, Maresca presented his proposal for a political settlement of the six-year-old war over Nagorno-Karabakh to an invited audience, including senior diplomats from Armenia, Azerbaijan, Russia, and Turkey, as well as policymakers and others interested in the conflict.

Maresca's proposal—while of special interest to experts directly concerned with the conflict over Nagorno-Karabakh—is intended to engage a wider audience more generally concerned with the U.S. role in international preventive diplomacy, humanitarian intervention, and conflict resolution.

Readers will find of interest the elements of the proposal which respond to key questions that must be assessed when evaluating the advisability and value of U.S. involvement in post-Cold War conflict situations.

This proposal is circulated, but not endorsed, by the United States Institute of Peace, in the interest of public discussion of key international issues of our time affecting matters of war and peace. The Institute does not advocate particular policies.

The conflict between ethnic Armenians and ethnic Azerbaijanis over the enclave of Nagorno-Karabakh has produced thousands of casualties, over one million refugees and displaced persons, and considerable physical damage. Up to now, all attempts to arrange a sustainable ceasefire have failed. The following proposal, by Ambassador John J. Maresca, former special U.S. negotiator for Nagorno-Karabakh, outlines a political settlement of the conflict, with the aim of providing a new impetus to the negotiating process and a reference point for consideration of the eventual political solution.

The United States has been a key member of the "Minsk Group," a small negotiating body mandated by the Conference on Security and Cooperation in Europe (CSCE) to find a solution to the conflict. This is the only conflict on the territory of the former Soviet Union where the United States has such a direct role. How the problem is dealt with will be an important test of the willingness and ability of the United States—and the international community—to make a positive contribution to the resolution of disputes of this kind, particularly on the territory of the former USSR.

#### **Key Points of the Proposal**

A negotiated resolution of this conflict is most likely if based on the following elements:

- Nagorno-Karabakh would be reconstituted as the Republic of Nagorno-Karabakh (RNK), a self-governing legal entity within and freely associated with the sovereign Republic of Azerbaijan.
- Armenia and Azerbaijan would sign a treaty on mutual transit rights across each other's territory.
- Refugees would be permitted to return to their homes, with certain villages designated for international monitoring.
- All of Armenia and Azerbaijan, including RNK, would be a free trade area.
- All agreed arrangements would be included in two documents to be the basis for a diplomatic solution signed at the Minsk Conference.

*The conflict between ethnic Armenians and ethnic Azerbaijanis over . . . Nagorno-Karabakh has produced thousands of casualties, over one million refugees and displaced persons, and considerable physical damage.*

- The provisions of these documents would be guaranteed by the CSCE and the UN Security Council.
- The United States should not be involved on the ground in the Caucasus, but should take the lead in building good road connections between RNK and Armenia, and between Azerbaijan and Nakhichevan, an exclave of Azerbaijan.
- A donors conference would be organized to raise funding for the economic reconstruction of the region.

---

The views expressed in this report do not necessarily reflect views of the United States Institute of Peace, which does not advocate particular policies.



*Involvement with Nagorno-Karabakh through the CSCE is the only case in which the United States has been participating directly in an effort to resolve a conflict on the territory of the former USSR.*

## **Background**

Since 1988, ethnic Armenians have been pitted against ethnic Azerbaijanis for control over Nagorno-Karabakh, an Armenian-dominated enclave in Azerbaijan. Under the USSR, the picturesque mountain enclave was an autonomous region within Azerbaijan, controlled by its Armenian majority. But when Azerbaijan became independent in 1991, the Armenian community of Nagorno-Karabakh declared its own independence and won a referendum on the issue which the minority Azerbaijanis of the region boycotted. An armed struggle began which for the Armenians was a war of independence and for the Azerbaijanis an illegal internal revolt. The conflict has expanded over time, and ethnic Armenians now occupy about one-fifth of Azerbaijan. Today, there are more than one million refugees and displaced persons, thousands of people on both sides have been killed, and many towns and villages have been destroyed.

