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# **Military Confidence Building and Arms Control in Unresolved Territorial Conflicts**

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## Summary

The August war of 2008 in Georgia shows that unresolved territorial conflicts in the countries of the former Soviet Union remain a security risk for the states concerned as well as for Europe, as they can flare up again. Further unresolved conflicts of this kind exist between Azerbaijan and Armenia over Nagorno-Karabakh as well as in Moldova concerning Transnistria. External actors are involved in all of these conflicts. While the risk of a military conflict in Moldova remains low, the heightened arms dynamic between Armenia and Nagorno-Karabakh on one side and Azerbaijan on the other point to an increased risk of war, even though it was diminished after the August war due to the intensified political efforts of the Minsk Group and the process of normalization in Turkish-Armenian relations.

In light of these developments the question arises of what contribution military confidence building and arms control can make to prevent wars and stabilize crises as well as normalize the situation in these territorial conflicts. Military confidence building and arms control can display their effectiveness in three different scenarios. Firstly, they could effectively support a joint conflict settlement (secession, autonomy, reintegration) in a post-conflict phase by trying to prevent new violence and to stabilize the situation during the transition period. Secondly, the local factions involved in the conflict can agree on informal rules for practical security issues that exclude the status conflict, should they not be able to find a short-term solution for it. Thirdly, regional confidence building and arms control can facilitate the stabilization of territorial conflicts externally and diminish the probability of an escalation of violence on the interstate level. Military confidence building and arms control have a complementary function in these conflicts, if international monitoring missions (UN, OSCE, EU) and peacekeeping forces are permanently operating in the area.

The first scenario does not apply here. In none of the analyzed conflicts approaches towards their joint resolution could be found. The prospects seem to be best in the conflict concerning Nagorno-Karabakh, as the chances for political compromise there improved after the August war and there is hope for a swift agreement on the principles of a settlement. But as long as the details of such a settlement are still outstanding, specific measures of confidence building and arms control cannot reasonably be discussed. Should Armenia withdraw from large parts of the occupied Azerian territory, a new corridor to Nagorno-Karabakh be agreed upon and should displaced Azerians be allowed to return, additional military restrictions as well as the assignment of a great number of permanent observers on the ground will be needed, to keep the political opponents of an agreement from acts of violence. The OSCE is planning on sending up to 3,000 observers. Furthermore it would be advisable to set up a permanent observation mechanism at the administrative borders of Nagorno-Karabakh to prevent violent incidents. The bi-weekly visits by the Personal Representative of the Chairman-in-Office of the Minsk Group on behalf of the OSCE are insufficient. In addition, transparency on the force levels in Nagorno-Karabakh has to be improved, to be able to counter the reciprocal dynamic of an arms build-up between the parties to the conflict.

Secondly, there is the basic possibility of informal agreements between the central government and the entities, which circumvent the status conflict. However, this requires a certain modicum of mutual trust between the local conflict parties and their actors or the political pressure of powerful external actors. The external pressure of Russia on Abkhazia and South Ossetia combined with the external pressure of the EU, the UN and the OSCE on Georgia, the EU-monitoring mission and the Russian border guards on the Abkhazian and South Ossetian side have greatly contributed to the success of the Geneva talks and the stabilization measures agreed upon there after the August war. However it remains to be seen if further progress beyond mere stabilization is possible, as Russia is tying the assignment of international observers to the entities to their recognition.

In Moldova, a limited relationship of mutual trust has developed over time, aided by the OSCE mission among the local actors. Since the beginning of the decade all parties involved in the conflict have been holding informal talks on measures of military confidence building and arms control. A joint catalogue of such measures had been developed by 2005, but their implementation is still pending. Therefore, the OSCE should resume its informal talks on this issue as soon as stable governmental conditions are established in Moldova, to counter new tensions between Moldova and Transnistria over the domestic political transformation as soon as possible.

Thirdly, regional measures could improve war prevention and crisis stabilization in this region. The external actors in the territorial conflicts are involved, thus sending a signal of political detente and thereby indirectly fostering a peaceful settlement. However, in doing so, regional measures may never be linked to the local conflicts. As the chances for new measures are slim in the first two scenarios, this level currently holds the greatest potential. The military status quo and the military restraint should essentially be preserved, secured and extended to a critical insecure region with territorial conflicts. Firstly, to prevent a new costly arms and deployment race as well as a direct confrontation with Russia; secondly, to foster a peaceful settlement of the existing territorial conflicts and thirdly, to promote economic development and a peaceful transition there. In addition, an informal agreement between Russia and the NATO-states is advisable, in which both sides agree on greater restraint concerning weapons and ammunition exports to these states and their entities. Without external support, neither the states directly affected by territorial conflicts nor their entities will be capable of greater military activity. Furthermore, both sides should engage in talks with some of the Eastern Central-European states, which are the largest arms suppliers to date. Secondly, it is recommended to extend the mutual military restraint agreed upon in the NATO-Russia Charter of 1997 to the region (Belarus, Ukraine, Moldova, Georgia, Azerbaijan and Armenia). The ceiling for substantial combat forces, which are not allowed to be deployed there, should also be set as low as possible. Of course, this limitation has to be weighed against the security risks south of Europe (Iraq, Iran).

At the same time, the report proposes qualitative improvements, which take the changed security situation in Europe into greater account and thus indirectly improve war prevention and crisis stabilization for the countries with unresolved territorial conflicts. As military activities below the notification and observation threshold of the Vienna Document considerably fuelled the tensions before the Georgian war, a substantial re-

duction of the thresholds for the notification and observation of military activities as well as the introduction of additional inspections are recommended, which can be employed to relieve tensions in crises. This has to be combined with improved protection of the inspectors and observers on the ground and should lead to a marked decrease in cancellations of inspections and monitoring missions for security reasons. Furthermore, greater transparency concerning the heavy armament of the police and of the other security forces is required. They can be used to bypass regular limitations when tensions mount. Should the Russian (and Ukrainian) flank restrictions in the Treaty on Conventional Armed Forces in Europe (CFE) and its adapted version be dropped in the future, a continued alternate regime of confidence building close to the border is recommended. To improve regional stability, Moldova, Armenia and Azerbaijan should also join the Treaty on Open Skies (see Chapter 4).

The entry into force of the adapted CFE Treaty is a central requirement for further confidence-building and stabilization measures in the region. It also improves transparency in countries with territorial conflicts through – among others – more inspections, the notification of weapons transits and the notification of increases in arms holdings. The continued NATO enlargement created suspicion in Moscow, as an increasing number of new members of the alliance did not belong to the CFE regime and have not acceded to the adapted CFE Treaty, signed in 1999. This contributed to the Russian suspension of the CFE Treaty in late 2007. After the decision to enlarge the alliance to include the Ukraine and Georgia – without a fixed schedule – had been reached at the NATO Bucharest summit in 2008, Russia used the territorial conflicts in Georgia to demonstrate with provocative military activities why Tbilisi should not belong to NATO. Saakashvili, on the other hand, escalated the conflict to show why the country needs to be part of the alliance. This vicious cycle led to the war. Neither the NATO member states nor Russia can afford a new war in view of the unresolved territorial conflicts in the region. It could irreparably damage a rapprochement between both sides and especially any future security cooperation. Is this to be avoided, the enlargement of the alliance in the region has to be suspended for the time being and the adapted CFE Treaty – in whichever form – enter into force. It would assure that all NATO states in Europe submit to conventional arms control and Moscow does not have to fear an enlargement of the alliance. It increases mutual predictability and diminishes the incentives for a Russian passage at arms in territorial conflicts. It facilitates their peaceful settlement, however, is not able to solve them.



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## 1. Introduction

The Georgian war in August of 2008 brought the problem of unresolved territorial conflicts in the realm of the former USSR to the attention of the international public again.<sup>1</sup> The causes for these conflicts are complex. There are historic, ethnic, political and other reasons. These conflicts erupted openly during and after the collapse of the Soviet Union and were accompanied by a phase of violence varying in intensity. In the republics striving for independence they led to the secession of small territories from Georgia, Moldova and in Azerbaijan between Armenia and Baku, which developed into de-facto states in the following years (Lynch 2004: 15). In Georgia with Abkhazia and South Ossetia this involves two of formerly three entities, after Adjara – supported by Russia – was reintegrated as an autonomous republic. In Moldova it concerns Transnistria and between Armenia and Azerbaijan it concerns Nagorno-Karabakh, whose independence is unofficially being supported by Erivan. Up to date, apart from Adjara, there is no internationally recognized settlement concerning the status of the aforementioned entities.

The report follows the central question of what contribution arms control and military confidence building can make to the stabilization of unresolved territorial conflicts. First, the conflicts themselves are briefly presented. Secondly, the military risks for peace and security in these regions are analysed closely. Three different scenarios are presented, which strengthen war prevention and crisis stabilization through military confidence building and arms control, to counter these risks.

Territorial conflicts are a manageable problem for security, if the parties involved strive peacefully for a shared perspective concerning a solution (secession, autonomy, reintegration). One example was the peaceful secession of Slovakia from the Czech Republic in 1993, which was accompanied by the division of the armed forces and the resulting arms control obligations. However, in the case of the unresolved territorial conflicts examined here, the situation is different. In all cases bellicose activities ensued between the central state and the seceding entities, in which the entities managed to establish independent armed and security forces with the help of external actors. Even if after a ceasefire a joint settlement perspective for the territorial conflict is developed in the post-conflict phase, the risk of violent military action remains high. Therefore, in the first scenario, the question arises of what military confidence building and arms control can contribute to the prevention of violence and stabilization, to effectively support the settlement process in a transition phase.

Furthermore it must be asked what military confidence building and arms control can contribute to the prevention of violence and stabilization on the local and regional level, if

1 The author thanks the student research assistants Sascha Langenbach and Markus Mueller, the interns Philipp Seelinger, Ansgar Schreiber and the research associate Aser Babajew for their help in compiling the report.

the settlement is disputed and the status conflict continues. On the local level military confidence building and arms control in the second scenario are confronted with the problem that the seceding entity uses instruments to strengthen its own independence. But that blocks the corresponding settlements, as the respective central power does not want to weaken its own sovereignty. Therefore it must be clarified if the parties involved can separate the settlement of security issues from the status conflict, to be able to settle existing problems through military confidence building and arms control.

The external actors involved can fuel or calm territorial conflicts on the regional level and represent an additional factor, which influences security. Therefore, in the third scenario, the question arises of to which extent the existing regional arms control agreements can be used and advanced to stabilize such conflicts externally and impede their bellicose escalation on the interstate level. The analysis concentrates on the following existing agreements: the Treaty on Conventional Armed Forces in Europe<sup>2</sup> (CFE), signed 1990, the adapted CFE treaty (aCFE), which was signed in 1999 but has not yet entered into force, the Vienna Document on Confidence- and Security-Building Measures of 1999<sup>3</sup> (VD 99), the Treaty on Open Skies, entered into force in 2002<sup>4</sup> (OS) and the Black Sea Naval Cooperation Task Group Treaty<sup>5</sup> (BLACKSEAFOR), agreed upon in 2001. In doing so, it has to be considered that these treaties are confronted with a double problem: On the one hand they are aimed at the prevention of interstate wars, but the territorial conflicts examined here are considered internal affairs according to international law. On the other hand, entities are not contracting parties to the arms control regimes.

This analysis is based on voluntary confidence-building measures and arms control. The employed approach to confidence building and arms control is mainly geared towards the military status quo.

2 Member states are Armenia, Azerbaijan, Belgium, Bulgaria, Denmark, Germany, France, Georgia, Greece, Great Britain, Iceland, Italy, Canada, Kazakhstan, Luxemburg, Moldova, the Netherlands, Norway, Poland, Rumania, Russia, Slovakia, Spain, the Czech Republic, Turkey, the Ukraine, Hungary, the USA and Belarus. The area of application reaches from the Atlantic Ocean to the Ural Mountains.

3 All 56 OSCE states are members of this political agreement.

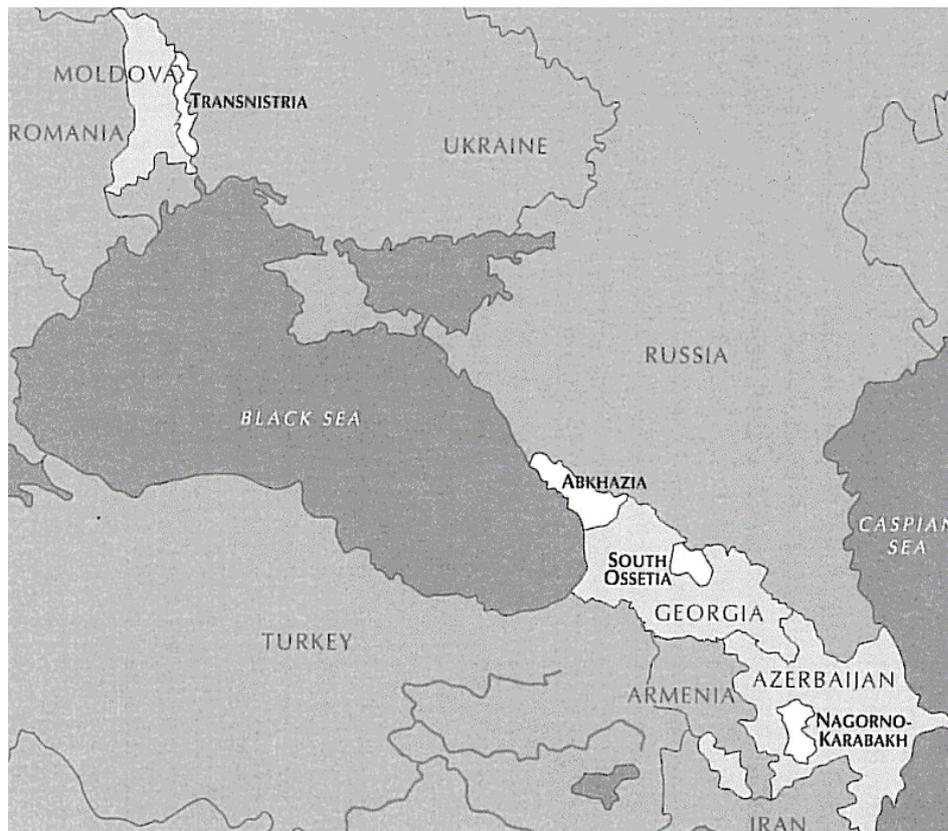
4 Members are Belgium, Bosnia and Herzegovina, Bulgaria, Denmark, Estonia, Finland, France, Georgia, Greece, Great Britain, Iceland, Italy, Canada, Croatia, Latvia, Luxemburg, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Sweden, Slovakia, Slovenia, Spain, the Czech Republic, Turkey, the Ukraine, Hungary, the USA and Belarus.

