



SOUTH CAUCASUS

# Global, geopolitical and security significance



GEOPOL21 AND TOPCHUBASHOV  
CENTER JOINT REPORT

SOUTH CAUCASUS: GLOBAL, GEOPOLITICAL AND SECURITY SIGNIFICANCE  
GEOPOL21 AND TOPCHUBASHOV CENTER JOINT REPORT

Editors



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# introduction

**W**hile occupying a small area on the world map, the South Caucasus has traditionally played a crucial role in regional geopolitics. The region's unique location at the crossroads of Asia, Europe and the Middle East has attracted interest, much bigger than its geographical size, from neighbouring and external powers.

For the international system the South Caucasus has acquired a special value since the collapse of the Soviet Union and (re)introduction of the significant oil and gas deposits of Azerbaijan and Central Asia to the world market. Since the early 1990s, the region has witnessed the transition of post-Soviet economies and related challenges, domestic instability and civil wars, bloody secessionist conflicts with their long-lasting effects (breakaway territories, displacement of hundreds of thousands of people, ghost towns) and other fateful episodes in its history. Despite the fragmentation and differences in their internal dynamics and foreign policy priorities, the three South Caucasus nations, Armenia, Azerbaijan, and Georgia, have managed to occasionally make headlines in international media.

The region has in recent years regained relevance due to the Second Karabakh War and its geopolitical repercussions, Russia's invasion of Ukraine, and the (re)emerging opportunities for energy and connectivity mega-projects.

The South Caucasus offers not only a rich **history**, but also a colourful **ethno-linguistic and religious landscape**. The informative chapter by **Shujaat Ahmadzada** and **Marcos Márquez** on the turbulent past of the South Caucasus serves as an introduction to the further analysis and understanding of the region's present day and perhaps tomorrow.

Bordering Russia to the north, Türkiye to the west, Iran to the south and with the European Union and the United States further afield, **the South Caucasus is a region at the centre of Eurasian geopolitics**. All the players named above have differing vested interests in the region, as **Simona Scotti**, **Mikel Viteri** and **Marcos Márquez** discuss in the second chapter covering regional geopolitics.

The South Caucasus' strategic value, both to the regional countries and foreign nations, lies in its **energy resources** and its **geographical location**. Energy-rich Azerbaijan produces both oil and natural gas that it exports abroad, while Georgia provides the link westwards as a transit point. Both countries are becoming focal transit nations between China, Central Asia and Europe through the **Middle Corridor**. At a time of instability in the world's energy supply as a result of the Russian invasion of Ukraine, the South Caucasus has emerged as a key player, becoming a source of energy resources as well as a transit corridor, as **Mahammad Mammadov**, **Murad Muradov** and **Guillermo Revilla** explore in the third chapter.

**Security** is a major component of the region's politics. The Azerbaijani-Armenian **conflict**, including the dispute over the Karabakh region, has flared up on numerous occasions since before the collapse of the USSR. Each of the countries has different military capabilities and security partners, with Türkiye's support of Azerbaijan in the latest episode of the war reflecting how an issue between neighbours has border implications. This, along with the Ukrainian war's influence in the region, is covered by **Rusif Huseynov**, **Jacobo Morillo** and **Murad Muradov**.

One of the parties that has more closely interacted with Armenia, Azerbaijan and Georgia has been the **European Union**. Azerbaijan has been already providing gas, albeit in modest amounts, to Europe through different pipeline systems crossing Azerbaijan, Georgia and Türkiye before reaching the EU territory, prior to the Russian invasion of Ukraine. However, the war has boosted European demand for Azerbaijani gas. Oil is yet another, more traditional, commodity exported by Azerbaijan to the EU. But Brussels' role in the South Caucasus is not limited to its interests in the Caspian energy resources. The EU has also been engaged as a force for good mediating between Armenia and Azerbaijan. **Shujaat Ahmadzada** and **Ricardo Gómez** write about the relations between the EU and the Caucasus.

The last chapter, prepared by **Marcos Márquez**, **Murad Muradov** and **Simona Scotti**, is dedicated to the Spanish interests in the region and reflects **Spain's** political and economic relations with Armenia, Azerbaijan and Georgia.

The South Caucasus has become a key region whose influence and impact is felt beyond the borders of Armenia, Azerbaijan and Georgia. Despite the ongoing conflict between Armenians and Azerbaijanis, and the changing political scene in Georgia, the region's geopolitical importance stands out amid an unstable international situation. This is why our two centres decided to design this report in the hope of making the Spanish public better aware of the political realities of South Caucasus and drawing bridges between the two distant ends of Europe.

The South Caucasus has become a key region whose influence and impact is felt beyond the borders of Armenia, Azerbaijan and Georgia.



# chapter 1

## A Brief History of the Caucasus

Shujaat Ahmadzada and Marcos Márquez Blanco

The word Caucasus, which refers to a region roughly the size of California, is thought to have been derived from the Scythian *Croucasis*<sup>1</sup>, which is said to mean “shimmering with the snow.” Some sources, however, claim that *Caucas*<sup>2</sup>, the son of the Biblical Togarmah, is the originator of this name. Debates about the etymological root of the region’s name aside, in a more commonly used sense, the term Caucasus is used to describe areas

What makes the Caucasus fascinating is not only the enormous variety of ecosystems and landscapes, but also its more than a hundred ethnic groups creating a rich cultural and linguistic mosaic

between the Black Sea and the Caspian Sea. What some people call the bridge between Europe and Asia can be bifurcated into two parts: 1) The North Caucasus, which consists of autonomous republics that belong to the Russian Federation; and 2) The South Caucasus, which comprises three independent states, namely Armenia, Azerbaijan and Georgia.

