

POLICY RECOMMENDATIONS

Study Group Regional Stability in the South Caucasus (RSSC SG)

“Regional Cooperation for Sustainable Development in the South Caucasus”

31st RSSC SG Workshop

“Regional Stability in the South Caucasus (RSSC SG)”

1–4 July 2026,

Heraklion, Crete, Greece

PfP Consortium of Defense
Academies and Security
Studies Institutes



Executive Summary of Recommendations

- Armenia and Azerbaijan: Coordinate strategic communication efforts to increase public confidence and create a coherent narrative that reinforces rather than undermines the peace process.
- South Caucasus (SC) states/International partners: Establish a Permanent Track 1.5 South Caucasus Connectivity Forum to coordinate infrastructure, transport, and customs, creating resilient foundations for regional connectivity.
- SC states/International partners: Co-fund a Trilateral Water Quality Monitoring Network as conflict-prevention infrastructure to provide essential data for all adaptation investments related to trans-boundary water management.
- SC states: Create a South Caucasus Climate Resilience Platform, as an operational basis for regional climate diplomacy for shared data infrastructure, cross-border resource coordination, and climate-resilient housing.
- SC states: Launch a South Caucasus “Erasmus Programme” for universities to foster a new generation of professionals with regional networks as a resilience pillar of broader regional cooperation.
- Armenia and Türkiye should prioritise the normalisation of their relations for a sustainable regional development.

Situational Overview

The South Caucasus stands at a pivotal juncture, shaped by the gradual but uncertain Armenia-Azerbaijan peace process, the spillover risks of the Iran war and the wars in the Middle East, Georgia’s deepening domestic polarisation, and the mounting demographic and climate pressures. Following Prime Minister Pashinyan’s victory in the June 2026 parliamentary elections, Armenia’s government has continued its peace-process trajectory but lacks the two-thirds majority needed for the constitutional amendments Azerbaijan requires before signing a final peace agreement. The Trump Route for International Peace and Prosperity (TRIPP) initiative, announced at the Washington Summit in August 2025, has produced tangible results, such as resumed transit of goods through Azerbaijan, prisoner releases, and the TRIPP Implementation Framework (TIF) signed in June 2026. Meanwhile, Russia continues to weaponise economic dependence to maintain leverage over Armenia’s strategic orientation.

The current wars (Iran, Ukraine) have increased regional vulnerability, disrupted international trade routes and raised concerns about energy security and the availability of alternative Eurasian corridors through the Caspian and Black Seas. Meanwhile, Georgia, as the sole operational gateway for the Middle Corridor, has seen cargo volumes quadruple since 2022, which may not be sustained with the emergence of an alternative route upon the implementation of TRIPP. At the diplomatic level, Georgia’s suspension of EU accession negotiations and crackdown on democratic norms have strained relations with its Western partners.

Long-term stability is further threatened by declining birth rates, persistent “brain drain,” or climate-induced stressors, particularly around shared water resources that demand

regional cooperation. Against the backdrop of geopolitical restructuring, Euro-Atlantic actors (such as NATO, EU, OSCE) remain essential in supporting trilateral mechanisms, infrastructure development, environmental governance, and civil society dialogue.

Policy Recommendations:

I. The Armenia-Azerbaijan Peace Process: Maintaining Momentum and Enhancing its Communication

To Media in Armenia and Azerbaijan

- **Enhance positive and balanced messaging** that highlights verified progress on the implementation of the peace process, while maintaining accountability for unmet commitments or violations. Since mutual distrust remains high and public narratives often emphasise confrontation, carefully highlighting constructive actions by each party can create a virtuous cycle of recognition, encouraging further cooperation and strengthening confidence-building.