5 Bulgaria, Georgia, Romania, Russia, Turkey and the Ukraine are members of this political agreement.

## 2. The unresolved territorial conflicts

The countries in the conflict areas are situated at the south-western rim of the Ukraine and Russia (see map below). They compass nearly 20 Million people, a little over eight million in Azerbaijan alone. All entities are small de-facto states, which cannot survive on their own.

General map of the unresolved territorial conflicts



Source: Lynch, Dov 2004: xiv.

With 4,000 km<sup>2</sup> Transnistria claims about 11 percent of the Moldovan area and in 1990 had 750,000 inhabitants; today, their number is estimated at 550,000-650,000. Ethnically speaking, the population consists in almost equal parts of Moldovans (32%), Russians (30%) and Ukrainians (29%) (USIP 2008: 73). With the independence of Moldova in 1990 the Transnistrian secession movement began, which was opposed to the feared integration into Romania and sought to maintain the multi-ethnic Soviet heritage. Therefore, this is mainly a political conflict. With the separation of Transnistria from the central state in 1992, the situation escalated into war, because Moldova lost its industrial centre through the secession (Neukirch 2003: 124-27). Transnistria generated 40 percent of Moldova's gross national product in those days. During the war, there were 100,000 short-term internally displaced people, 1,000 dead and around 5,000 injured. Due to the

short and regionally limited combat as well as the absence of an ethnically motivated displacement policy, a lasting refugee problem was able to be avoided (Neukirch 2003: 137). Moscow ended the violence in favour of the separatists and enforced a ceasefire agreement in June of 1992 as well as shortly thereafter a treaty on the principles for a peaceful settlement of the armed conflict in the Transnistrian region of the Moldovan republic, which was signed by both parties (Salber 2009: 416-7). The latter stipulated the establishment of a 12 km-wide security zone along both sides of the Nistru, to be monitored by trilateral peacekeeping troops. Furthermore, a trilateral joint control commission for the settlement of the ceasefire and the security zone was established (Neukirch 2003: 136-7). Since 1993, the OSCE has been active with a mission in Moldova, which attempts to promote conflict resolution in all its aspects. This includes confidence building, arms control and disarmament. Russia, the Ukraine and the OSCE are negotiating with both sides over a settlement of the conflict. The USA and the EU have had an observer status in these 5+2 talks since 2005. Moldova is offering Transnistria a special autonomy, while the entity wants independence.

With 8,400 km<sup>2</sup>, Abkhazia claims about 12 percent of the Georgian territory. Before the conflict it had 535,000 inhabitants, of which the Georgians make up the largest population group with 46 percent, followed by the Abkhaz (18% = 93,000), Armenians (15%), Russians (14%), Greeks (3%) and Ukrainians (2%). Abkhazia's political importance stems from its convenient location on the Black Sea (USIP 2008: 118-22). The conflict began before the collapse of the USSR and is of a strongly ethnically oriented character. The Abkhaz feared the growing Georgian nationalism and initially geared themselves towards the Soviet Union, then strove to strengthen their independence after its collapse. In March of 1989, the Abkhaz declared their independence. In July 1989 the armed conflicts began with Georgia. The recurrent flare-ups of the war left thousands dead and led to the internal displacement of more than 200,000 Georgians. The population declined to under 150,000, for which reason the Abkhaz now represent the majority (USIP 2008: 122). In May of 1994 the conflict parties signed the ceasefire in Moscow, which had been negotiated by the UN with the support of Russia and the OSCE (Salber 2009: 420). It stipulated the establishment of a 12 km-wide demilitarized zone along both sides of the Inguri River, as well as a 12 km-wide adjacent security zone without heavy weaponry. The Kodori Valley was supposed to be demilitarized as well. CIS peacekeeping troops were assigned to monitor the demilitarization in the security zone and the Kodori Valley and commence the return of the displaced Georgians. The UN observers were in charge of monitoring the Kodori Valley, the coastal waters and the air space over the security zones. During the August war in 2008, new fights broke between Georgia and Abkhazia as well. They were suspended after a few days and ended with the loss of the Kodori Valley for Tbilisi. Because the UN does not recognize Abkhazia's independence, Russia refused a further ex-

tension of the mission in the UN Security Council on June 15<sup>th</sup> 2009. The UN observers had left Georgia till July 15<sup>th</sup>.<sup>6</sup>

At the end of 1989, South Ossetia, which, with its 3,900 km<sup>2</sup> makes up almost six percent of the Georgian territory, challenged Tbilisi by being upgraded to the status of an autonomous republic by the Soviet of the region. The nationalistic Georgian leadership rescinded this decision and even disallowed South Ossetia the status of an autonomous region, after it had declared itself independent in 1990. In 1992, this led to armed conflict between Georgian armed forces and the South Ossetian militia, leaving 2,000 dead and 20,000 Georgians ousted from the entity. In June of 1992, Russia brokered a ceasefire with the Treaty of Sochi, which was monitored by trilateral peacekeeping troops (the South Ossetian soldiers received Russian passports) and a joint control commission. Parallel to this, an OSCE mission began with the observation of the peacekeeping troops. The situation remained peaceful till 2004, but then the new Georgian government under Saakashvili, which strove to reestablish the full sovereignty of Georgia as quickly as possible, tried to regain control over the entity through replacing the government and the use of military means. Russia and the USA, however, prevented this. In the aftermath, the tensions never subsided completely. With the Western recognition of Kosovo in early 2008 and the decision to enlarge NATO in Bucharest in early April 2008, the number and severity of the incidents increased, until, in the night from the 7<sup>th</sup> to the 8<sup>th</sup> of August, Saakashvili again tried to compel a decision concerning the status of South Ossetia through a illegal military attack. The Russian intervention, controversial by standards of international law, led to a Georgian defeat and, on August 12, to a ceasefire brokered by the EU. The war cost the lives of approximately 850 people, over 2,000 were wounded and up to 134,600 Georgians internally displaced.<sup>7</sup> About 30,000 refugees fled to North Ossetia, but have returned in the meantime.

Moscow's decision from the 26th of August, 2008, to recognize both entities under international law intensified the status conflict, as all other European states and North America refuse to take this step. The entity of South Ossetia is hampering the return of about 37,500 ethnic Georgians. It insists now that they renounce their Georgian citizenship and take on the South Ossetian nationality. In 1989, 164,000 people lived in the entity, now the population lies at an estimated 30-90,000, mostly South Ossetians.

To stabilize the situation in Georgia and prevent another war, all parties to the conflict agreed until September 2008 to hold new Geneva Talks, which would be chaired by the EU, the OSCE and the UN. Furthermore, the EU has been maintaining a monitoring mission (EUMM) since October 10<sup>th</sup>, 2008, with over 230 observers, who are supposed to stabilize and normalize the situation in all of Georgia and create confidence between the

6 N.N., Russia vetoes extension of UN mission in Georgia, UN News Center, June 15th, 2009, in: [www.un.org/apps/news/story.asp?NewsID=31151&Cr=georgia&Cr1](http://www.un.org/apps/news/story.asp?NewsID=31151&Cr=georgia&Cr1) (12.8.2009).

7 Bureau of Democracy, Human Rights and Labor, 2008 Country Reports on Human Right Practices, 2008 Human Right Report: Georgia, in: [www.state.gov/g/drl/rls/hrrpt/2008/eur/119080.htm](http://www.state.gov/g/drl/rls/hrrpt/2008/eur/119080.htm) (3.4.2009).

parties, but who, because of the unresolved recognition issue, are not able to obtain access to South Ossetia or Abkhazia.<sup>8</sup> On the 26<sup>th</sup> of January the Georgian defense ministry and on the 22<sup>nd</sup> of May, 2009, the ministry of the interior assured the EUMM that they would be informed in advance over all troop and police movements near the administrative borders of Abkhazia and South Ossetia and certain stabilizing restrictions would be observed.<sup>9</sup> On the 18<sup>th</sup> of February, 2009, all parties to the conflict agreed on a hotline between the involved parties and the investigation of incidents in Geneva. The investigation of incidents began on August 14<sup>th</sup> 2009, and the presence of the EUMM has led to a marked decrease in violence.<sup>10</sup> The OSCE mission discontinued its activities in South Ossetia on June 30<sup>th</sup>, 2009, as Russia tied an extension of the mandate to the recognition of South Ossetia.

The mountainous Nagorno-Karabakh lies in the South-West of Azerbaijan and, with approximately 4,400 km<sup>2</sup>, claims six percent of the Azerbaijani territory (Dedashti 2000: 36). The area is populated by up to 145,000 people, almost exclusively Armenian. The war over Nagorno-Karabakh was the bloodiest compared to the others. It has an intra- and an interstate dimension: The ethno-nationalistic and political confrontations came to a head from 1988 on, when the autonomous oblast Nagorno-Karabakh lobbied in vain for the transfer of the mostly Armenian-populated region from the Socialist Soviet Republic (SSR) of Azerbaijan to the Armenian SSR. Afterwards, the ethnic conflict with reciprocal pogroms between Azerians and Armenians and the interstate tensions between Baku and Eriwan intensified. With the dissolution of the USSR Azerbaijan declared independence on the 30<sup>th</sup> of August 1991, Armenia on September 23<sup>rd</sup> and Nagorno-Karabakh on September 2<sup>nd</sup> 1991. Azerbaijan and Armenia do not recognize the "Nagorno-Karabakh Republic" (NKR). Baku subsequently tried to regain control over the area with military force (USIP 2008: 106-9). The fighting claimed up to 30,000 casualties. Armenia had to accommodate 360,000 refugees and over 70,000 people fleeing from the border region and Azerbaijan had to take in over 200,000 refugees as well as 570,000-690,000 internally displaced people. The Azerian refugees were accommodated separately and not integrated, so that they could be relocated later. In May of 1994, Russia managed to broker a ceasefire. At the time, the armed forces of Armenia and Nagorno-Karabakh were occupying the territory of the entity and seven further administrative districts (approximately 16 percent of Azerbaijan). Azerbaijan and Turkey closed their borders to Armenia and imposed an economic blockade. The ceasefire remains stable, but there is regular gunfire with casualties at the line of contact.

8 For further information see the homepage of the EUMM-Mission: <http://eumm.eu/en/> (20.8.2009).

9 EUMM and Georgian Ministry of Defence sign Memorandum of Understanding, Tiflis 26.1.2009, in: [http://eumm.eu/en/press\\_and\\_public\\_information/press\\_releases/796/?year=2009&month=1](http://eumm.eu/en/press_and_public_information/press_releases/796/?year=2009&month=1) (20.8.2009).

10 N.N., Head of EUMM: Dvani meeting held in 'positive atmosphere', in: Civil Georgia 8/15/2009, in: [www.civil.ge/eng/\\_print.php?id=21369](http://www.civil.ge/eng/_print.php?id=21369) [http://www.civil.ge/eng/\\_print.php?id=21369](http://www.civil.ge/eng/_print.php?id=21369) (8/15/2009).

Since 1994, the Minsk Group of the OSCE<sup>11</sup> is involved in the settlement of the conflict (Salber 2009: 418f). The negotiations are led by three Co-Chairs from Russia, the USA and France (for the EU), who maintain contact with all parties in the region, as Baku has refused the participation of Nagorno-Karabakh in the negotiations. In 2007, the Co-Chairs presented a proposal for a settlement with their Basic Principles, which could enable a compromise in 2010. Parallel to this, the Personal Representative of the Chairman-in-Office of the Minsk Group on behalf of the OSCE monitors the ceasefire at the line of contact and visits the conflict area bi-weekly. Furthermore, in 1994 the High-Level Planning Group of the OSCE was created, to arrange for the assignment of up to 3,000 OSCE peacekeeping troops. Their deployment only makes sense after a settlement has been reached. Baku emphasizes its right to national integrity and will only grant the entity autonomy, while Armenia and Nagorno-Karabakh stress their right to self-determination and strive for the independence or integration of the entity (International Crisis Group 2007: 1).

These conflicts obstruct the economic development in the region due to the economic and trade blockades as well as the political and human contacts of these countries. They also can hardly realize their growing importance as a bridge between Europe and Asia. The great poverty in parts of the population promotes a shadow economy, criminal structures and corruption. All states and entities have an authoritarian structure. Their level of democracy has declined in this decade.<sup>12</sup> The insecurities in the region concerning security policy impede the development and transport of the energy resources existing or presumed there. Therefore there are serious reasons to resolve these long lasting territorial conflicts and to prevent the development of new ones. Since Russia supports the entities in all conflicts, they can only be resolved with Moscow's cooperation.

### **3. Development of military potentials**

This chapter attempts to clarify which risks for peace emanate from the development of military potentials. To this end, the development of the defence budget and its share in national expenditure and the gross national income (GNI) from 2000 to 2008/09 will be examined. Concerning the armed forces, the development of the most important conventional major weapons systems (battle tanks, armoured combat vehicles, artillery, combat aircraft and combat helicopters) and the import of such weapons in the years 2000 to 2007 is analysed. This data provides important insights into the significance of the armed forces for the respective country. As far as possible, these figures are juxtaposed with the respective

11 It includes Armenia, Azerbaijan, USA, Russia, Belarus, France, Sweden, Germany, Finland, Italy, Turkey and the OSCE-Troika on a rotational basis.