What makes the Caucasus fascinating is not only the enormous variety of ecosystems and landscapes, but also its more than a hundred ethnic groups<sup>3</sup>,

each with its own unique language and culture, creating a rich cultural and linguistic mosaic. To be more specific, Turkic peoples - of which Azerbaijanis make up the majority - have a demographic preponderance across the whole Caucasus. The northern part, to be more specific, is home to more than 40 different ethnic groups which mainly speak various languages belonging to Caucasian language families (Northeast Caucasian and Northwest Caucasian). The Georgian language, which belongs to the Kartvelian language family, is spoken in the greater part of Georgia. Among the Indo-European peoples, Armenians have a demographic advantage in the Caucasus. As far as Iranian peoples are concerned, they mainly live in Azerbaijan

(Talyshs, Kurds, Tats), albeit the Ossetian language spoken in Georgia and Russia does also belong to this language family. The region’s historical past made Russian *lingua franca* for many, although it is losing its significance since the number of individuals in the South Caucasus who are fluent speakers of Russian is continuously declining, mostly for political reasons<sup>4</sup>.

As diverse as the region’s ethno-linguistic mosaic is its religious variegation. The region has had a long history of Zoroastrianism, and its pagan past is still practised today. The oldest churches in the world were founded in the South Caucasus as a result of the expansion of Christianity. Everyday followers of the Armenian Apostolic Church, the Georgian Orthodox Church and the Caucasian Albanian Apostolic Church are Armenians, Georgians, and Udis, respectively. The majority of the population in the Caucasus, however, adheres to Islam. While most of the North Caucasian peoples follow the Sunni branch of Islam, Azerbaijanis are believers in Shia Islam. As for Judaism, Jewish communities have lived in the region for over a thousand years. For example, Azerbaijan is home to the only *shtetl* - Jewish town - outside of Israel<sup>5</sup>. But such strict religious categorization can be misleading on many levels since many people do not practise the religion on a daily basis. Muslim Azerbaijanis are thought to be the most secular Muslims in the world<sup>6</sup>, with Islam playing little to no role in the Azerbaijani identity.

The history of the Caucasus is complicated. The favourable geographic location of the region has always attracted external attention, which sometimes brought only havoc and misery to the local populace. Romans, Sassanids, Arabs, Seljuks, Mongols, Ottomans and many others had their presence in this region. Some groups used these external quagmires to strengthen their statehood, others lost whatever statehood they had. Therefore, the peoples of this region have historically alternated between *vassalage* and *autonomy*.

Perhaps, two regional rivalries have to be mentioned specifically when discussing the historical development path of the Caucasian peoples. The Ottoman-Safavid rivalry, which lasted from the 16th through the 18th century, was the first of them. The region’s cultural development was significantly impacted by this protracted conflict between two Muslim empires, which also served to further intensify the region’s fragmentation. The second occurred when, starting in the 19th century, the Russian Empire invaded the whole Caucasus after defeating the depleted Ottomans and started a period of Iranian-Russian colonialism, which lasted until the end of the First World War and substantially impacted the region’s ethnic and cultural mosaic and exploited its natural resources extensively.

Armenians, Azerbaijanis, and Georgians, fed up with the colonial exploitation, seized the chance presented by the disintegration of Tsarist Russia in 1918 to establish their first na-

4 Ibid.

5 The Jerusalem Post, “A Real Life Shtetl in 2021 Azerbaijan”, June 22, 2021, Available at <https://jerusalem.post.podbean.com/e/a-real-life-shtetl-in-2021-azerbaijan-jewish-victoria-uncovered/>

6 Crabtree, S. and Pelham, B., “What Alabamians and Iranians have in common”, *Gallup*, February 9, 2021, Available at <https://news.gallup.com/poll/114211/alabamians-iranians-common.aspx>

1 Pliny the Elder, *Natural History*, vi (19).50

2 Anchabadze, G., *The Vainakhs: the Chechen and Ingush*, (Tbilisi: Caucasian House, 2001-2009)

3 Coene, F., *The Caucasus: An Introduction*. (New York: Routledge, 2011)

tion-states: Armenia, Azerbaijan, and Georgia respectively. Despite lack of power, these states were fairly progressive in terms of their values and had democratic, secular governments. For instance, even before many Western nations, in 1918 the Azerbaijani Republic was the first nation in the Muslim world to offer women the right to vote<sup>7</sup>. But without military might and diplomatic backing, these governments quickly lost their independence and were overrun by the Bolsheviks in 1920–1921.

For most of the 20th century, the South Caucasus was part of the Soviet Union. Undoubtedly, during the Soviet period, there were occurrences that helped all three countries to advance their development, but it should be recalled that the repressions under Stalin's rule resulted

The favourable geographic location of the region has always attracted external attention, which sometimes brought only havoc and misery to the local populace.

in the deaths of thousands of innocent people and left all three countries with significant traumas. In order to defend the South Caucasus, which was among the priorities of the German troops during the Second World War due to its strategic location and Azerbaijani oil, hundreds of thousands of people lost their lives.