There have been numerous attempts to establish a ceasefire, none of which has lasted more than a few days. At the beginning of 1992, the CSCE mandated a small group of member states, including Armenia, Azerbaijan, Russia, Turkey, France, Germany, Italy, Sweden, The Czech Republic, Belarus, and the United States, to negotiate a political solution at a conference in Minsk. The conference was also to include "the interested parties of Nagorno Karabakh." The CSCE's "Minsk Group" has been seeking a solution since that time.

The approach of the Minsk Group has been to bring all the parties, including the Armenians of Nagorno-Karabakh, to the table for face-to-face negotiations; to agree on a ceasefire with international monitoring sponsored by the CSCE; to provide for stabilizing measures, such as humanitarian assistance, aid to refugees, and lifting of blockades; and then to negotiate an agreed political status for Nagorno-Karabakh. From the beginning, the United States has made it clear that it will support the negotiating process and the commitments which may emerge from it, but will not become involved on the ground.

The Minsk Group was successful in opening these negotiations, but has not yet achieved a stable ceasefire. This task is complicated by a separate Russian-sponsored negotiation for a ceasefire involving the introduction of a Russian "Separation Force." The Russian negotiation has created an alternative to the Minsk Group, and has thus dissipated the effort of the international community.

Involvement with Nagorno-Karabakh through the CSCE is the only case in which the United States has been participating directly in an effort to resolve a conflict on the territory of the former USSR. It is thus an example and a test of whether the United States, and the international community in general, can make a positive contribution to the resolution of a dispute of this kind, and if so, how. The conflict over Nagorno-Karabakh is itself a complex issue, but also raises larger questions of the appropriate roles—for the international community, Russia, and the United States—in resolving conflicts of this kind.



## **Proposal for a Settlement of the Conflict**

The following is a personal proposal for a political settlement of the conflict over Nagorno-Karabakh. It deliberately omits discussion of a ceasefire, pullbacks of forces, progressive lifting of blockades, and ceasefire monitoring. Those are matters which are currently under active negotiation and outside suggestions would not necessarily be helpful. Instead, it attempts to identify a balanced set of arrangements which might form an acceptable basis for a compromise agreement on the status of Nagorno-Karabakh. This is the issue which caused the present war and which must ultimately be resolved if there is to be a stable peace. But it has not yet been the focus of negotiations because the continued fighting has given greater urgency to reaching an agreement to halt the violence.

The objective of this proposal is to provide a new impetus to the negotiating process by providing an informed but impartial illustration of what a political settlement might eventually look like, so that each side may reflect on it, and also to instill some confidence that a political settlement need not mean defeat or humiliation for either side. With such an illustration in mind as a point of reference, the sides may be more willing to move forward on the matters currently under discussion.

The timing of this private initiative is based on several factors. The negotiating process has been in something of a stalemate for some time, and has become increasingly urgent to move it forward. The international role is being marginalized by a determined Russian effort which ultimately cannot succeed because the peoples of the area are so suspicious of Russia. The sides are basically ready to compromise, but are distrustful of Russia's objectives. Without evidence of strong American interest in the problem, confidence in an internationally sponsored solution is also small. And in fact there is no proposed political solution available at present for use as a point of departure and as a universal point of reference.

### **Elements of the Proposal:**

#### **1. Status of Nagorno-Karabakh**

Nagorno-Karabakh will be called the Republic of Nagorno-Karabakh, and will be a fully self-governing legal entity within the sovereign state of the Republic of Azerbaijan. Its borders will be those of the Nagorno-Karabakh Autonomous Oblast (NKAO) in 1988. RNK will be within and freely associated with Azerbaijan under the provisions of a freely agreed Basic Law on the Status of Nagorno-Karabakh. RNK will exchange Senior Representatives with Baku, and both Stepanakert and Baku will maintain representative offices in the other city.

RNK will have the right to maintain permanent representatives in a limited number of capitals of special interest, such as Yerevan and Moscow, and to receive permanent representatives from those countries. RNK will not be recognized as a sovereign independent state.

Azerbaijani residents of RNK will have the right to proportional representation in the parliamentary assembly of RNK, and will have their minority rights ensured by law. RNK will have the right to be proportionally repre-

*The objective of this proposal is to provide a new impetus to the negotiating process by providing an informed but impartial illustration of what a political settlement might eventually look like . . .*

mented in the parliamentary assembly of Azerbaijan, and Armenian residents of Azerbaijan outside of RNK will have their minority rights ensured by law.