12 Freedom House, in: [www.freedomhouse.org/template.cfm?page=437&year=2008](http://www.freedomhouse.org/template.cfm?page=437&year=2008) (28.5.2009).

data for the entities Transnistria, Abkhazia, South Ossetia and Nagorno-Karabakh, even though there are no budget numbers for them. In many cases only estimates can be made. In addition, the Russian deployed military forces are included in the analysis. This is followed by an assessment of military and political factors. Finally, the impact of military developments on the existing arms control regimes is examined.

### 3.1 Military spending

The military spending of the four small states examined here shows considerable differences in the period from 2000 to 2009.<sup>13</sup>

**Moldova:** It possesses the by far smallest defence budget and the lowest rate of increase of all states examined. Up to 2007, the defence budget had doubled, from 8.3 to 17.3 million US-Dollars (USD), but sank by nearly 12 percent to 15.3 million in 2008. In 2001, the share of defence spending in the total budget was just under 2.8 percent and 0.6 percent of the GNI. Until 2008, the share of the defence budget in the total budget had sunken to 0.8 percent and in the GNI to 0.3 percent.<sup>14</sup>

**Azerbaijan:** Because of its energy exports and the rising prices in the past few years, it is the economically richest country and has the highest defence budget. In 2009, at 1.413 billion USD, the Azerian defence budget reached the level of the entire national expenditure of Armenia. During the sample period, the defence budget increased tenfold. A corresponding increase of a military threat is not ascertainable. The share of the defence expenditure in the total budget in 2000 lay at a high 35 percent and in the GNI at 2.7 percent.<sup>15</sup> In the following years, its share in the state budget fluctuated from 2004 to 2008 between 9.4 and 17 percent. The share in the GNI from 2000 to 2008 ranged from 2.4 to 3.4 percent. The high rates of increase of the defence budget show that the Azerian government is also pursuing a military option for the reintegration of Nagorno-Karabakh.

**Armenia:** The defence budget nearly tripled from 94.3 to 272 million USD by 2009. This data does not include the free assignment of arms, munitions and other military

13 To insure comparability, the data of SIPRI was used as far as possible. However, it was only available till 2007/8. More current data comes from other sources and was included with the support of SIPRI according to their methodology. For the calculation formula, Niklas Schoernig is to thank.

14 The Moldovan data for the defence budget also includes the domestic security forces. For reasons of comparability, they were left out. Furthermore, only the higher numbers from the Consolidated Budget were available for the sample period. They are not fully comparable to the data for the other states. The calculations are based on: State Budget: [www.statistica.md/pageview.php?l=en&idc=317&id=2286](http://www.statistica.md/pageview.php?l=en&idc=317&id=2286); BNE: [data.un.org/Data.aspx?d=SNAAMA&f=grID%3A103%BcurrID%3AUSD%3BpcFlag%3A0](http://data.un.org/Data.aspx?d=SNAAMA&f=grID%3A103%BcurrID%3AUSD%3BpcFlag%3A0); Inflation: [www.indexmundi.com/g/g.aspx?c=md&v=71](http://www.indexmundi.com/g/g.aspx?c=md&v=71); Exchange rate: [www.bnm.md/en/official\\_exchange\\_rates](http://www.bnm.md/en/official_exchange_rates) (1.7.2009).

15 The calculations are based on: State Budget: [www.azstat.org/publications/azfigures/2009/en/020.shtml](http://www.azstat.org/publications/azfigures/2009/en/020.shtml); GNI: <http://data.un.org/Data.aspx?d=SNAAMA&f=grID%3A103%BcurrID%3AUSD%3BpcFlag%3A0>; Military spending: SIPRI Yearbook 2008, 223f; Exchange rate: [www.nba.az/default.aspx?go=cfl&lng=en](http://www.nba.az/default.aspx?go=cfl&lng=en) und [www.azstat.org/publications/azfigures/2009/en/001.shtml](http://www.azstat.org/publications/azfigures/2009/en/001.shtml) (1.7.2009).

equipment from Russia. The global financial crisis forced Erivan to cut the defence budget for 2009, however it is not known by how much. The share of defence spending in the budget fell from 2000 to 2007 from a high 23 to 10.4 percent and in the GNI from 5 to 2.2 percent.<sup>16</sup> However, this positive development has been regressive since 2008. The share of defence spending in the budget rose to 15 percent as a reaction to Azerian rearmament. Without the Russian military support, Erivan cannot keep up in the arms race with Baku.

**Georgia:** There the defence budget from 2000 to 2007 rose from 27.2 to 720 million USD – more than 26 times the original number. With the inauguration of president Saakashvili in 2004, the expenditure for the armed forces rose drastically at first. Only in the aftermath and as a result of the financial crisis the expenditure sank by 40 percent in 2009 and is not supposed to increase in the next year. From 2000 to 2004 the share of the defence budget in the state budget lay between eight and ten percent.<sup>17</sup> By 2007, the share of the defence budget in the state budget rose to 28.4 percent and its share in the GNI grew from 1.5 to 8.6 percent. President Saakashvili was trying to arm himself into a military option for the reintegration of both entities.

In summary, the defence expenditure rose starkly, especially in Georgia and Azerbaijan. This is illustrated by the following chart:

<b>Military spending 2000-2009</b> (in million USD and at constant prices of 2005)										
Country\Year	2000	2001	2002	2003	2004	2005	2006	2007	2008*	2009*
Moldova	8.3	9.1	10.7	11.6	10.4	12	14.9	17.3	15.3	
Armenia	94.3	91.5	90.5	104	115	141	157	194	217	272
Georgia	27.2	34.5	49.3	57.7	80.6	214	362	720	650.9	367**
Azerbaijan	141	160	172	215	260	305	625	667	1,027	1,413

Source: SIPRI Yearbook 2009, pp. 219-225;

\* From: Giragosian, Richard (2009): *The Military Balance Of Power In The South Caucasus*, Yerevan, ACNIS Policy Brief No. 2, p. 3;

\*\* Target figure of the Georgian government.

16 The calculations are based on: State Budget: [www.armstat.am/en/?nid=126&id=17005&year=2009&submit=Search](http://www.armstat.am/en/?nid=126&id=17005&year=2009&submit=Search); BNE: <http://data.un.org/Data.aspx?d=SNAAMA&f=grID%3A103%3BcurrID%3AUSD%3BpcFlag%3A=0>; Military spending: SIPRI Yearbook 2008 p. 223-4, Exchange rate: [www.armstat.am/en/?nid=126&id=17010&year=2009&submit=Search](http://www.armstat.am/en/?nid=126&id=17010&year=2009&submit=Search) (1.7.2009).

17 The calculations are based on: State Budget: [www.statistics.ge/\\_files/english/finance/State%20budget.xls](http://www.statistics.ge/_files/english/finance/State%20budget.xls); BNE: <http://data.un.org/Data.aspx?d=SNAAMA&f=grID%3A103%3BcurrID%3AUSD%3BpcFlag%3A0>, Inflation: [www.indexmundi.com/g/g.aspx?v=71&c=gg&l=en](http://www.indexmundi.com/g/g.aspx?v=71&c=gg&l=en), Exchange rates: [www.statistics.ge/\\_files/english/finance/Exchange%20rates.xls](http://www.statistics.ge/_files/english/finance/Exchange%20rates.xls) (1.7.2009).

### 3.2 Weapons and personnel development

For this section only the land and air forces, as far as they are covered by the CFE Treaty, were taken into account, as running comparable data is only available for them.<sup>18</sup> In spite of this limitation it delivers important information on the quantitative development of the equipment of armed forces and their capabilities. Reported increases were balanced with data from the UN Register of Conventional Arms<sup>19</sup> (export and import lists), as the examined states do not produce such weapons. Small arms, which play a significant role in such conflicts, were excluded from the analysis. The police and paramilitary forces were also not included. However, they bear a problematic potential to circumvent limitations of regular armed forces, as the situation in Georgia has shown (Salber 2009: 421).

Below, the quantitative military developments based on the CFE-data and the UN register are specified.

**Moldova:** The Moldovan armed forces have no battle tanks, combat aircraft or combat helicopters. The holdings of armoured combat vehicles (208-210) mostly lie at the CFE limit. The artillery holdings sank by five to 148 pieces by 2009. In the period of examination, the number of soldiers declined by almost 5,000 from 10,300 to 5,490 in 2009. The equipment of the armed forces is 30 to 40 years old, there are no funds for modernization and a large part of the armed forces only has a very limited readiness.

As per Moldova's verbal note verbale from April 2nd, 1997, Transnistria possessed 18 battle tanks, 50 armoured combat vehicles and 32 artillery systems in 1997. According to investigations of OSCE staff, there were 18 battle tanks, 107 armoured infantry vehicles, 73 artillery systems and 6 military transport helicopters (Mi-8) as well as 4,500 soldiers in 2005.<sup>20</sup> Transnistria received 19 battle tanks and 46 armoured combat vehicles (ACVs) from the 14. Russian Army during its withdrawal. It remains unclear how it came to the increase in artillery pieces and where the additional 19 battle tanks of the former 14. Russian Army are located. Generally speaking, the condition of the Transnistrian armed forces is similarly desolate to those of Moldova. The balance of forces is said to be less problematic. Transnistria may have battle tanks, but this is counterbalanced by the higher number of Moldovan armoured combat vehicles and artillery systems. In view of the low threat the Moldovan armed forces present, Russia has mostly abstained from a larger quantitative armament of Transnistria. During the period of examination there were no officially notified arms transfers to Moldova. The Operative Group of the Russian armed forces maintained two peace-keeping

18 The bases for the data collection are the annual CFE data compilations by Crawford, Dorn, U.S. State Department, Washington DC, 2000-2009.

19 The annual notifications can be viewed at [www.disarmament.un.org/un\\_register.nsf](http://www.disarmament.un.org/un_register.nsf). In addition the Azerian OSCE-delegation was kind enough to provide the import notifications for 2007, as they had not yet been published on the UN-site in May of 2009.

20 OSCE Mission Moldova, The Balance of Forces between Moldova and Transnistria. Chisinau, 2005. This is not an official mission document.

battalions in the Transnistrian region with about 560 soldiers and 35 armoured vehicles. Besides the peace-keeping mission, they secure the ammunition depots near Kolbasna.

**Armenia:** Only minimal increases in arms could be observed there between 2002 and 2009: the number of battle tanks increased by eight to 110 and the artillery pieces increased by ten to 239. The number of armoured combat vehicles even dropped from 204 to 140. It is unclear if they did not partly go to Nagorno-Karabakh. The holdings of combat helicopters grew by eight and the number of SU-25 close air support aircraft was increased to 16 systems until 2009. The number of soldiers decreased at first from 60,000 to 43,550 in 2007, however rose again to 46,700 in 2009. From 1993 to 1996 Erivan clandestinely received 84 battle tanks, 50 armoured infantry vehicles and 72 artillery systems from Russia.<sup>21</sup> Moscow wanted to have this case cleared by parliament, but a report by the investigation committee is still outstanding. A comparison of the import and export lists of the UN Register shows, that Erivan has problems with the notification of Russian arms. In 2004, two Su-25 ground-attack aircraft were delivered from Russia, which Erivan did not report in the CFE data exchange, or to the UN Register. The previous arms suppliers were Russia, Slovakia, Belarus and China. The tripling of the defence budget does not match the development of the armed forces in Armenia.

The deployment of Russian troops in Armenia is meant to deter Turkey. To this end, Russian soldiers are deployed together with Armenian border troops at the Armenian-Turkish border. This frees Erivan's resources to defend Nagorno-Karabakh against Azerbaijan. In addition, Moscow is securing its influence through its military presence. Russia is using the Gyumri Base with an airbase near Erivan. In 2009, including the air force, more than 3,200 soldiers with 74 battle tanks, 201 armoured combat vehicles, 84 artillery systems and 18 MiG-29 interceptors were deployed (Military Balance 2009: 226). Since the August war in 2008, Tbilisi has denied Moscow the supply of its formations via land-transport through Georgia. Russia has to depend on air-transport and delivery through Iran, which makes logistics more expensive.

**Azerbaijan:** The country has significantly upgraded since 2000. The number of battle tanks rose by 73 percent to 381 in 2009 and the artillery systems by 43 percent to 404. Parallel to this, the armoured combat vehicles were cut back from 210 to 181. The holdings of 15 combat helicopters remained the same. Only Baku possesses combat aircraft for defensive and offensive purposes. Quantitatively, the defence with a total of 50 systems (MiG-21 – MiG-29) is favoured. During the period of examination, Azerbaijan raised the number of combat aircraft by 56 percent to 75. At the same time the number of air force personnel decreased from 69,900 to 64,950. Baku imports a great number of arms: between 2002 and 2007, 168 T-72 battle tanks, 17

21 According to the information provided by the chairman of the defence committee, Lew Rochlin, on April 2nd, 1997, in: ITAR-TASS 2.4.1997, Critical: U.S. State Department, Bureau of Verification and Compliance, Adherence to and Compliance with Arms Control and Nonproliferation Agreements and Commitments, Washington, DC 2001.

armoured combat vehicles<sup>22</sup>, 260 artillery pieces and 27 combat aircraft (14 MiG-29, 13 Su-25) were obtained. Among the suppliers are the Ukraine, Belarus, Slovakia, Bulgaria, Georgia and also Russia, which delivered 62 T-72 in 2007 and 70 BTR-80 beginning 2008 (Military Balance 2009: 203). The Kremlin obviously is seeking to gain greater military control over all parties to the conflict. The long periods of deployment show, that there are problems with the training in handling the new weapons. Therefore, they have yet to lead to an actual upgrade. Baku legitimises its defence policy with the state of war and the occupation of part of its territory. Moscow only maintains a strategic early warning radar station near Gabala.