In the mid-1980s, the Soviet state, which began to crumble due to systemic corruption, economic decline and mismanagement, laid the foundation for a bloody and turbulent period for the region.

In 1990, Soviet authorities reacted to the demands of peaceful protesters striving for more democratic governance by committing gruesome massacres in Baku and Tbilisi. These coercive methods, however, did not work and all the three states were able to regain their independence in 1991.

The South Caucasus states experienced extreme difficulties during their early years of independence. Abkhazia and South Ossetia, two separatist entities, were established on Georgian territory while that country was engulfed in a civil war. An all-out war broke out between Armenia and Azerbaijan over Karabakh, resulting in the forced displacement of around a million people from the occupied Azerbaijani territories.

The second round of the conflict embraced Georgia in 2008; this time, Russia engaged militarily, invaded Georgia's two separatist areas, and recognised the independence of the quasi-states there.

In 2020, a new conflict between Armenia and Azerbaijan broke out as a result of the 26-year peace negotiations' failure. Azerbaijan was able to retake control of the majority of its occupied areas, but Russian peacekeeping forces were deployed in a tiny part of Karabakh that constitutes 3.7% of the Azerbaijani territory.

<sup>7</sup> Kazimzadeh, F., *The Struggle for Transcaucasia: 1917-1921*. (Oxford: G. Ronald, 1951) p. 124



The map of the South Caucasus in 1994 (Source: The U.S. State Department)

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## chapter 2

# Geopolitical Landscape of the South Caucasus

Simona Scotti, Marcos Márquez Blanco and Mikel Viteri

For the past few centuries, regional and global powers have struggled to gain influence or maintain their hegemonic role over the South Caucasus. Considered as a gateway between Europe and Asia, the region has long been at the centre of regional and international interests. Indeed, thanks to its geostrategic position, it became an economic and logistics hub, and its role as a buffer zone between regional powers has marked its geopolitical relevance. Today, the South Caucasus still represents a key region in geopolitics, not only because of its military and strategic relevance, but also because of its relations with the European Union and its role as energy provider of the Old Continent. Given the geostrategic importance of the region, a series of actors are increasingly engaged in the South Caucasus, and the region often found itself in a chessboard of both conflicting and shared interests of big powers.



South Caucasus and three of the powers on the ground (Source: Topchubashov Center)

### ■ The Regional Powers in the South Caucasus

Since the fall of the Soviet Union, three regional powers have been exerting power over the region - the **Russian Federation**, **Türkiye** and **Iran**, all of which share an imperial past.

#### RUSSIA

While after the fall of the Soviet Union the influence of Russia over the South Caucasus was deemed to be reducing, the electoral victory of Vladimir Putin in 2000 marked the beginning of policies aimed at restoring and maintaining Russia's sphere of influence in the region, as well as at holding back Western influence in what has long been considered Russia's backyard. These goals have been pursued through the **Commonwealth of Independent States (CIS)**, the **Collective Security Treaty Organization (CSTO)** and **Eurasian Economic Union (EAEU)**.

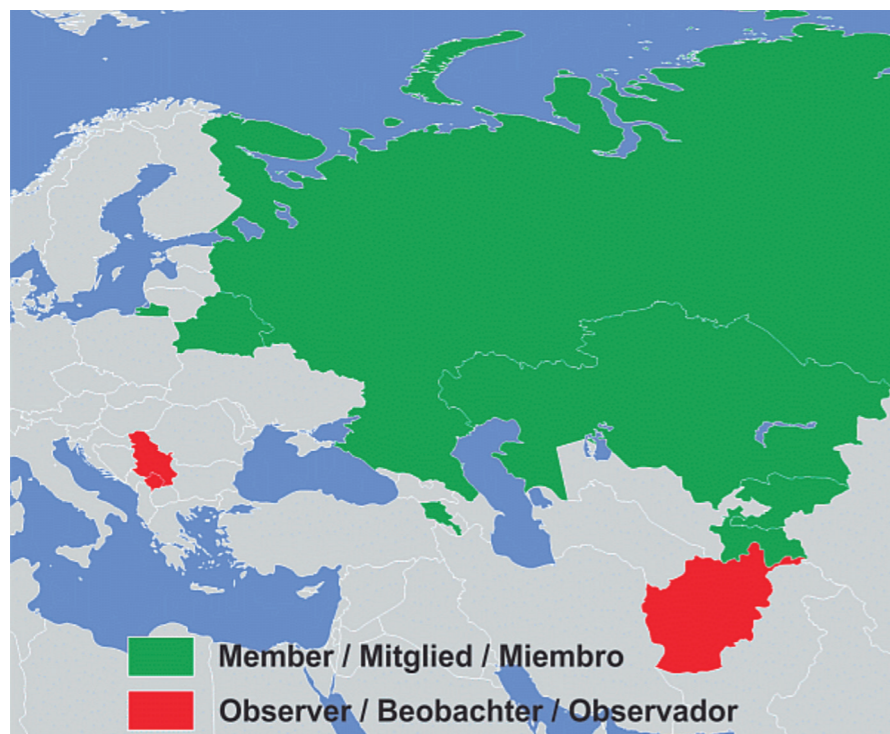
The **CIS**, established after the dissolution of the USSR, is a regional organisation aimed at boosting cooperation in political, economical and military spheres. It originally included all the countries that were part of the Soviet Union with the exception of the Baltics, but Georgia withdrew its membership in 2008 after Russia's occupation of Abkhazia and South Ossetia, while Ukraine left the organisation in 2018.