To the Governments of Armenia and Azerbaijan

- **Run coordinated strategic communication efforts** to promote balanced messaging and create a coherent narrative that reinforces rather than undermines the peace process. Such messaging would explain the practical benefits, limits, and risks of regional cooperation to their societies. Managing expectations is vital for building sustainable domestic support.
- **Expand, deepen, and institutionalise civil society dialogue and exchanges** to gradually reduce entrenched mutual distrust. Unless the social and cognitive dimensions of the conflict are addressed, formal agreements may remain vulnerable to political shocks and public resistance in both societies. These platforms should be designed to sustain humanitarian and expert-level dialogues and maintain a baseline of trust even when high-level political negotiations might stall.

II. Regional Connectivity, Customs Interoperability, and Infrastructure Coordination

To Armenia and Azerbaijan

- **Prioritise limited, directly verifiable operational cooperation** and enhance transparency over their achievements. Priority areas include demining transparency,

infrastructure safety notifications, and emergency response coordination. Concrete deliverables, such as fuel shipments, reopened flights, and detainee releases, are more persuasive to sceptical populations than assurances of goodwill. Maintaining active communication channels prevents escalation arising from ongoing complex relations even if the peace agreement remains unsigned.

To Armenia's Government

- **Reduce structural and systemic vulnerabilities** that could be leveraged by external actors to exert pressure. Priority areas include diversifying energy and economic partnerships, developing independent data collection and strategic monitoring systems, and strengthening independent early-warning and strategic communication capacities.



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To All South Caucasus States

- **Establish a permanent Track 1.5 South Caucasus Connectivity Forum** facilitated by international partners (EU, US, and others) to coordinate long-term infrastructure, transport, and customs priorities across the three states. Its mandate would include cross-border regulatory standardisation, digital customs harmonisation, and multi-modal logistics' coordination, with parallel Track II engagement on sensitive economic issues. By operating independently of political negotiations, such a forum would create resilient foundations for regional connectivity even during political delays.
- **Develop joint contingency plans for geopolitical shocks and critical infrastructure protection**, including maintaining trade and energy flows, and safeguarding regional stability against external shocks. Measures should include supply chain diversification, border management in emergency situations,

and a regional hotline to prevent miscalculation during crises. These plans could be supported both politically and financially by the Euro-Atlantic community to ensure trans-boundary resilience in less politically sensitive areas.

To International and Euro-Atlantic Stakeholders

- **Support inclusive dialogue** and broaden the participation of political and societal groups in Armenia and Azerbaijan, fostering cross-stakeholder understanding about the benefits of regional normalisation and connectivity. These efforts would make the peace process more resilient to domestic political changes.



Photo: BMLV/NDA/Christoph BILBAN

- **Advance South Caucasus regional connectivity through strategic investment and complementary initiatives** by prioritising practical, high-impact areas including transport connectivity, border management, energy transit, trade facilitation, customs harmonisation, and disaster-risk reduction management. This endeavour requires strategic investment to support the development of the Trans-Caspian International Transport Route (TITR), including the implementation of the Black Sea Submarine Electricity Cable, digital infrastructure projects, and modernisation of regional transport networks.

III. Climate Resilience, Water Management, and Environmental Cooperation

To Armenia, Azerbaijan and Georgia

- **Identify issues requiring continued regional cooperation, regardless of the peace process trajectory**, such as environmental protection, disaster response, and certain transport facilitation which require continued cooperation even if the broader peace process stalls.
- **Expand expert and technical cooperation interfaces on trans-boundary water management** concerning shared water resources, elevating both water management and demographic forecasting on the political agenda. The OSCE could offer its good offices to facilitate dialogue at both expert and policy levels. In addition, the RSSC SG of the PfP Consortium could collaborate with the OSCE to coordinate activities and convene experts.
- **Explore Georgia's potential role as a technical facilitator for Armenian-Azerbaijani water cooperation** drawing on the practical experience of irrigation-cooperation from the Ergneti IPRM/technical meeting format. This role should be limited and technical in nature, and should not involve political interference. Furthermore, it should leverage the good relations and interoperability that Georgia enjoys with both Armenia and Azerbaijan.
- **Ensure community-level decision-making authority in water and environmental projects.** Refugee representatives and water-user associations should have formal decision-making power, not just consultative roles. They should have substantive control and a voice over locally sited projects affecting their livelihoods and resources.