Nagorno-Karabakh possesses the strongest armament of all the entities. According to Baku's verbal notes from January 22nd, 1997, November 20th, 2007, and February 3rd, 2009, the following picture emerges:<sup>23</sup> For 1997, 253 tanks, 278 armoured combat vehicles and 298 artillery pieces were reported. According to Azerian information, the holdings increased by 118 tanks (+47%), 181 armoured combat vehicles (+65%) and 181 artillery systems (+61%) between 1997 and 2009. Baku attributes these arms solely to the Armenian armed forces in Nagorno-Karabakh. Erivan however disputes even having armed forces there. But experts from the entity admit, that separate armed forces exist, which are closely connected on the strategic command level, to facilitate a joint defence. Even if the Azerian numbers may overall be a bit high, they show quantitative changes for the entity, which correlate more closely with the Armenian defence budget. The important modernisations of the Armenian armed forces and the armed forces of the entity take place covertly. The troops in Nagorno-Karabakh are said to be better trained and have higher morale than their counterparts in Azerbaijan. According to Armenian experts and specialists from Nagorno-Karabakh, their military capabilities are sufficient to deter Baku from an attack.<sup>24</sup>

**Georgia:** Since the inauguration of president Saakashvili, the country has in part drastically increased its holdings in all weapon categories. The number of tanks increased by 132 percent to 183 between 2000 and 2008, the number of armoured combat vehicles by 24 percent to 134 and the number of artillery systems by 118 percent to 239. It increased its holdings of combat helicopters from three to nine and of its combat aircraft from five to twelve. With its Russian Su-25, Georgia only has aircraft for ground attack and, like Armenia, relies on ground-based air defence. Due to reforms, the personnel strength of the army and air force was initially reduced to 16,500 by 2005, and then grew to 35,200 by 2009. The Ukraine, the Czech Republic, Bulgaria, Israel, Turkey, Bosnia-Herzegovina, Uzbekistan and Sweden are the most important suppliers. Starting in February 2002, the USA initiated a

22 In this category, Baku reported four more systems on its import list for 2007 than Kiev in its export list.

23 Azerbaijan OSZE-Delegation, Armenian aggression against Azerbaijan: facts and figures based on military analysis, Vienna 2009.

24 Interviews with Armenian experts and representatives of Nagorno-Karabakh on May 4<sup>th</sup> and 5<sup>th</sup> 2009, in Erivan. However, they expressed their concern about the growing Azerian armament.

Georgian version of the Train and Equip Programme, which lasted until April 2004 and compensated Tbilisi for its military support in Iraq with 64 million USD in training support. It was replaced in similar form by the Georgia Sustainment and Stability Operations Program in 2005.<sup>25</sup> Since September 2009 the USA have begun with a new training programme (Georgia Deployment Program) for the Georgian troops deployed in Afghanistan. The USA have substantially increased the combat strength of the Georgian armed forces.

Georgia reported the holdings for both entities, stated in the chart below for 1997, in its verbal note from February 18<sup>th</sup>, 1997. The specifications for 2005 derive from Military Balance (Military Balance 2005: 88). The limited increase of the holdings in Abkhazia and South-Ossetia do not justify the massive Georgian armament. According to Georgian experts, Moscow kept the ammunition for the troops of the entities low.

Entity	Year	Tanks	ACVs	Artillery
Abkhazia (GEO)	1997	34	52	38
	2005	50+	up to 80	up to 80
South-Ossetia (GEO)	1997	2	19	8
	2005	5-10	30	25

After the Georgian war, Russia initially deployed 3,800 soldiers in both Abkhazia and South-Ossetia. Since then, it has lowered the number of personnel of these units to 1,700 soldiers respectively, as the EUMM mission has substantially stabilised the situation in Georgia.<sup>26</sup> Conversely, the deployment of 800 Russian border troops in each of the two entities has improved control.<sup>27</sup>

### 3.3 Military and political evaluation

For political as well as financial reasons Moldova is not involved in any arms race. It is slowly reducing its armed forces. A modernisation is taking place with only low domestic resources. Therefore, Russia has not armed Transnistria to a greater extent. The armed forces on both sides are in desolate condition, most of the equipment is 30-40 years old and only partly ready. Incidents between the armed forces on both sides have been sel-

25 David Josar, First Georgian soldiers graduate from U.S.-sponsored training program, in: Stars and Stripes 17.12.2002, in: [www.stripes.com/article.asp?section=104&article=12128](http://www.stripes.com/article.asp?section=104&article=12128) (28.5.2009) und Russ Rizzo, U.S. forces help Georgian army make 'big changes, in: Stars and Stripes 18.6.2005, in: [www.stripes.com/article.asp?section=104&article=29824](http://www.stripes.com/article.asp?section=104&article=29824) (28.5.2009).

26 N.N., Russian Army Chief: Number of Troops Reduced in Abkhazia, S. Ossetia, in: Civil Georgia 26.8.2009, in: [www.civil.ge/eng/\\_print.php?id=21394](http://www.civil.ge/eng/_print.php?id=21394) (26.8.2009).

27 Information of the author from an interview with a EUMM representative in Georgia on September 30<sup>th</sup>, 2009. On the Russian numbers, N.N., Russian Army Chief: Number of Troops reduced in Abkhazia, S. Ossetia, in: Civil Georgia 26.8.2009, in: [www.civil.ge/eng/\\_print.php?id=21394](http://www.civil.ge/eng/_print.php?id=21394) (26.8.2009).

dom in the past few years. Therefore, militarily, the risk of war compared to other territorial conflicts is very low. In many areas cooperation between Moldova and Transnistria is possible in spite of the territorial conflict. The population can move freely from one side to the other. There is no military planning for a violent settlement of the territorial conflict. Moldova declared itself neutral in its constitution in the 1990s and does not aspire to be part of NATO, but would like to become part of the EU over the long run. Domestically, Moldova is in a phase of transition, which could change the current conflict constellation. Four opposition parties more oriented towards the West (the Liberal Democrats, the Liberal Party, the Democratic Party and the Alliance Our Moldova) formed a governing coalition, which ousted the Communist Party from power after winning the second election in 2009.<sup>28</sup> However, they do not have enough votes in parliament to elect a new president. Therefore, new elections as soon as next spring with uncertain results are possible.

After the defeat in the August war of 2008, further armament is temporarily terminated for Georgia. The goal to reintegrate South-Ossetia and Abkhazia, if necessary with force, which had been pursued since 2004, failed. Russia had initially increased its military presence in Abkhazia and South-Ossetia drastically with the war, but reduced it significantly afterward. The presence of the EU monitoring mission has had a positive effect here. Generally, the risk of war is rated as low, as a new war would jeopardise the existence of Georgia and the leadership of Saakashvili. Moscow can further destabilise Georgia. But in doing that, Russia would only drive the other states in the region into the arms of NATO even faster and intensify the conflict with the West. A significant improvement of relations with Russia cannot be expected, as long as Saakashvili is in power.

The arms race between Baku and Erivan over Nagorno-Karabakh continues (Minasyan 2009: 37-43). From a military standpoint, the risk of war in this conflict is the highest, as Azerbaijan is holding on to the option of a military conquest of the entity, even after the Georgian war. But the August war has changed the situation. Moscow's contested military intervention showed that it will not accept a change by force of the status quo in the territorial conflicts. Due to the outcome of the war, Baku has become careful. The heightened risk of losing its power and the income from its energy resources is deterring Baku from forcibly seizing Nagorno-Karabakh for now. In addition, Baku is abiding by its concept of a "balanced" foreign policy towards the West and Russia (Mammadyarov 2009: 26). It does not want to join NATO, but wants to intensify cooperation with the EU. Armenia and Nagorno-Karabakh are also not going to risk a new war, which would increase their dependence on Moscow.

28 N.N., Chances for having new parliamentary election are fifty-fifty, AEI leaders say, in: *Moldova Azi* 4.9.2009, in: [www.azi.md/en/print-story/5548](http://www.azi.md/en/print-story/5548) (4.9.2009).

### **3.4 Consequences for arms control**

Through the armament of the entities, the problem of “unaccounted” or “uncontrolled treaty limited equipment” (UTLE) has increased in all unresolved territorial conflicts since 1997. In detail it presents the following picture: If the number of armoured combat vehicles on both sides is added, Chisinau can exceed its CFE limit<sup>29</sup> of 210, depending on the number of CFE-like arms of the Transnistrian armed forces, by up to 105 systems. The armament in Georgia and the entities had the result that the holdings of armaments there exceed the CFE limits in two categories (artillery: +18; armoured combat vehicles: +18). In the case of Armenia it is controversial, if all Russian arms deliveries were reported in the CFE data exchanges or to the UN Register of Conventional Arms. The weapons and military activities of the Armenian armed forces in Nagorno-Karabakh are currently not covered by any arms control treaty. To add to that are the arms of the armed forces in Nagorno-Karabakh. This is putting an increasing strain on the CFE Treaty. According to information provided by Baku, a total of 752 tanks, 667 armoured combat vehicles and 883 artillery systems, including all arms in Nagorno-Karabakh, were deployed in Azerbaijan at the beginning of 2009. This means that the Azerian CFE ceilings in every armament category of the land forces are being exceeded many times over (tanks: 242 percent; armoured combat vehicles: 203 percent; artillery: 210 percent). Such exceedances with their dynamic present a clear warning signal that an armed conflict is impending. The lack of transparency concerning the potentials in Nagorno-Karabakh also fosters the arms race. Baku can use this to exaggerate the threat and thus legitimise its own arms build-up. Therefore, there is an urgent need for more transparency. According to several CFE experts, Georgia is supposed to have temporarily exceeded its CFE ceiling in one armament category due to its high imports in 2006. Russia and the Eastern Central-European states, which belong among the most important suppliers to states with unresolved territorial conflicts, should henceforth show similar restraint in arms exports to the Western European countries.

## **4. Challenges and chances of existing arms control regimes**

In principle, military confidence building and arms control should strengthen the objective of war prevention and improve stability in a crisis through greater transparency and predictability. Confidence building and arms control are not able to solve a territorial conflict on their own; this would present an excessive demand. However, they can indirectly foster their peaceful settlement. In the following chapter the question of which problems and chances arise, when the current conventional arms control regimes are applied to the unresolved territorial conflicts, is examined more closely. First, however,

29 For the CFE limits of these countries see the chart on p. 16.

the arms control agreements (CFE, aCFE, VD 99, Open Skies and BLACKSEAFOR) and their main functions are briefly presented.

The Treaty on Conventional Armed Forces in Europe,<sup>30</sup> signed in 1990, lowered the conventional potentials in Europe by about 100,000 weapons through stipulated and unilateral measures (Richter 2008: 18). It was designed to prevent a surprise or a comprehensive attack between the alliances. To this end, it limits the land and air forces of the members of the former Warsaw Pact (excluding the Baltic States) and of NATO equally in five categories of weapons: tanks, armoured combat vehicles, artillery, combat aircraft and combat helicopters. The greatest security gains stem from the transparency and inspection mechanism, which provides a realistic insight into the armed forces of other countries. Russia has discontinued this mechanism by suspending the treaty in late 2007, but declared that it intends to maintain the military status quo, as long as nobody changes it to Moscow's disadvantage. As almost all states clearly fall short of their national ceilings with their weapons holdings, the security status between NATO and Russia does not pose a problem (Zagorski 2009: 84).

The adapted CFE Treaty (aCFE), signed in 1999, is supposed to replace the CFE, as its limitation concept is based on the past Cold War and does not reflect the current security situation. The aCFE, therefore, is based upon an approach of national limits. It limits military flexibility far better and improves war prevention between the countries. This is strengthened by the further reduction of the national ceilings for all member states by a total of 8,965 armament systems. However, this limitation of military flexibility is lowered by a partial elevation of territorial ceilings, which restrict the deployment of foreign armed forces, and by an additional flexibility mechanism. In four cases (UN and OSCE peace-keeping missions, manoeuvres, crises and transit) the territorial ceilings can be exceeded up to triple the amount through the temporary deployment of 153 tanks, 241 armoured combat vehicles and 140 artillery systems. However, this is only permissible under extraordinary circumstances and with further restrictions. For the UN and OSCE peace-keeping missions, no constraints apply. All European states, including the new NATO states (Albania, Estonia, Latvia, Lithuania, Slovenia and Croatia) can accede to the aCFE. Due to differences between Russia and most of the other CFE states over the implementation of some Istanbul Commitments, only Russia, Belarus, Kazakhstan and the Ukraine have ratified the new treaty. These differences are described separately, considering their influence on some of the examined territorial conflicts.

The Vienna Document<sup>31</sup> contains a series of mechanisms, which are intended to promote confidence. They include the annual exchange of information on military forces,

30 Treaty on Conventional Armed Forces in Europe, in: [www.osce.org/documents/doclib/1990/11/13752\\_de.pdf](http://www.osce.org/documents/doclib/1990/11/13752_de.pdf) (13.7.2009). The Treaty is amended by the politically binding CFE 1A Treaty of 1992, which limits the personnel strength of the land and air forces on a national basis.

31 Vienna Document 1999 of the Negotiations on Confidence- and Security-Building Measures, in: [www.osce.org/documents/fsc/1999/11/4265\\_de.pdf](http://www.osce.org/documents/fsc/1999/11/4265_de.pdf) (13.7.2009).

weapons systems and plans for their deployment as well as an evaluation mechanism, information on defence planning, intensification of military contacts and co-operation, visits of military bases, the demonstration of new weapons systems, the notification and observation of large manoeuvres, a mechanism for crises and the promotion of regional measures. In addition, it restricts large-scale military activities and thus supplements the limitation of military potentials in the CFE Treaty.

To improve transparency, the Open Skies Treaty (Hartmann et al. 2000) allows the observation and monitoring of military facilities and activities from the air with cameras, radar and infrared devices. It can be employed in the evaluation of any arms control regime. So far, only Georgia has entered the agreement, Moldova, Armenia and Azerbaijan only have observer status. Chisinau and Erivan are not willing to accede for financial reasons. Baku further points out the problem of overflight rights (over Iranian and Armenian territory) to the enclave Nakhichevan. Even before the signing of the Treaty in 1993, Hungary and Rumania – after violent Romanian assaults on the Hungarian minority in the city of Targu Mure in March of 1990 – already agreed upon a bilateral Open Skies treaty with the goal of preventing such incidents in the future (Krasznei et al. 2004: 151-2).