The **EAEU** is an economic union established in 2014, effectively replacing the Eurasian Economic Community. Its ambitious goal is to create a common market modelled after the European Union by encouraging Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia to facilitate the free movement of goods and services among the member states. This is intended to be achieved through the coordination of economic policy, the harmonisation of regulations, the elimination of non-tariff trade barriers, and the modernization of the economies of its five member states. However, the current state of its technocratic infrastructure, the lack of horizontal interactions and Russia's unpredictable and aggressive behaviour do not provide for the progress towards a more sophisticated economic union.

Regional security cooperation is assumed by the **CSTO**, a military alliance which, since 1992, has aimed to protect the integrity, independence and sovereignty of its members, as defined by the Article 3 of the founding treaty<sup>8</sup>. Often referred to as the Eurasian analogue of NATO, the CSTO has its key fourth article establishing that an aggression against one signatory would be perceived as an aggression against the whole bloc. The CSTO member-states include Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan, while Azerbaijan, Georgia and Uzbekistan did not join the organisation, focusing instead on the strengthening of their cooperation within the framework of GUAM<sup>9</sup>.

<sup>8</sup> Collective Security Treaty Organization, "COLLECTIVE SECURITY TREATY, dated May 15, 1992" Available at: [https://en.odkb-csto.org/documents/documents/dogovor\\_o\\_kollektivnoy\\_bezopasnosti/#loaded](https://en.odkb-csto.org/documents/documents/dogovor_o_kollektivnoy_bezopasnosti/#loaded)

<sup>9</sup> The GUAM Organization for Democracy and Economic Development is a regional organisation established by Georgia, Ukraine, Azerbaijan, and Moldova, with the aim to counterbalance the Russian influence in the region.



CSTO member and observer countries (Source: Geo-Ref)

Some significant recent developments within the CSTO are related to events that took place in 2022, namely the protests in Kazakhstan in January and the Armenian-Azerbaijani escalation in September. While in both cases the involved countries demanded military intervention appealing to Article 4 of the CSTO Treaty, the responses of the organisation, and especially of Russia, substantially differed. Indeed, while Russia promptly deployed joint peacekeeping troops to resolve the civil protests against the Kazakh government, when the Armenian authorities invoked the CSTO intervention for the first time in its history, it only dispatched a monitoring mission to Armenia to assess the situation, simultaneously declaring that the CSTO favoured political and diplomatic measures and that the use of military force with the dispatch of the CSTO peacekeeping forces in what it defined as ‘border clashes’ was out of the question. This decision, along with the framing of ‘border clashes’ which Armenia considered a military aggression, caused discontent and protests in Armenia, and led Armenian Prime Minister Nikol Pashinyan to refrain from signing a joint declaration at the Yerevan summit at the end of November 2022<sup>10</sup> and even cancelled the CSTO planned joint military drills in Armenia<sup>11</sup>.

The foreign policy of the three South Caucasus countries presents substantial differences in their stance towards Russia.

<sup>10</sup> Chirciu, D., “Putin meets with Pashinyan after Armenian premier refuses to sign CSTO declaration”, *Anadolu Agency*, 24 November 2022, Available at: <https://www.aa.com.tr/en/world/putin-meets-with-pashinyan-after-armenian-premier-refuses-to-sign-csto-declaration/2746701>

<sup>11</sup> Al Jazeera, “Armenia cancels military drills of Russian-led alliance”, 10 January 2023, Available at: <https://www.aljazeera.com/news/2023/1/10/armenia-cancels-russian-led-military-drills-amid-conflict>

The most problematic relations are those between Georgia and Russia. Following Russia’s full-scale military aggression in Georgia in 2008, which resulted in the Russian occupation of the Georgian regions of South Ossetia and Abkhazia, the bilateral relations between the two countries have been suspended. Since then, Georgia has adopted policies that brought it closer to the European Union, and on June 23, 2022, the European Council expressed readiness to grant Georgia the status of a candidate for accession to the European Union after a set of recommended political and economic reforms. Georgia’s closeness to the European Union, as well as its relations with NATO, constitute a major problem for Russia, which is concerned with the further weakening of its influence in the neighbourhood, or, as Russian experts like to call it, “the soft underbelly”. On the other side, the Georgian economy remains heavily dependent on Russia, particularly due to its dependence on Russian tourism, wine exports and the number of Georgians working in Russia, which gives Putin extra leverage over Tbilisi. Moreover, after Russia’s invasion of Ukraine and the start of partial mobilisation, a vast number of Russian émigrés have fled to Georgia, raising concerns among the local population regarding the possible scale of social disruption that this mass emigration could cause.

Armenia is considered to be Russia’s ultimate ally in the region. Besides taking part in all Russia-led post-Soviet integration projects, Armenia hosts two Russian military bases on its territory, namely the Russian 102nd Military Base in Gyumri and the Russian 3624th Airbase at the Erebuni Airport near Yerevan. Moreover, Armenia signed a mutual defence treaty with Russia in August 1997. Armenia’s defeat in the Second Karabakh War increased its level of dependence on Russia, and the safety of the region is now mainly entrusted to the Russian peacekeeping contingent which has been deployed following the signing of the ceasefire agreement. However, following the Autumn 2022 escalations between Azerbaijan and Armenia and the lack of a tough answer from Moscow Yerevan hoped to receive, some discontent has been manifesting among the Armenian population and entailed certain mistrust towards CSTO, as shown above.