The armed forces of RNK will be gradually reduced. RNK will have the right to maintain local security forces, including forces for self-defense, but will not be permitted to have an offensive military capability. Azerbaijan will station only local security forces, and no weapons systems with offensive military capability, near RNK.

## *2. Treaty on Mutual Rights of Transit and Access.*

A Treaty will be signed between the Republic of Armenia and the Republic of Azerbaijan granting reciprocal and mutual rights of transit and access, including air transit, for each state through specified zones across the territory of the other. Armenia will have rights of land transit and access across Azerbaijani territory to RNK through the area known as the Lachin corridor. Azerbaijan will have the same rights across Armenian territory to Nakhichevan along the Araks River. The Treaty will cover all forms of transport and will specifically establish reciprocal rights to build electrical grids and pipelines across the specified transit zones. The transit zones will be internationally monitored.

## *3. Return of Refugees and Displaced Persons.*

A special effort will be made to permit refugees and displaced persons to return to their homes in safety. A limited number of villages in RNK which were Azerbaijani villages in 1988 will be designated as Azerbaijani villages. Similarly, a limited number of villages in Azerbaijan but outside of RNK which were Armenian villages in 1988 (e.g., in Shaumayan district) will be designated as Armenian villages. Shusha will be designated as a mixed habitation village, and Azerbaijanis who were established residents there will be permitted to return. All designated villages will be internationally monitored.

## *4. Economic Provisions.*

All of Armenia and Azerbaijan, including RNK and Nakhichevan, will be a free trade area. No import or export duties or tariffs will be imposed anywhere within this area. This will not affect the right to charge for services as may be agreed (for example, services provided in transit zones).

Any economic restrictions or obstacles which may remain from the blockades in place during the war will be lifted, including by those states which are not parties to the conflict.

## *5. Documentation.*

All provisions relating to the status of RNK and its relationship with the Republic of Azerbaijan will be recorded in a freely agreed Basic Law on the Status of Nagorno-Karabakh, which will be signed by the representatives of the Republic of Azerbaijan and RNK. Thereafter, the provisions of the Basic Law will be enacted verbatim as internal legislation by the parliamentary assemblies of Azerbaijan and RNK.

*Without evidence of strong American interest in the problem, confidence in an internationally sponsored solution is . . . small.*

All provisions relating to the transit zones and access, and any other mutual obligations between them, will be included in a treaty which will be signed by the representatives of Armenia and Azerbaijan. This treaty will specifically recognize and accept the provisions of the Basic Law on the Status of Nagorno-Karabakh.

The treaty and the Basic Law will be officially signed at the Minsk Conference, will be approved by all the participants in that Conference as the conclusions of the Conference, and will be submitted to the Secretary General of the United Nations for distribution to all UN members.

#### **6. *International Guarantees.***

Following signature of the two documents, the CSCE and the UN Security Council will undertake to guarantee their provisions, in particular by providing representation in Baku, Stepanakert, and Yerevan, by deploying monitors as required by the relevant provisions, and by organizing the donors conference.

#### **7. *United States Role.***

The United States should appoint a high-level Special Envoy, who would take an energetic leading role in fostering all the elements of this proposal through bilateral contacts, the Minsk Group, the CSCE, and the UN Security Council.

To ensure and reflect the impartiality of the United States in this conflict and to reinforce U.S. efforts to find a solution, Congress should repeal the amendment to the Freedom Support Act which unilaterally prohibits aid to Azerbaijan.

The United States should take the lead in financing and building good road connections between RNK and Armenia and between Azerbaijan and Nakhichevan. These projects should be organized and ready for implementation as soon as the political solution has been agreed to. The United States should also take a leading role in organizing the donors conference.

#### **8. *Donors Conference.***

The UN and the CSCE, in cooperation with international financial institutions, will organize as soon as possible a donors conference to estimate the financial requirements and timeframe for reconstruction throughout Armenia and Azerbaijan, including RNK, and to begin to identify and commit funding to accomplish this reconstruction.

*The United States should appoint a high-level Special Envoy, who would take an energetic leading role in fostering all the elements of this proposal . . .*