The regional agreement on Black Sea Naval Cooperation Task Group (BLACKSEA-FOR) is designed to improve military co-operation among the navies of the Black Sea states in the areas of sea rescue, humanitarian aid, mine clearance, environmental protection through good-will visits and other measures and to promote peace and security in the region. Beginning in 2002, it will be supplemented by the Document on Confidence- and Security-Building Measures in the Naval Field in the Black Sea.<sup>32</sup> It includes an annual exchange of data on the major equipment of the navies and the notification of the two largest naval exercises, which can be combined with the visit of a naval base. Even though Georgia and Russia participate in these agreements and Article 12, Section 10 of the second agreement stipulates the avoidance of actions, which may be seen as threatening to personnel or ships of a participating state, it did not prevent combat between the navies of Russia and Georgia in the August war of 2008. Since then, Georgia is no longer participating in the agreement.

During the war over Nagorno-Karabakh, the OSCE Committee of Senior Officials decided on an arms embargo for all parties involved in the conflict on February 28, 1992, which was confirmed by the UN Security Council on July 29, 1993 in Resolution 835 (Salber 2009: 419). In it they are asked to desist from supplying arms and ordnance, should they exacerbate the conflict or prolong the occupation of the territory. These resolutions are still in effect.

32 Document on Confidence- and Security-Building Measures in the Naval Field in the Black Sea, Kyiv 25.4.2002.

#### 4.1 Outdated concepts of the CFE and the Vienna Document

Due to its orientation towards the Cold War, the CFE was mainly designed to prevent a war between NATO and the former Warsaw Pact. To this end, a regional limitation concept was developed, which allowed for the lowest concentration of armed forces in Central Europe and for the highest concentration on the Atlantic and the Ural. In addition, the flanks<sup>33</sup> in Southern and Northern Europe have separate limits to prevent destabilizing relocations of forces there. It only secondarily serves the purpose of preventing a war between states. It is not optimised for this purpose, even if the Oslo Document from June 5, 1992, strengthened the role of national ceilings (Hartmann et al. 1994: 228). At least the successor states of the Soviet Union settled the distribution of the Soviet ceilings in the five limited weapons categories for the states with territorial conflicts under the application of the principle of parity. This created limited stability between them. The ceilings also apply to the adapted CFE Treaty, which has not yet entered into force (aCFE).

CFE/CFE IA/aCFE Ceilings for the States with Territorial Conflicts

Category\Country	Armenia	Azerbaijan	Georgia	Moldova
Tanks	220	220	220	210
ACVs	220	220	220	210
Artillery	285	285	285	250
Combat Aircraft	100	100	100	50
Combat Helicopters	50	50	50	50
Personnel	60.000	70.000	40.000	20.000

Source: Crawford 2008: 9, 17, 19, 37.

The Vienna Document ensures transparency of military activities and sets limits for them. However, the thresholds for notification, observation and limitation of military activities are also based on the initial goal of preventing a war between NATO and the former Warsaw Pact. Military activities only have to be notified starting at division size (9,000 men), observed starting at corps size (13,000 men) and are limited at corps and army size. These high thresholds are unsuitable to prevent a violent conflict between states with small armed forces and to reduce tensions. Moldova, for example, only has about 6,500 soldiers. In the phase of growing tension with Russia and the entities in April of 2008, Georgia concentrated almost 9,000 soldiers for several weeks outside the UN security zone against Abkhazia, without having to notify it. The Russian annual major exercises in the Caucasus, which have a similar size with 8,000-8,500 men, are also not subject to no-

33 The group of Western flank states includes Iceland, Norway, Greece and Turkey, the Eastern group Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Rumania, Bulgaria and a southern part of the Ukraine (the former military district Odessa) as well as the military district Leningrad in the north and the military district North-Caucasus without the oblasts Astrakhan in the south of Russia and also Rostov, including the maintenance facility Kushchevskaya and the corridor leading there (Crawford 2008: 7).

tification or observation.<sup>34</sup> The penultimate major exercise only ended a few days before the war in Georgia. Due to the high thresholds, this mechanism does not apply in a critical security situation in the region. The Vienna Document indeed stipulates notification and the invitation of observers below the thresholds on a voluntary basis, but this is not utilized in case of growing political tensions. These high thresholds fall short of the changed military conditions in Europe after the end of the Cold War. Since the end of this conflict, a total of 21 states have formed in Europe and the neighbouring part of Central Asia, which almost all only have small armed forces.

## **4.2 Interstate focus of arms control**

Unresolved territorial conflicts present an intrastate phenomenon. Since the current arms control agreements all aim for the prevention of interstate wars, they are only applicable to the prevention of intrastate violent conflicts with the permission of the respective central power. The entities are not part of such agreements and thus are not subject to their obligations. This limits the value of the arms control regimes.

However, they can impede the escalation of military force to the interstate level. In the case of a militant conflict over Nagorno-Karabakh, the escalation to the interstate level by Armenia is very likely and in the case of a violent conflict over Transnistria a Rumanian intervention is possible. Furthermore, the August war of 2008 has shown that Russia does not accept a violent change of the status quo in such conflicts and will intervene militarily. But the Russian suspension of the CFE regime has diminished the chances of using the instrument of inspection to achieve more transparency and lower tensions. If the aCFE does not enter into force soon, this unsatisfactory situation concerning the security in this region will continue or even deteriorate, should the CFE regime fall apart. The aCFE also offers a series of additional instruments to better prevent a violent interstate conflict. Its information regime provides for notification of the following measures, going beyond the CFE: change of the national and territorial ceilings, concerning the deployment rights of foreign forces, quarterly information on weapons holdings, on temporary deployments, the transit of arms and the modification of national weapons holdings starting from 30 tanks, 30 armoured combat vehicles, 10 artillery systems, 18 combat aircraft and 18 attack helicopters (Richter 2008: 22). The inspection regime includes a 25-percent increase in inspections and allows for additional intrusive inspections of 72 hours for temporary deployments.

The chances for interstate arms control are also improved by the fact that all states, including their entities, depend upon external economic and military aid. This applies to Azerbaijan to a lesser extent. But in the case of all other states and entities, Russia and the European states can cooperatively prevent any larger war, if they agree on the limitation

34 N.N., Large-scale military drills start in southern Russia, Ria Novosti 29.6.2009, in: [http://en.rian.ru/military\\_news/20090629/155380353.html](http://en.rian.ru/military_news/20090629/155380353.html) (29.6.2009).

of arms and ammunition supplies. However, violent incidents and civil wars on a low intensity level cannot be prevented this way. This requires permanent monitoring on the ground and observation.

### 4.3 Dilemma between sovereignty and self-determination

In territorial conflicts, the entities primarily follow the political goal of being internationally recognised as independent states. They are willing to enter into confidence-building and arms control agreements with the central power, if it thereby confirms their independence. But the central power will deny the entity this improvement of status, as long as it wants to maintain its sovereignty over the territory of the entity. For this reason, agreements between the entity and the central power on confidence building and arms control are generally not possible. Hence, the efforts of the Joint Consultative Group of the CFE Treaty to gradually draw the entities to the CFE Treaty between 1997 and 1999 failed.

The Russian recognition of the two entities Abkhazia and South-Ossetia, which was internationally opposed, led to new problems for arms control. From its point of view, Moscow no longer has to submit its troops there to the existing agreements, as long as both entities are not internationally recognized and accede to the arms control agreements. Even if it should do this, following the agreement on the non-accession of the Baltic States to the CFE Treaty in 1991,<sup>35</sup> problems would arise. The other states would first have to negotiate agreements with both entities if they wanted to inspect the Russian troops there. Since Tbilisi is opposing this revaluation of the entities, all other states would run into problems with Georgia. Independent of that, a further inclusion of these troops into the obligations of the CFE regime and the Vienna Document would be advantageous, as Russia would at least have to adhere to their transparency regulations.<sup>36</sup>

Moreover, the status problem complicates the implementation of arms control agreements. In the past, Armenia and Azerbaijan have not completely fulfilled their CFE reduction obligations, due to the conflict over Nagorno-Karabakh. Furthermore, Azerbaijan has been reporting nine military locations (Objects of Verification=OOVs) as peacetime locations in Nagorno-Karabakh and the other occupied territories in its CFE data exchange since 2001, so that it could document its claim to this territory and to the presence of its armed forces.<sup>37</sup> However, because there is no access to the occupied areas on Azerian

35 See: "Statement by the Chairman of the JCG from the 18th of October, 1991" (Hartmann et al. 1994: 500-502).

36 Russian CFE experts have suggested to the author in conversations on the 9th and 22nd of June, 2009, that Russia could be willing to do this.

37 See: Bureau of Verification and Compliance, Adherence to and Compliance with Arms Control, Non-proliferation, and Disarmament Agreements and Commitments, Washington, DC, August 30, 2005, in: [www.state.gov/t/vci/rls/rpt/51977.htm](http://www.state.gov/t/vci/rls/rpt/51977.htm) (18.5.2009).

territory, the troops of these peacetime locations are deployed close to the contact line and are exempt from the notification as OOVs and thus from the inspections.<sup>38</sup> Baku provides information concerning the strength and equipment in these peacetime locations, but this information cannot be verified outside of the locations. Therefore, only 26 OOVs are being reported and not 35, as it is required by the treaty. This leads to the loss of one passive inspection, down from five to four. Should the aCFE enter into force, even two passive inspections would have to be dropped, due to the higher inspection requirements. In a crisis situation, this can limit verification by the other states when the quotas of passive inspections have run out at the end of a year. Azerbaijan justifies this course of action with the argument that otherwise it would disclose too much information to Armenia concerning its operative military capabilities. A further reason might be that Armenia is also withdrawing its troops stationed in Nagorno-Karabakh from CFE inspections. The on-site inspections present an additional problem. Because of the conflict, both sides deploy equipment in forward positions, which, for security reasons, can mostly not be examined in the course of inspections, but about which information is provided at the peacetime location.

In addition, Georgia refused a Russian evaluation visit under the Vienna Document (VD) scheduled for the 26<sup>th</sup> to the 28<sup>th</sup> of January, 2009, based on the force majeure clause, and subsequently did not allow a Russian VD inspection for the same date and the same area. Without the security situation having fundamentally changed, other VD inspections by other states were allowed afterwards. This politically motivated course of action was explicitly regretted by the EU<sup>39</sup> – without naming Georgia specifically – and it called for future compliance with the inspection obligations. In turn, Russia accepted a Georgian VD inspection of its bases in Armenia in spring of 2009 as well as a British-Georgian Open Skies flight over Russia. Hereupon Georgia approved a Russian-British Open Skies flight.<sup>40</sup>

#### **4.4 Missing crisis mechanisms for inspections**

The presence of additional observers and inspectors on the ground can calm the situation in a crisis and reduce provocative behaviour.<sup>41</sup> Multinational inspection and observation teams, especially from neutral states, enhance this effect. This could also be seen before the war in Georgia. Arms control inspections can be employed as an addition to the UN and

38 Ibid.

39 Statement by the Czech Presidency of the Council of the European Union on implementation of the Vienna Document 1999, FSC No. 569, 28.1.2009.

40 N.N., Georgia-UK-Russia Joint Surveillance Flights, in: Civil Georgia 9.10.2009, in: [www.civil.ge/eng/\\_print.php?id=21554](http://www.civil.ge/eng/_print.php?id=21554) (9.10.2009).

41 A summary of which chances the present regimes, including the aCFE, offer in crises, has been compiled by the ZVBw. Zentrum für Verifikationsaufgaben der Bundeswehr (2000): *Rüstungskontroll-Maßnahmen zum Krisenmanagement: Katalog*.

OSCE missions operating there, to create more transparency in crises and reduce tensions. However, there are two problems: on the one hand the number of inspections in states with territorial conflicts is very low, as their armed forces are small. The quota of inspections is based upon the number of military locations of a country. This reduces their effectiveness for the application in crises. Secondly, it depends upon the inspected state how far the inspection serves the purpose of reducing tensions and to what extent it consults with the international observation missions permanently operating on the ground. In crises a stronger coordination between the inspections and the permanent observers on the ground would be reasonable. The following table provides an overview of the passive inspection quotas of the individual agreements for the respective countries per year (Abrü-Bericht 2008: 145, 148-150, Crawford 2008: 35).

Country/Regime	Open Skies	CFE	aCFE (not in force)	Vienna Document**
Armenia	n.a.	4	5	3+1
Azerbaijan*	n.a.	4 (5)	5 (7)	3+1
Georgia	4***	2	2	3+1
Moldova	n.a.	1	2	3+1

\* The figures in brackets contain the treaty obligation of Azerbaijan (see p. 20)

\*\* The Vienna Document allows three inspections and one evaluation visit

\*\*\* Georgia allows on additional training flight per year

Since the aCFE Treaty raises the inspection quotas from 15 to 20 percent, the situation should slightly improve once it has entered into force. Currently it is still uncertain when it will be ratified. Thus, the likelihood remains high that in the second half of the year there will be hardly any inspection quotas left for crisis situations in these countries. The problem is further exacerbated by the fact that at the beginning of every year the great run on the few inspection quotas of the Vienna Document begins and most of them have been used by the spring. Thus, only the inspections of the CFE Treaty and, for Georgia, the additional inspections under the Open Skies Treaty remain.

This was also the situation before the Georgian war, whereas, unlike the other countries, enough inspections were available due to the membership in Open Skies. All inspections under the Vienna Document had been utilized for Georgia until April of 2008. An Open Skies mission under Italian command took place in early April 2008 during the Georgian concentration of forces against Abkhazia and served clarification and to calm the situation. The Open Skies flight took place under a heightened risk, because Georgia, contrary to the usual, did not notify this flight to Abkhazia, even though the aircraft flew over the Southern corner of Abkhazia. A multinational CFE inspection took place in the middle of June, 2008, near Gori and showed that Georgia no longer had 70 percent of its troops at the peacetime location. The Georgian escort team requested that they refrain from a subsequent inspection of these formations and the head of the inspection obliged. The results of this inspection were not recognized sufficiently on an international level before the war. Even though one inspection under the CFE and three inspections under the Open Skies Treaty were still available, they were not used before the war for recon-

naissance or lowering tensions. Here, it is less the instrument of arms control, but rather the policy that failed.