Azerbaijan maintains a balancing act between Russia and the West. Developing Azerbaijan’s offshore energy resources led to increased Western influence, while Russia’s influence started to decline. Indeed, thanks to its role as the geo-strategic centre of the Caucasus, in recent years Azerbaijan has further strengthened its relations with the EU and NATO countries, which has raised some concerns among the Russian elite. However, Azerbaijan has been pursuing a balanced and independent foreign policy, which allows it to establish partnerships with a variety of countries without neither aligning with nor antagonising any of them. Consequently, the relations between Azerbaijan and Russia, as well as Azerbaijan and the Western countries, should not be considered as alliances, but rather as neutral stances to fit its geopolitical agenda. After the start of the war, the direction of Azerbaijani-Russian relations has been increasingly ambiguous. Despite the signing of the so-called “Declaration of allied interaction” by Putin and Aliyev on February 22 and numerous mutual visits and meetings of the countries’ high-level officials, misunderstandings and even diplomatic rifts between them have been quite common. Moreover, Azerbaijan has been providing significant aid to Ukrainian resistance against Russia, by providing humanitarian assistance, free fuel, and allegedly even weapons.

In late March, the Azerbaijani armed forces' operation around the Farrukh mountain situated near the so-called line of contact in Karabakh, has caused an unprecedented tug of war between the Russian and Azerbaijani defence ministers as Russia accused Azerbaijan of violating the November 10 agreement by entering the zone of responsibility of the Russian peacekeeping contingent in Karabakh<sup>12</sup>. Since November 2022, after Ruben Vardanyan, Russian oligarch of Armenian origin, settled in Karabakh in the role of "state minister" of the so-called republic, Azerbaijani Ministry of Defense has been issuing statements criticising Russian peacekeeping forces on a daily basis, while Baku has already given several diplomatic notes to the Russian embassy<sup>13</sup>. On December 12, Azerbaijani ecological, civic and youth activists, whom Yerevan accuses of being supported by Baku - a claim that Azerbaijani authorities officially deny -, launched protests along the Lachin road connecting Karabakh to Armenia, demanding the cessation of illegal mining operations in the Qizilbulaq goldmine and Demirli copper mine, and access of Azerbaijani civic population and public services to the peacekeeper-controlled territory in general. As the road got effectively closed, Baku accused the peacekeepers of restricting access to civic cars, effectively implying that Russia is interested in keeping the situation tense both for Azerbaijanis and Karabakh Armenians, thus destroying peace efforts.

## TÜRKIYE

The South Caucasus represents a region of major interest for Türkiye (Turkey<sup>14</sup>). Security, energy and economic issues lie at the core of the Turkish agenda in the region. Türkiye has strategically positioned itself as a transit hub with interregional pipelines that carry oil produced in the Caspian region to the Mediterranean port of Ceyhan through the Baku-Tbilisi-Ceyhan Pipeline, while it also supplies Europe with Caspian natural gas through the Southern Gas Corridor pipelines, through the Trans Adriatic Pipeline and Trans-Anatolian gas pipeline.

Security issues are a major interest for Türkiye in the South Caucasus. Indeed, after the 44-day war between Armenia and Azerbaijan, despite Türkiye's exclusion from the signing of the Ceasefire Agreement, Ankara's role as a guarantor of stability in the region has been officially recognized through the deployment of Turkish officers in the Joint Turkish-Russian Monitoring Center, a military facility in Agdam that is in charge of monitoring the ceasefire violation in Karabakh. This event constituted a remarkable upgrade of the Turkish presence in the region for three reasons. Firstly, a new geopolitical balance has been created when Russia agreed to recognize Türkiye as an equal actor with whom to manage security in the region where it has long been the main actor; secondly, Türkiye established its military foothold in the region after

12 Mammadov, M., "Azerbaijan-Russia deal on allied interaction failed its first test", *Topchubashov Center*, April 14, 2022, Available at: <https://top-center.org/en/analytics/3357/azerbaijan-russia-deal-on-allied-interaction-failed-its-first-test>

13 Apa.az, "Azerbaijan's MFA note to Russia in connection with activities of peacekeepers", December 11, 2022, Available at: <https://apa.az/en/foreign-policy/azerbaijans-mfa-sends-a-note-of-protest-to-russia-regarding-the-peacekeepers-391444>

14 In June 2022, the country previously named Turkey officially changed its English denomination to Türkiye in the United Nations. Accordingly, we will use its internationally recognised new official name throughout this report.

almost one century of absence; and thirdly, the Monitoring Center is the first facility that is jointly managed by Russia and a NATO member.

In June 2021, Türkiye and Azerbaijan signed the Shusha Declaration. The two parties agreed on increasing their military cooperation in a number of spheres, including defence and military. Moreover, in the declaration the two countries have reconfirmed their intentions regarding the opening of the so-called Zangezur Corridor, a land route which would connect Azerbaijan's mainland to Nakhchivan, an Azerbaijani exclave bordering Armenia, Türkiye and Iran. The documents also mentions the development of the Southern Gas Corridor among the countries' strategic purposes and also creates legal grounds for the establishment of a Turkish military base in Azerbaijan<sup>15</sup>. The establishment of this corridor would fit the Turkish agenda, because it would provide a direct connection to Azerbaijan, the Caspian Sea and Central Asia, where the other Turkic countries are located<sup>16</sup>.