To All South Caucasus States and Relevant International Stakeholders

- **Establish a South Caucasus Climate Resilience Platform**, as soon as possible, to serve as the operational basis for regional climate diplomacy, by integrating three core functions: shared data infrastructure, cross-border resource coordination and a fund for the integration of displaced people. This fund would channel dedicated funding for climate-resilient housing supporting displaced populations.
- **Co-fund a Trilateral Water Quality Monitoring Network.** This network must receive dedicated donor designation outside standard budget lines. It should be designed as conflict-prevention infrastructure, not technical assistance. Without monitoring, all other adaptation investments proceed on blind assumptions about water usability.
- **Establish a South Caucasus Civil Protection Mechanism for disaster and humanitarian coordination.** Natural disasters and refugee flows do not recognise political borders, requiring rapid regional coordination. The three states, with technical support from the EU and NATO, should establish a common civil protection mechanism encompassing floods, earthquakes,

wildfires, industrial accidents, and external refugee flows toward the region. The mechanism should include joint humanitarian and border security protocols, humanitarian logistics coordination with UN-affiliated agencies, and coordinated communication to prevent external developments from triggering accidental escalation among South Caucasian neighbours.

IV. Demographic Security, Education and Human Capital Mobility

To Armenia, Azerbaijan and Georgia

- **Convene a trilateral forum on demographic security, human resilience and “brain circulation”** to facilitate regional policy exchanges with the aim of transforming “brain drain” into “brain circulation” across the South Caucasus.
- **Establish a South Caucasus “Erasmus Programme”** among regional universities to cultivate a new generation of professionals with regional networks that transcend political boundaries.
- **Establish academic/research connectivity and mobility** as a resilience pillar of regional connectivity. Higher-education and research cooperation including academic mobility can foster trust and thus enhance resilience in the field of regional connectivity.

V. Energy Security and Diversification

To Armenia, Azerbaijan and Georgia

- **Diversify domestic energy sources, create resilient regional interconnections and pursue national self-sufficiency.** Regional energy interconnection should increase resilience and avoid creating fixed dependencies through shared energy assets, so that energy imports remain complementary rather than foundational.

VI. Euro-Atlantic Engagement: Security and Regional Stability

To Armenia and Azerbaijan

- **Strengthen confidence building mechanisms.** Establish permanent direct communication between security and defence institutions to build confidence and reduce miscalculation risks.

- **Support the development of a regional security mechanism in the South Caucasus.** Beyond a peace agreement, the development of an integrated regional transport and energy network will require cooperative mechanisms to ensure the security of critical corridors and strategic infrastructure.

To the EU, the USA and Georgia

- **Safeguard trilateral cohesion by stabilising the Georgia-West dialogue.** Stable, predictable relations between Tbilisi and Western institutions are a critical prerequisite for wider South Caucasus integration. The EU and the U.S. should maintain sustained, constructive diplomatic engagement with Georgia to preserve its regulatory compatibility with EU markets, as any prolonged deterioration directly undermines transit viability, donor confidence, and the logistical security of the broader Black Sea-Caucasus-Caspian Sea connectivity architecture.



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These policy recommendations reflect the findings of the 31st RSSC workshop on “Regional Cooperation for Sustainable Development in the South Caucasus,” convened by the PfP Consortium Study Group “Regional Stability in the South Caucasus” in Heraklion, Crete, Greece, 1–4 July 2026; as well as the Online Round Table held on March 13, 2026. They were prepared by Dr. Elena Mandalenakis, Dr. George Niculescu and Christoph Bilban on the basis of the proposals submitted by the participants. Valuable support in proofreading and layout came from Agathe Formanek (Austrian National Defence Academy, Vienna).