Concerning the stabilizing function in crises, one has to consider that Russia has indicated through several declarations since October 1996 that, due to the unstable situation in Dagestan, Ingushetia, Chechnya, North-Ossetia, Kabardino-Balkaria and the neighbouring regions in Stavropol, inspections and Open Skies flights would no longer be possible, apart from some exceptions (McCausland 2008: 6). The result of this restriction is that precisely the Russian areas adjacent to Georgia and Azerbaijan are going to be mostly exempt from inspections (CFE and Vienna Document) and Open Skies observation flights. Mutual stabilizing inspections would therefore hardly be possible in crises. For this reason, a mutual understanding of the definition and implementation of the force majeure clause should be established and negotiations on the retraction or modification of its restrictions should begin with Moscow, especially since it is allowing large international civil events to take place in this region, in spite of the bad security situation. A further crucial point is that inspections are prematurely waived in crisis situations, even though OSCE and UN observers on the ground are continually exposed to these risks. The practice of inspections shows, that higher risks are acceptable if there is better self-protection for inspectors. There remains an unused scope in this area.

The reservation of inspection quotas for crisis situations has been discussed for a long time. The Verification Co-ordination Centre (VCC) in Brussels, which coordinates the inspections of the NATO states for the CFE, has reserved inspections for crises in the past and not exhausted quotas. However, the non-NATO states subsequently undermined this measure. Until now, the voluntary reservation of inspection quotas for crisis situations has not worked under the CFE Treaty or the Vienna Document. The reservation of inspections for crisis situations could be settled in the OSCE Forum for Security Co-operation. But that would mean that certain states would receive the negative label of “risk of crisis” in advance, if not too many inspections are to be excluded. Therefore, it would make more sense to directly reserve inspections for crisis situations.

Chapter III of the Vienna Document contains a risk reduction mechanism, which stipulates consultations and co-operation in the case of unusual military activities (CPC 2008: 8). According to it, every state has the right to demand clarification concerning military activities, if their security interests are affected. The state responsible for the activities must answer such a request within 48 hours. Furthermore all other states must be notified of the request and the answer without delay. If the affected state does not deem the answer satisfactory, it can call a meeting of both states, headed by the OSCE Chairman, which has to take place within 48 hours. At the same time a further meeting of all OSCE states on the level of the Forum for Security Co-operation and the Permanent Council of the OSCE can take place within 48 hours. Georgia and Russia drew upon this mechanism three times before the Georgian war. On the 28<sup>th</sup> of May, 2008, Georgia demanded an explanation from Russia for shooting down a drone over Abkhazia on April 20<sup>th</sup>, 2008. In turn, Russia drew upon the mechanism twice on May 30<sup>th</sup>, 2008, to receive an explanation concerning the deployment of Georgian drones over Abkhazia and also as to why Georgia repeatedly had violated the ceasefire agreement for Abkhazia from 1994.

While Russia refused the responsibility for shooting down the Georgian drone, Georgia saw it as its legitimate right to deploy drones over its own territory, including Abkhazia, and did not comment on the allegation of a violation of the ceasefire agreement.<sup>42</sup> Even though the mechanism itself functioned in all three cases, both sides were not able to agree on a lowering of tensions. A second crisis mechanism, which arranges for the invitation of observers on a voluntary basis, to dispel concerns about military activities, has not been used to date (CPC 2008: 9). However, the OSCE Chair attempted to activate a risk reduction mechanism, agreed upon in 2001 at the Ministerial Council in Bucharest on the 24<sup>th</sup> of April, 2008 (CPC 2008: 10). It is meant to strengthen the role of the OSCE as a forum for dialogue in crisis situations and will employ the expert knowledge of the Forum for Security Co-operation (FSC). The OSCE Chair wanted to clarify the aforementioned downing of the Georgian drone, but a unanimous position could not be reached. A UN and OSCE mission in Georgia also failed at crisis management (IIFFMCG 2009: 34). Conventional arms control was not able to compensate this, as risk reduction mechanisms cannot function without the political will of the parties to the conflict or the strong pressure of external actors.

#### 4.5 Russia's refusal of the (a)CFE flank limits

In connection with the dispute over the swift ratification of the aCFE, Russia has refused on principle since 2007 to still accept separate territorial flank restrictions for the northern and the southern part of its territory in Europe (fn. 33). In the aftermath of the Georgian war, the Russian recognition of the two Georgian entities and the declaration of Russian "spheres of interest" in the Medvedev doctrine, many Eastern-European states fear an expansion of Russian influence to the Southern Caucasus and Eastern Europe.<sup>43</sup> The abolition of Russian flank restrictions could reinforce this.

Only Russia and the Ukraine had to accept these additional constraints on their territory for reasons of stability. In Russia these separate restrictions have always been contentious; in 1993, Boris Yeltsin, together with the Ukraine, had demanded that the separate ceilings either be raised or repealed. Moscow primarily based this modification on the unstable situation at its southern flank. With the first revision of the flank agreement in 1996, Russia was granted more flexibility by reducing its flank territory at a distance from the neighbouring CFE states while maintaining the old ceilings. In turn, Russia had to make concessions in form of providing more information on the armed forces there (bi-annual exchange of information), additional inspections (+10) for the exempted areas

42 See: Protocols from the 33rd, 34th and 35th (Special) Joint Meeting of the Forum for Security Co-operation and the Permanent Council, Vienna 11.6.2008, in: [www.osce.org/fsc/documents.html](http://www.osce.org/fsc/documents.html) (14.8.2009).

43 Concerning the doctrine: Interview given by Dmitry Medvedev to Television Channels Channel One, Rossiya, NTV, 31.8.2008, in: [www.kremlin.ru](http://www.kremlin.ru) (30.8.2009); concerning the Eastern-European fears: An open letter to the Obama administration from Central and Eastern Europe, in: Radio Free Europe Radio Liberty 16.7.2009, in: [www.rferl.org/articleprintview/1778449.html](http://www.rferl.org/articleprintview/1778449.html) (17.9.2009).

(Pskov, Volgograd, Astrakhan, Rostov with the corridor to the maintenance facility in Kushchevskaya, as well as limitations of its armoured combat vehicles. In the aCFE Treaty the flank is no longer mentioned, but the states with flank territories have agreed to only exchange their maximum levels for holdings among each other. Through the adapted flank restrictions Moscow received a further increase which, due to the new limitation concept, only applies to its flank territory and no longer includes the Russian troops stationed in the Southern Caucasus. Russia is allowed to have 1,300 tanks, 2,140 armoured combat vehicles and 1,680 artillery systems there, even though it has waived its right to temporary deployment after the increase in the category of armoured combat vehicles.

During the second Chechen war, Moscow had exceeded its flank ceilings after prior notification between 1999 and 2002. Since then, however, it has adhered to the limits of the adapted CFE Treaty. Legally, the Kremlin is obligated to adhere to the lower ceilings of the revised flank regime, but Moscow was granted the political leeway to refer to the higher limits of the aCFE, which has not yet entered into force.

The Russian foreign ministry announced at the suspension of the CFE Treaty on December 12, 2007, that it would no longer recognize the flank restrictions for the Russian territory, but also assured that it would not change the military status unilaterally, as long as the other states do the same.<sup>44</sup> In spite of the Georgian war, Moscow has essentially kept this political commitment. Furthermore, the renunciation of the Russian flank restrictions is a matter of dispute even in Russia (Chernov 2009: 181). Since the former president Putin elevated it to a fundamental matter, Moscow will hardly abandon this demand. Turkey in particular has refused any alteration up till now, even though the security status of Turkey has strongly improved since the dissolution of the Soviet Union and the expansion of NATO and the EU.

Unilateral or mutual political guarantees to not change the military status in the northern and the southern flank could replace legally the binding rules of the Protocol on Territorial Ceilings in the aCFE (Art. 5) concerning the limitation of the transfer of maximum levels of holdings for parts of the Russian territory, should they have to be set aside in the future. The elimination of the Russian flank restrictions entails that Russia is able to concentrate a greater number of troops at its southern flank than before. To counter this risk, larger troop movements and concentrations or changes in the weapons holdings of peacetime locations should generally require notification and inspection. With its Aide Memoire from April 29, 2009, Russia has offered to examine the option of “additional confidence-building measures” for the elimination of the Russian flank restrictions, however they would have to be reciprocal.<sup>45</sup> If such measures were to be established reciprocally – as Moscow demands – they could also – depending on how they are structured – provide greater security for the states with unresolved territorial conflicts.

44 Statement by Russia's Ministry of Foreign Affairs Regarding Suspension by Russian Federation of Treaty on Conventional Armed Forces in Europe (CFE Treaty), Moscow, 12.12.2007, in: [www.mid.ru](http://www.mid.ru) (20.8.2009).

45 Restoration of the viability of the CFE Treaty: A way forward (Aide Mèmoire) 29.4.2009, No. 3.

#### 4.6 Istanbul Commitments for Georgia and Moldova

At the OSCE Istanbul Summit in 1999 not only the aCFE Treaty was signed, but also the Concluding Act of the conference of states parties to the CFE Treaty was adopted, which contains the politically binding Istanbul Commitments (Concluding Act 1999: Annex). They were supposed to facilitate the ratification of the treaty. Two of the commitments arrange for complete withdrawal of the regular Russian military forces including weapons and ammunition from Moldova until the end of 2002 and a partial withdrawal of Russian troops from Georgia by mid 2001, as well as a revision of the modalities and the length of deployment for the remaining forces. As Russia did not meet its obligation of a swift compliance with its flank restrictions, starting in May of 2000, the member states of the alliance began to tie the ratification of the aCFE not only to the compliance with the new flank restrictions but also, with the NATO summit in Prague in 2002, to the fulfillment of the two Istanbul Commitments between Russia and Moldova as well as Russia and Georgia, even though Russia had been complying with its aCFE flank ceilings since early 2002.<sup>46</sup> Thus, the fate of a Treaty effective across Europe was linked to the fulfillment of two local political demands. While some feared that arms control would be misused to strengthen the independence of the two states, others were eager to secure the principle of the treaty that only host states may decide on the presence of deployed forces. The opponents of arms control in the Bush administration used the linkage to block the ratification of the aCFE.

Moscow has always objected to this second linkage due to its ambivalence and merely acknowledged that it will completely fulfill its CFE-relevant obligations. The Kremlin therefore reduced its regular troops in Georgia in time, but in Moldova the withdrawal of its regular troops and armaments was delayed until the end of 2003. In addition, over 42,000 tons of Soviet ammunition and small arms were supposed to be withdrawn from there. Until March of 2004, Russia had only brought back 22,000 tons by rail. In March of 2006, Moscow and Tbilisi agreed on a complete withdrawal of all regular Russian troops by the end of 2008. Russia fulfilled this agreement early, in November of 2007. At the NATO summit in Riga in 2006, most of the members of the alliance, initially without Germany, had adopted Georgia's and Moldova's demand that Russia should also withdraw its peace-keeping troops from both countries, as their own.<sup>47</sup> When Russia in turn threatened to suspend the CFE Treaty, the USA made a last attempt to avert the Russian suspension with the "Parallel Action Package" (PAP), based on a German idea. In this package, the USA offered Moscow a phased ratification of the aCFE in October of 2007, if Russia would fulfill its outstanding obligations of the two Istanbul Commitments. Among them was the final settlement of the status of the cleared Gudauta base and the withdrawal of the Russian peace-keeping troops, which were supposed to be replaced by multi-national civil observers. In Moldova, the issue was the withdrawal of the remaining am-

46 Prague Summit Declaration 21.11.2002, No.15 in: [www.nato.int/docu/pr/2002/p02-127e.htm](http://www.nato.int/docu/pr/2002/p02-127e.htm) (20.08.2009).

47 Riga Summit declaration 29.11.2006, No. 42, in: [www.nato.int/docu/pr/2006/p06-150e.htm](http://www.nato.int/docu/pr/2006/p06-150e.htm) (20.8.2009).

munition and small arms, and the Russian peace-keeping troops were supposed to be replaced by unarmed OSCE observers there as well. The transformation of the peace-keeping troops was to take place outside of the CFE context, in accordance with Russian requests. But the Western recognition of Kosovo in early 2008 as well as the continuous efforts of the USA and others for a membership of the Ukraine and Georgia in NATO obstructed these consultations. The Georgian war and the US presidential elections in late 2008 only prolonged the deadlock.

The war, the Russian recognition of the two entities and the announcement of the Medvedev-Doctrine, as well as the trilateral agreement between the Russian and the Moldovan President and the leader of Transnistria on March 18, 2009, have complicated the negotiations on the Parallel Action Package. After the Russian recognition of the two entities, it is currently unrealistic to cling to the implementation of the Russian Istanbul Commitments for Georgia in their original form (Abrü-Bericht 2008: 60). With regard to the incompatible positions of Russia on the one hand and Georgia and the alliance members on the other hand, the issue should be set aside for the moment, until Russia is willing to make more concessions in the Geneva Stabilization Process and holds its troops in the two entities within the aCFE Treaty. The status of Gudauta would also have to be clarified in the Geneva Talks.

In the case of Moldova, the former president Voronin has weakened the position of his government and those of the Western alliance members in PAP, when he accepted in the trilateral declaration from the 18th of March, 2009, that the transformation of the Russian peace-keeping troops should only take place after the territorial conflict is resolved.<sup>48</sup> The new governing coalition in Chisinau also sees this trilateral declaration critically. But as long as the matter of power in Moldova remains unresolved, Moscow will hardly change its position. This shift in the framework and the political positions shows that NATO states did not do themselves a favour with this linkage. Europe-wide conventional arms control may not be linked to local conflicts in politically instable regions. Arms control is not suited as a pressure tool in the issue of sovereignty.