Azerbaijan's security-military partnership with Türkiye has been based on the 2010 agreement on strategic partnership which launched The High Council of Strategic Cooperation between two countries<sup>17</sup>. Since then, integration between the two countries' militaries has been on the rise. More than 11 thousand servicemen took part in the "Indestructible brotherhood" drills in Nakhchivan in August 2019 and July 2020<sup>18</sup>. Later, the countries conducted drills in Nakhchivan in October 2021 and the joint Air Forces training dubbed "TurAz Qartalı" (Turkish-Azerbaijani eagle) in September 2022<sup>19</sup>.

Since the 1990s, Türkiye has played a tremendous role in military preparation of the two nations' armed forces, both through education and joint drills. Turkish military academies which have trained thousands of Azerbaijani officers have formed the backbone of the contemporary Azerbaijani army by introducing fundamental doctrinal and technical changes to its management and structure. At the same time, Ankara's help to Tbilisi has been mostly focused on preparing elite commando forces, but it has also been increasingly trying to expand its cooperation with the Georgian Armed Forces mostly through the NATO training programmes. In 2002, Türkiye, Azerbaijan and Georgia signed the Trabzon agreement whereby they pledged to cooperate on infrastructure

15 Trend, "Опубликован полный текст Шушинской декларации, подписанной между Азербайджаном и Турцией" [The full text of the Shusha declaration, signed by Azerbaijan and Türkiye, has been published], June 16, 2021, Available at: <https://www.trend.az/azerbaijan/politics/3440708.html>

16 Ahmadkhanli, J. "The importance of the Zangezur corridor in three dimensions", *Topchubashov Center*, October 27, 2021. Available at: <https://top-center.org/en/expert-opinion/3247/the-importance-of-the-zangezur-corridor-in-three-dimensions>

17 AzerTac, "Azerbaijan, Türkiye Sign Document on Strategic Partnership and Mutual Support", August 16, 2010, Available at: [https://azertag.az/en/xeber/AZERBAIJAN\\_TURKEY\\_SIGN\\_DOCUMENT\\_ON\\_STRATEGIC\\_PARTNERSHIP\\_AND\\_MUTUAL\\_SUPPORT-594895](https://azertag.az/en/xeber/AZERBAIJAN_TURKEY_SIGN_DOCUMENT_ON_STRATEGIC_PARTNERSHIP_AND_MUTUAL_SUPPORT-594895)

18 Ministry of Defense of Azerbaijan, "During the exercise "Indestructible Brotherhood-2019" tasks are fulfilled on the map", June 9, 2019. Available at: <https://mod.gov.az/en/news/during-the-exercise-indestructible-brotherhood-2019-tasks-are-fulfilled-on-the-map-video-27178.html>

19 TRT, "TurAz Qartalı - 2022" təlimi başa çatıb" ["TurAz Qartalı - 2022" drills have ended], January 12, 2023. Available at: <https://www.trt.net.tr/azerbaycan/turk-dunyasi/2022/09/10/turaz-qartali-2022-t-limi-basa-catib-1878186>



security<sup>20</sup>. Trilateral military drills remain the central element of this cooperation: the first extended drills labelled “Caucasian Eagle” took place in 2017 at the Vaziani military base in Georgia<sup>21</sup>. The drills involved the three countries’ special military forces. Similar drills would be later conducted in 2019 and 2021. Moreover, since 2021 Ankara, Baku and Tbilisi have been holding “Eternity” general army drills on an annual basis. Economic relations are also a major driver in Turkish–Georgian bilateral relations, and a consistent number of Turkish companies and investors are present in Georgia, especially in the Adjara region.

While Turkish relations with both Azerbaijan and Georgia are strong, its relations with Armenia are notoriously tense. Even though Türkiye was the first country to officially recognise Armenia after the collapse of the Soviet Union, the borders between the two countries were opened only for a brief period of time as, following the Armenian occupation of Azerbaijani regions in the first Karabakh war, the Turkish leadership displayed solidarity to Azerbaijan by isolating Armenia. However, the 2020 war between Armenia and Azerbaijan surprisingly represented an occasion for the two countries to move towards rapprochement, and consistent efforts have been made for the normalisation of their relations.

## IRAN

The Islamic Republic of Iran seems to be an emerging actor in the Caucasus region, especially regarding its ties with Azerbaijan. In Northern Iran, four provinces have a majority Azerbaijani population: Ardebil, Eastern Azerbaijan, Western Azerbaijan and Zanjan, also known as South Azerbaijan.<sup>22</sup> Azerbaijan and Iran have had tensions for a long time regarding this issue. Their rivalry began after the Russian Revolution when the Bolsheviks started to expand their ideals in Iran, supporting the independence movement South Azerbaijan.

The discontent among Iranian Azerbaijanis intensified with the Islamic Revolution and subsequent regime change. In December 1979, the Azerbaijanis protested against the Islamist authorities. The riots subsided in 1982 only after Ayatollah Khomeini arrested Ayatollah Shariatmadari, having accused him of supporting the rebels<sup>23</sup>.

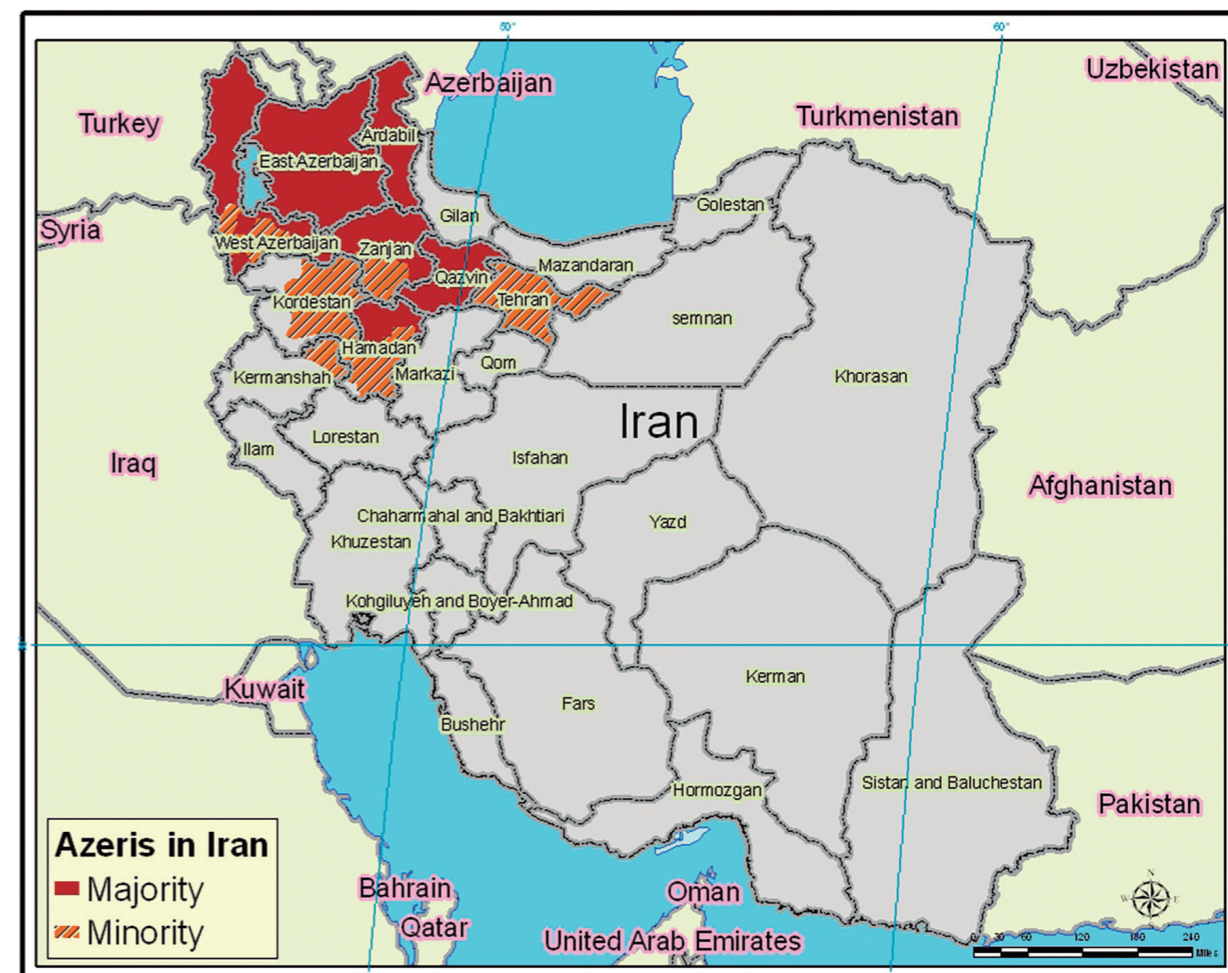
During the Karabakh war, Tehran’s government immediately called for a ceasefire between Armenia and Azerbaijan. Some Iranian groups close to the Supreme Leader justified the Azerbaijani

20 AzerTag, “Важный этап в сотрудничестве между Турцией, Азербайджаном и Грузией: Визит Президента Азербайджанской Республики Гейдара Алиева в Трабзон” [An important stage in the cooperation between Türkiye, Azerbaijan and Georgia- President Heydar Aliyev’s visit to Trabzon], May 1, 2002. Available at: [https://azertag.az/ru/xerber/VAZHNYI\\_ETAP\\_V\\_SOTRUDNICHESTVE\\_MEZHDU\\_TURCIEI\\_AZERBAIDZHANOM\\_I\\_GRUZIEI\\_VIZIT\\_PREZIDENTA\\_AZERBAIDZHANSKOI\\_RESPUBLIKI\\_GEIDARA\\_ALIEVA\\_V\\_TRABZON-974323](https://azertag.az/ru/xerber/VAZHNYI_ETAP_V_SOTRUDNICHESTVE_MEZHDU_TURCIEI_AZERBAIDZHANOM_I_GRUZIEI_VIZIT_PREZIDENTA_AZERBAIDZHANSKOI_RESPUBLIKI_GEIDARA_ALIEVA_V_TRABZON-974323)

21 EurAsia Daily, “Exercises ‘Caucasian Eagle - 2017’: what threats to the region are fraught with the flight of the ‘Eagle’”, June 19, 2017. Available at: <https://eadaily.com/ru/news/2017/06/19/ucheniya-kavkazskiy-orel-2017-kakie-ugrozy-regionu-tait-polet-orka>

22 Gimeno Arana, A.: *Iranian Azerbaijan. A Prospective Study*. Abat Oliba, CEU University, Foundation for Strategic and International Studies (FESEI), pp.6, 2021