#### **4.7 No integration of NATO enlargement into arms control**

This missing arms control containment has negative repercussions for the unresolved territorial conflicts. It increases Russia's interest to alternatively use these conflicts to disrupt or block the enlargement of the alliance. This aided the war between Georgia and Russia. After the Western recognition of Kosovo and the NATO decision to enlarge the alliance by Georgia and the Ukraine, Moscow wanted to show clearly by its provocative and destabilizing measures what risks the alliance would have to face if it was to include

<sup>48</sup> Joint Declaration between president of the Russian Federation Dmitry Medvedv, and President of the Republic of Moldova Vladimir Voronin and Head of Transnistria Igor Smirnov, Barvikha, March 18, 2009, No. 4. in: [www.1n.mid.ru/](http://www.1n.mid.ru/) (26.05.2009).

Georgia. The Georgian leadership, on the other hand, saw a chance in the growing tensions to gain further arguments for its NATO membership. Thus a vicious cycle of escalation based on differing motives ensued, which finally led to war.

The integration of the expansion of the alliance into arms control cannot solve a territorial conflict, but it can improve political flexibility for a settlement. After the Georgian war it depends on avoiding a new armament spiral and a race for the possible deployment of Russian and Western troops in the region. The speedy entry into force of the aCFE is a necessary requirement. The aCFE contains important stabilizing compensatory benefits for the expansion of the alliance. New NATO states such as Estonia, Latvia, Lithuania, Slovenia, Albania and Croatia, which do not yet belong to the CFE regime, could finally accede. With the entry into force, some NATO states (Poland, the Czech Republic, Slovakia and Hungary) will also reduce their territorial ceilings *de jure*.<sup>49</sup> Furthermore, many states in Central Europe have assured Russia politically, that they will not exhaust their territorial ceilings, nor increase their holdings.

Additionally, the alliance stated in the Founding Act of 1997 between Russia and NATO that it would not station “substantial combat forces” in the new member states (Founding Act 1997: 8). Russia wants to impose adequate restraints in Kaliningrad and the Pskov area on itself. To date, the term “substantial” has not been defined. Only Russia presented a proposal of 41 tanks, 188 armoured combat vehicles, 90 artillery systems, 24 attack helicopters and 24 combat aircraft in Vienna on July 17, 2008.<sup>50</sup> For the time being, the NATO states have retracted their offer from December 1998 to include their air forces. This mechanism of both sides should be expanded to the region between NATO and Russia, to avoid a deployment race of foreign forces there.

## **5. Military confidence building and arms control in unresolved territorial conflicts**

### **5.1 Local measures to support a political solution**

The current status of the multilateral negotiations for the resolution of these conflicts has to be examined concerning the question, if it provides chances for local arms control measures and military confidence building. While measures of this kind cannot solve the conflicts, they can effectively support their settlement. A prerequisite is, however, that a joint perspective for a solution exists.

49 Before the aCFE can enter into force, Russia demands a further reduction of the territorial ceilings of the NATO states and new ceilings for the alliance, to impede its further enlargement, as the alliance has continually expanded since the signing of the aCFE in Istanbul in 1999.

50 Information by the author from a conversation with a member of the German CFE delegation on July 18, 2008.

For Tbilisi, the solution of the status conflict has become a distant prospect after the August war. After the recognition of Abkhazia and South-Ossetia, Moscow regards the conflict as resolved, while Georgia and the Western states continue to insist on the status quo ante. With the Geneva Talks under the chairmanship of the EU, the OSCE and the UN, a negotiation forum exists, which involves all parties of the conflict, however, currently only the stabilization of the situation in Georgia is being discussed there. Therefore, only a long-term settlement of the status conflict can be expected.

For Moldova, several fora for conflict resolution exist, which can also stand in competition to each other. Since the beginning of the conflict, trilateral consultations under Russian leadership have been taking place, the last one on March 18, 2009, in Moscow. In addition, Russia, the Ukraine and the OSCE coordinate themselves together with the observers of the EU and the USA in Vienna in the 3+2 process. Its most important goal is to reactivate the 5+2 process, as those negotiations take place with both conflict parties. Except for Romania, all important actors are present there. However, there have only been occasional informal sessions since April 2006. The process has stagnated, also due to the current unstable political situation in Moldova.

Moscow wants a solution through a federal state model, which grants Moldova and Transnistria far-reaching autonomy, but would hinder them from acceding to NATO or joining the EU. The Russian model limits Moldovan sovereignty. In addition, the Kremlin seeks a long-term deployment of its troops in Transnistria. Both were part of the Russian Kozak Plan of 2003, which the former Moldovan president Voronin declined at the recommendation of the EU and the USA. The Moldovan government<sup>51</sup> has so far endorsed an autonomy model which is linked to a concept of neutrality. It hoped that Moscow would accept the autonomous status of Transnistria in return for the offer of neutrality. However, the offer of a special autonomy for Transnistria was devalued by the Moldovan government itself, as it only partially fulfilled the existing autonomy settlement with the Gagauz people. This offer provides the entity less autonomy than the Russian federal model. As both models are not compatible, a swift settlement of the status conflict is unlikely, even given the favourable circumstances. The third model, the integration of Moldova into Romania, is also quite unlikely, because the Moldovan elite would lose its autonomy and Transnistria would become independent in accordance with earlier agreements.

The OSCE Minsk Group has been involved in a settlement concerning Nagorno-Karabakh since 1992. In contrast to the two previous fora, the Minsk process has one flaw: representatives of entities do not take part, because Azerbaijan only recognizes Armenia as a conflict party. The three co-chairs of the Minsk Group link the entity to the process through bilateral contacts. Despite several attempts, no compromise has been reached to date. Since 2007, the three co-chairs have agreed on six basic principles for a settlement.

51 Moldovan draft agreement on "Declaration on principles and guarantees concerning the settlement of the Transnistria problem" from December 2006, p. 1.

The three most important of them concern territorial integrity, self determination and the renunciation of force. Armenia especially emphasizes the right of self determination and Azerbaijan that to integrity. The further principles deal with the corridor issue, the return of displaced persons and refugees as well as the status question. Since the consultation process is confidential, hardly any details are known: for an agreement Baku is offering Erivan the normalization of relations, the opening of the borders and the end of the trade blockade.<sup>52</sup> In return, Armenia is supposed to withdraw from five of seven of the seized areas around Nagorno-Karabakh and allow the return of displaced Azerians. According to the ideas of the co-chair, the entity would be put under international supervision for a certain time, until the population there decides on its status. During this time, the Lachin Corridor is supposed to secure the passage to Armenia. It is still disputed if Nagorno-Karabakh will gain independence including the corridor or will only receive autonomy in Azerbaijan; how large the corridor should be and if only the Armenian or also the Azerian side would use it, as well as the issue of the return of displaced persons and refugees.

The Georgian war promoted the talks, as both sides oppose a strengthening of Moscow in the Caucasus. This is also one of the reasons for the normalization process in Armenian-Turkish relations and the hope that an agreement on the six principles could be reached soon (Gordon 2009). However, the normalization process has weakened the Armenian president Sarkisian, as one of his coalition partners left the government over this issue in April of 2009.<sup>53</sup> As a strategic partner, Baku demands from Ankara to not open the borders between Turkey and Armenia before the Armenian troops have withdrawn from the areas around Nagorno-Karabakh.<sup>54</sup> While the Turkish Prime Minister Erdogan wants to oblige Baku on this issue, the Turkish President Gül opposes this linkage.<sup>55</sup> Turkey therefore demands a faster agreement on the six basic principles. Local confidence- and security-building measures (CSBMs) will play an important role there. The Armenian troops will hardly withdraw from Azerian territory or accept a corridor solution before an agreement has been reached. At the trilateral summit in Moscow on the 2<sup>nd</sup> of November, 2008, the Azerian president accepted such measures for the first time, but only wants to discuss CSBMs after the status agreement, while Armenia would like to discuss them earlier.<sup>56</sup> Concerning the issue of the displaced persons and

52 N.N., Disclosed: Madrid principles of Karabakh conflict settlement, in: <http://unzipped.blogspot.com/2008/10/disclosed-madrid-principles-of-karabakh.html> (26.5.2009).

53 N.N., Armenian Revolutionary Federation Quits Government, in: [www.rferl.org/content/Armenian\\_Revolutionary\\_Federation\\_Quits\\_Government/1617382.html](http://www.rferl.org/content/Armenian_Revolutionary_Federation_Quits_Government/1617382.html) (28.5.2009).

54 N.N., Turkey-Armenia border not to be reopened before Nagorno-Karabakh conflict is resolved: Azerbaijani ambassador to Turkey, in: Today.az 7.9.2009, in: [www.today.az/print/news/politics/55327.htm](http://www.today.az/print/news/politics/55327.htm) (7.9.2009).

55 N.N., Turkish-Armenian ties: Gul and Erdogan hold conflicting views, in: [www.panarmenian.net/news/eng/?nid=31862&folder=2&attr=36&page=1](http://www.panarmenian.net/news/eng/?nid=31862&folder=2&attr=36&page=1) (28.5.2009).

56 Declaration between the Republic of Azerbaijan, the Republic of Armenia and the Russian Federation, Moscow, 2.11.2008, in: [www.kremlin.ru/eng/text/docs/2008/11/208708.shtml](http://www.kremlin.ru/eng/text/docs/2008/11/208708.shtml) (25.5.2009).

refugees, both sides have contrary positions. Considering the differences, a swift agreement seems unlikely and would only be the beginning of a long peace process.

Currently, no joint agenda for a settlement in any of the territorial conflicts exists. Both for Georgia and Moldova, a solution is still a distant prospect, for various reasons. At the moment, the outlook seems the best for Nagorno-Karabakh. But without an agreement, local CSBMs to support the settlement cannot yet be effectively discussed.

## **5.2 Informal measures under exclusion of the status conflict**

Informal agreements on military confidence building and arms control under exclusion of the status conflict are possible. Georgia has shown in the past that informal agreements, which circumvent the status conflict, can function temporarily. For instance, before it was possible for the Georgian escort teams to accompany CFE inspections of the Russian armed forces by third states in the entities. Open Skies observation flights could be conducted selectively over Russian bases in the entities. Furthermore, with the Economic Rehabilitation Program, the OSCE initially successfully promoted economic confidence between South-Ossetia and Georgia, beginning in 2005.<sup>57</sup> In addition, after the Georgian war, the “joint incident prevention and response mechanisms” were agreed upon in the stabilization negotiations on the 18<sup>th</sup> of February, 2009, in Geneva. Their implementation has been started in late 2009.

Concerning the Nagorno-Karabakh issue, Armenia and the entity are willing to engage in confidence building, but demand an upgrade of their status in return. Azerbaijan refuses it for this reason. However, Baku has selectively implemented confidence-building measures: for example when a great fire, which initiated in Nagorno-Karabakh in 2006, spread to Azerbaijan and led to extensive damage there. For the right to an on-site inspection it also accepted escort personnel from the entity, which, however, was not allowed to be recognizable as such.<sup>58</sup> Baku is willing to postpone the status issue for the resolution of concrete factual issues. These selective events have not yet initiated a process. Should the Armenian and Azerian presidents come to an agreement on the Basic Principles of a settlement Baku in the context of the Minsk negotiations soon, such a process could begin as soon as next year, if Azerbaijan accepts Nagorno-Karabakh informally as a negotiation partner.

Moldova and Transnistria have agreed since 2001 on a catalogue of arms control and confidence-building measures in negotiations with support of the OSCE, Russia and the Ukraine. The catalogue was adopted in July of 2005 and contains, among others, proposals for transparency, demilitarization, the improvement of military contacts and co-operation in the case of natural disasters (OSCE 2005). Based on the CFE Treaty,

57 N.N., Economic Rehabilitation, in: [www.osce.org/georgia/22956.html](http://www.osce.org/georgia/22956.html) (20.8.2009).

58 Information by the author based on a conversation with an OSCE representative in Vienna on April 28, 2009.

Moldova provided information on its armed forces to Tiraspol as a confidence-building measure in 2005. Transnistria has not been willing to reciprocate so far. The OSCE mission in Moldova tried to initiate a renewed dialogue on the implementation of first measures excluding the status conflict at a seminar in Vienna from the 20th to the 22nd of June, 2009. Both sides discussed CSBMs for the first time and intend to continue the talks. As long as there is no stable government in Chisinau, the continuation remains uncertain.

In conclusion, it is important to record that in two of three territorial conflicts (Georgia and Moldova) proposals to exclude the status conflict exist, to enable military confidence building and arms control. Informal contacts between the central government and the entity are possible, however not in the third conflict. For Georgia, with the Geneva stabilization talks, a process is in place, for Moldova, the OSCE seminar from the summer of 2009 presents an approach, which could initiate such a process. However, in Georgia, a successful implementation of the agreed upon mechanism is still pending. Generally, understandings are reached on an informal or at most a politically binding basis. They are therefore fragile and only temporarily effective, as experience from the past has shown. The political will and the common interest in them are important prerequisites. Good personal relations foster them. Tensions which are too great on a local and higher level do not allow for such measures or lead to their termination. They rather have the function of a limited transitional regulation, which ultimately is supposed to promote a peaceful resolution of the status conflict.

The Russian president Medvedev announced further progress on August 26, 2009, at the Geneva stabilization talks.<sup>59</sup> This offer now stands to be tested. Should the Geneva stabilization mechanism be successful for Georgia, it is recommended to implement it as fully as possible at the contact line near Nagorno-Karabakh to reduce incidents. Furthermore, transparency concerning the weapons holdings in Nagorno-Karabakh has to be established, to better limit further armament. Finally, the OSCE should resume its seminars on military confidence building between Moldova and Transnistria, as soon as stable political conditions exist in Chisinau.

### **5.3 Recommendations for indirect measures in regional agreements**

The status of the negotiations for the resolution of the examined territorial conflicts does not allow for local confidence-building and arms control measures at the moment. At best, there is hope for it in the conflict over Nagorno-Karabakh. Respective measures under exclusion of the status question are also only possible to a limited extent. Quick progress can hardly be expected here. Therefore it makes sense to examine if and in which form existing regional agreements can contribute in a complementary form to military confidence building to stabilize the situation and prevent further conflicts, especially as in

59 N.N., Security measures in Caucasus insufficient – Medvedev, ITAR-TASS 26.8.2009, in: [www.itar-tass.com/eng/prnt.html?NewsID=14271534](http://www.itar-tass.com/eng/prnt.html?NewsID=14271534) (26.8.2009).

all conflicts in the case of military action the risk of escalation to the interstate level is likely. Political agreements like the Vienna Document can be adapted more quickly to security-political changes than legal agreements like the aCFE or the Open Skies Treaty, which have to be ratified anew by the parliaments. The analysis of the problems and chances in Chapter IV provides the basis for the following proposals.

It has to be the central goal to prevent a new war through the unresolved territorial conflicts. To that end, the repeal of the Russian suspension of the CFE and/or the quickest possible entry into force of the aCFE is imperative. On the one hand, the revival of conventional arms control would signal to Russia that its security interests are being taken seriously again. In connection with this, the accession of the new alliance members to the CFE regime should decrease Russian mistrust to NATO enlargement. It reduces the incentives for Moscow to instrument the territorial conflicts against the enlargement of the alliance. Furthermore, the entry into force of the aCFE will improve transparency, the number of inspections and their intrusiveness (see page 22). This strengthens the prevention of a new interstate war and the peaceful settlement of the territorial conflicts. It also opens up the possibility for an informal deal between Russia and the Western states. It is proposed that both sides impose greater restraint on themselves concerning arms and ammunition deliveries to states and entities, which are directly involved in territorial conflicts. All these states and, as far as existent, their entities, are only capable of greater belligerent action with external support. Both sides should hold open talks on this issue together with some Eastern-European states, to lower the risk of war. The UN Register on Conventional Arms, the resolutions of the OSCE and the UN concerning restraint in arms deliveries in the conflict over Nagorno-Karabakh as well as the OSCE principles of 1993 for conventional arms transfers should be respected more in the future.

In 1997 the alliance states also assured Russia in the NATO-Russia Founding Act that they would only expand the alliance politically to Eastern Europe, and not militarily. Russia is offering similar restraint for the regions Pskov and Kaliningrad. The Western countries have held to their commitment in this decade, save the bilateral deployment decisions of the USA. The new US government under President Obama has furthermore abandoned the deployment of the strategic missile defence in Poland and the Czech Republic. Therefore, the political pledge of the Western states not to deploy "substantial combat forces" there, should be substantiated in numbers under inclusion of the air forces soon and aligned with the different definitions concerning combat and combat support forces between Moscow and NATO.

It is suggested that the assurance of mutual restraint between NATO and Russia be extended to the six states in between (the Ukraine, Belarus, Georgia, Moldova, Armenia and Azerbaijan). For one, it would send a signal to these states that the two sides will not let themselves be instrumented militarily for the settlement of the territorial conflicts. It would reduce the risk of a new territorial conflict in the Ukraine (Crimea) and promote a political resolution. Furthermore, it could be used politically to fend off demands for a greater military engagement in Eastern Europe and the Caucasus in the NATO as well as in Russia. Russia has to practice greater restraint in the deployment of its troops in Abkhazia and South-Ossetia and should leave them in the aCFE. Due to the differing

positions concerning Georgia's sovereignty, the host state principle for foreign troops and the principle of free choice of alliance, there do not have to be a joint declaration on the numerical definition of the substantial combat forces. Based on its subjective point of view, any side can announce a definition, which has been agreed upon in the NATO-Russia Council beforehand. For reasons of stability, a low definition of the substantial combat forces is proposed, which, for the land forces, is roughly based on battalion strength and, for the air forces, is based on squadron size: 30 battle tanks, 30 armoured combat vehicles, 20 artillery systems and 12 combat aircraft and attack helicopters each.

Should the separate territorial flank restrictions of Russia and the Ukraine fall away in the future, the following substitute regulation is proposed, which takes the principle of reciprocity, favoured by Moscow, into account: Russia and the flank states should declare in a politically binding manner, that they will respect the military status quo after the abandonment of the restrictions, as long as no one changes it in a militarily significant way. Peaceful settlements of the territorial conflicts should be exempted, as they can change the status quo.

Additionally, a border regime of confidence building is proposed for all flank states, including the disputed flank parts in Russia and the Ukraine.<sup>60</sup> In a border zone of 50-70 km on each side military activities of the land and air forces and an elevation of the concentration of forces is normally prohibited. This is supposed prevent destabilizing troop concentrations and movements near the border. The zone can also be extended to other states (the Baltic States) which share a border with Russia. It is so narrow because several flank states do not want to become a special arms control zone due to their (small) size. As far as military activities take place, they have to be notified in advance and observed starting at battalion strength (700-900 men), whereas the inspecting state has to bear the costs. Special rules for exclaves, in the case of terrorist attacks and for natural disasters are possible. To limit the costs and the effort, such observation rights can extend to the direct neighbour states and two external countries. The reports on such observer missions are open to all members of the treaty. The strength of the forces in this zone can be consensually changed.

The zone agreement for Moldova, Armenia and Azerbaijan should not create any problems, because Transnistria and Nagorno-Karabakh are not internationally recognized. Georgia presents another case due to the disputed Russian recognition of Abkhazia and South-Ossetia. The Georgian-Russian border would have to be exempted until the disputed status has been resolved. Alternatively, the Geneva stabilization process and the EUMM can create confidence here. For Transnistria the situation would improve, because it lies completely within the zone. Nagorno-Karabakh, however, lies far outside of it, but the Lachin-Corridor from Armenia to Nagorno-Karabakh is part of the zone. This can aid a security solution in the conflict settlement. The Turkish-Armenian normalization process is also promoted, as Armenia would receive more transparency and calcula-

60 This proposal is based on an idea by Wolfgang Richter (Richter 2009: 343).

bility on Turkish troop movements on its southern border. Armenia is worried over the high concentration of Turkish troops vis-à-vis Iran, Syria and Iraq, as these troops do not fall under the CFE rules and are only a few hours away from the border.<sup>61</sup> The border regime of confidence building can thus support the peaceful settlement of the territorial conflicts. For Moscow, this agreement should be acceptable, as it accepted a similar agreement with the Russian-Chinese Treaty to strengthen military confidence in the border regions on April 24, 1996.<sup>62</sup>

The Vienna Document can also be improved for more transparency and the decrease of tensions. To begin with, all states with territorial conflicts should take part in the annual exchange of information on defence planning. If the parties to the conflict are willing to decrease tensions in crises, there are sufficient voluntary measures in the document and the catalogue for stabilizing measures in local crisis situations. More important are the instruments for the situation, where tensions cannot easily be defused, as for example before the Georgian war. One is the increase of the number of inspections, to diminish the annual run on them. Their number should be increased by two per year and country. Their use should be linked to a special explanatory statement, which should be disclosed to all OSCE members.<sup>63</sup> To rein in the costs for the affected states, the inspecting states carry them. This increases the probability that inspections are still available in a crisis.

Furthermore, the thresholds for the notification and observation of military activities should be lowered, so that more military activities become open to transparency and the number of observation visits increases. Since the end of the Cold War, the number of states in Europe has risen significantly. These are mainly small countries. Their security needs have not been given enough consideration in confidence building. Notification should hence be obligatory starting at brigade size and subject to observation even below division size. This would mean that every activity would have to be notified not starting at 9,000 men but already at a size of 3,000 men and an observation would be possible at 6,000 and not at 13,000 soldiers. With 56 OSCE states and two observers for each country, a group of over a hundred would have to be accommodated every time. This would be too expensive and could hardly be shouldered by the poorer states. Therefore, the costs of the inspections have to be borne by the inspecting states and the number of observers reduced. The number of observers could be limited to the neighbour states and two external countries. States, which invite to smaller military activities voluntarily, act in a similar manner. Large manoeuvres and troop concentrations in the Caucasus would become more transparent again and could not be as easily utilized to threaten or exert pressure. These improvements can only be employed in crisis situations, if simultaneously the politically motivated restrictions in the regions against inspection and observation mis-

61 Information by the author from a conversation with an Armenian OSCE delegate in Vienna on April 29, 2009.

62 For details see: [www.scosummit2006.org/zyw/2006-04/20/content\\_287.htm](http://www.scosummit2006.org/zyw/2006-04/20/content_287.htm) (11.9.2009).

63 This idea stems from a discussion with an employee of the German Foreign Office.

sions are significantly reduced and the force majeure clause is not misused for other political aims. This has to be combined with an improved protection of the inspectors.

A further improvement of the observation possibility could be attained through the accession of Moldova, Armenia and Azerbaijan to the Open Skies Treaty, whereas this would require further incentives and aids in the case of Armenia and Moldova. All these states could prove by their accession, that they attribute greater importance to military confidence building and arms control. In addition, the preamble of the Open Skies Treaty contains the possibility of further develop the regime for its use in crises.

If police forces are equipped with heavy arms to take advantage of loopholes in cease-fire agreements for example, measures for crisis stabilization can quickly be jeopardized. For this reason the EU monitoring mission in Georgia included the Georgian police in certain restrictions at the administrative borders of Abkhazia and South Ossetia. The equipment of the police with heavy arms, which are CFE-related or -relevant, should become subject to notification and reporting. Systematically, the aCFE treaty would be the right place for such a regulation, especially since it already stipulates that heavy arms of the forces for internal security have to be reported and the data updated every three months. It could be realized more quickly in the Vienna Document, in spite of its unit-based approach, if the Forum for Security Co-operation can agree upon it. In addition, the states with territorial conflicts should finally present annual reports on their defence planning in accordance with the Vienna Document, to make it more transparent. To date only Armenia (1995, 1996) and Georgia (2007) have presented sporadic reports. The other OSCE states can support this through additional advice and assistance in the area of long-term planning. The proposed measures show that regional arms control can currently make the greatest contribution to prevent a further armed conflict in territorial conflicts, at least on an interstate level. They can lower the risk, but not eliminate it, as long as the conflicts last.

## **6. Final conclusions**

The Georgian war represents a break. It demonstrates the failure of a policy, which, after the end of the Cold War and during the Bush administration, favoured unilateralism and military strength over co-operation to resolve the issue of sovereignty in a territorial conflict. This led to the result that today Georgia is farther from regaining its territorial integrity than ever before. During the build-up, arms control provided many warning signs that this conflict could escalate: the exorbitant augmentation of the defence budget under Saakashvili beginning in 2004, the drastic increase in arms imports (UN Register on Conventional Arms) in connection with the massive upgrading of the armed forces (CFE exchange of information) as well as the increase in military activities, attributable to all parties to the conflict, which heightened the tensions. But the chances of arms control were not taken seriously enough by the central actors, just as the permanent on-site inspections and the attempts at confidence building through the UN and OSCE missions. The instrument of arms control was further weakened through the linkage with the sovereignty issue of Geor-

gia and Moldova and the continuing NATO enlargement, without being integrated into arms control. This intensified the tensions between the Western states and Russia and contributed to the suspension of the CFE Treaty by Moscow. Should this be changed, conventional arms control has to be revived, politically strengthened and refocused on its central goals.

Arms control and military confidence building serve the purpose of war prevention and crisis stabilization. Both instruments cannot completely prevent a war, but reduce the risk of it through more transparency and predictability and thus indirectly promote a peaceful settlement of territorial conflicts. Regional arms control and military confidence building can act as a complement to the armistice commissions, peace-keeping troops and international observers permanently operating on the ground and hopefully strengthen their stabilizing effect. Local arms control and confidence-building measures can informally resolve practical security problems between the central state and the entity, if both sides exclude the currently not solvable status conflict. At the same time, they can effectively support the settlement of a territorial conflict in the implementation phase as part of a formal political regulatory concept.

As no regulatory concept is in place for the territorial conflicts examined here, this last function is not applicable here at the moment. Only for Nagorno-Karabakh there is hope that a compromise could soon be reached on basis of the Basic Principles. It is imperative, because the arms race continues there even after the Georgian war and a permanent international observer mission between the conflict parties does not exist. Should an agreement be reached, local measures of arms control and confidence building will constitute an important element. As the consultations on this issue are confidential, they cannot be discussed here.

Informal local measures of arms control and military confidence building are fragile and only present a temporary solution until the final settlement of the conflict. In the case of Georgia, they depend on good relations between Russia and the EU, supported by the improved relations between Washington and Moscow. This could stabilize the conflict, but a settlement of the status conflict is still a distant prospect. Furthermore, Russia is making the assignment of international observers in South-Ossetia and Abkhazia contingent upon the international recognition of the entities. In Moldova, a double shift is imminent, without a settlement of the status conflict being at hand. The communist party of Moldova is losing power to more Western-oriented parties and Moldova and the Western states want to replace the Russian peace-keeping forces with unarmed OSCE observers. This could heighten tensions between Russia and Transnistria on the one hand and Moldova on the other hand. Therefore, the talks on informal local measures and military confidence building initiated by the OSCE mission could be helpful in preventing a deterioration of the security situation. As long as a stable government is not in place in Moldova, this will hardly be possible.

Due to these problems on the ground, regional arms control also remains essential. Its revival is important to commit the external actors involved in these conflicts to a diplomatic settlement of the status conflict. Their strengthening is linked to the entry into force of the aCFE – in whichever form. It also improves war prevention and crisis stabilization

for these conflicts and reduces the incentives for a military intervention by Moscow. At the same time, the existing arms control regimes should be tailored more closely to the current security risks and possible crises, without altering them too much. The proposals presented here are based on the military status quo. They are primarily aimed at the prevention of conflicts and the stabilization of crises and, hence, are linked to additional substantiations and costs for the inspecting states. In addition, information and co-operation between inspecting states and the international OSCE missions on the ground should be improved, especially in crises, to coordinate and strengthen the stabilization efforts. These measures increase the hurdles for the use of military force and create a better basis for the peaceful settlement of the status conflicts, however do not replace it.

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