23 Ibid



Azeri population in Iran. (Source: Hafeznia et al.)

offensive against Armenia. However, members of the Revolutionary Guard Corps blamed Baku for destabilising the region with its military offensive, criticising the alignment of Azerbaijan towards Israel as well.<sup>24</sup> Despite this proclaimed neutrality, the Islamic Republic was interested in this war because Azerbaijan and Armenia were once part of the Persian Empire, showing support for the latter.<sup>25</sup> During the war, Russia supplied weapons to Armenia through the northern region of Iran, causing dismay among the Azerbaijani population in the country.<sup>26</sup> Azerbaijanis in Iran have also had other grievances against Tehran. Indeed, there are several nationalist movements claiming independence from the Islamist regime. The most notable groups are the Azerbaijan National Resistance Organization and the Southern Azerbaijan National Awakening Movement (GAMOH).<sup>27</sup>

24 Khoshnood, Arvin & Khoshnood, Ardavan, Iran’s Quandary on Nagorno-Karabakh. *Lund University, Middle East Quarterly*, 28(2), pp. 5-7, 2021

25 Coffey, L. “Iran, the big loser in Nagorno-Karabakh war”, *Arab News*, November 13, 2020. Available at: <https://www.arabnews.com/node/1762626>

26 Jalilov, O. “Protesters In Northern Iran Demand Closure Of Border With Armenia Over Arms Transfer To Yerevan”, *Caspian News*, October 3, 2020. Available at: <https://caspiannews.com/news-detail/protestors-in-northern-iran-demand-closure-of-border-with-armenia-over-arms-transfer-to-yerevan-2020-10-3-0/>

27 Gimeno Arana, A., *Iranian Azerbaijan. A Prospective Study*. Abat Oliba CEU University, Foundation for Strategic and International Studies (FESEI), pp.26, 2021

The Azerbaijani victory over Armenia was a negative development for Iran for three reasons. Firstly, the Azerbaijani minority gained more arguments to stand for the self-determination of their provinces. Secondly, it dramatically increased the role and prestige of Ankara in the region, forcing Tehran to employ more resources in the Caucasian region, jeopardising its influence over the Middle East. Thirdly, it has impacted its bilateral relations with Baku as the latter became significantly more assertive and by re-establishing full control over the whole length of its border with Iran, managed to cut contacts between Iran and the separatist regime in Karabakh, decreasing Tehran's leverage.<sup>28</sup>

Another issue between the both parties remains the autonomous region of Nakhchivan. After the war, Armenia agreed to build a corridor between Azerbaijan and the Western Region through its territory. Iran used to be the only way to reach Nakhchivan. The construction of these new roads would undermine its influence over Baku. Then, Iran fears that Azerbaijan becomes a base for its arch-enemies from Israel<sup>29</sup>, and state-affiliated Iranian media many times openly blamed Baku in helping Tel Aviv prepare for a potential aggression against Tehran.

## ISRAEL

The State of Israel is one of the unexpected actors involved in the Caucasian politics. The Jewish nation launched its relations with Azerbaijan after the latter achieved independence from the USSR in 1991<sup>30</sup>. In April 1992, Tel Aviv started diplomatic relations with Baku, becoming one of the first countries to recognize the new republic.

The partnership between both states is based on their pragmatic national interests rather than cultural affinities. Although most of Azerbaijan's population is Muslim, Baku stands for close ties with the Jewish state<sup>31</sup>. The countries share deep concerns about Iran's power projection in the region, while for Israel maintaining friendly and cooperative relations with a majority Shi'a Muslim country is a matter of strategic importance as it helps to refute the narratives of Israel as an existential enemy of the Muslim world. These relations from the very beginning triggered deep distress and resentment in Tehran. It is even reported that several high-level Iranian military officers visited Baku in August 2004, trying to persuade Azerbaijan to cease security cooperation with Israel and stop receiving Israeli military and intelligence officers<sup>32</sup>. Since the unofficial visit of Israeli Prime Minister Benjamin Netanyahu to Baku in 1997, the countries launched a close partnership aimed at modernising the Armed Forces of Azerbaijan.

28 Coffey, L., op.cit.

29 Mikovic, N., "How an Armenia-Azerbaijan peace deal upsets Iran", *EURACTIV*, November 8, 2022. Available at: <https://www.euractiv.com/section/global-europe/opinion/how-an-armenia-azerbaijan-peace-deal-upsets-iran/>

30 Murinson, A., "The Ties between Israel and Azerbaijan", *Begin-Sadat Center for Strategic Studies*, 2014. Available at: <https://www.jstor.org/stable/pdf/resrep04730.4.pdf>

31 Idan, A. & Schaffer, B., "Israel's role in the Second Armenia-Azerbaijan War", in Arnold, M. & Gafarli, T. (eds.), *The Karabakh Gambit: Responsibility for the Future* (TRT World Research Centre, 2021), pp. 190-208. Available at: [https://www.fdd.org/wp-content/uploads/2021/12/The-Karabakh-Gambit\\_IsraelRole-1.pdf](https://www.fdd.org/wp-content/uploads/2021/12/The-Karabakh-Gambit_IsraelRole-1.pdf)

32 DEBKAFfile, "Iran Bullies Israel's Strategic Friends - with Eye on Washington", August 22, 2004. Available at <http://www.debka.com/article.php?aid=893>.



Three demonstrators holding flags of Azerbaijan (left), Türkiye (centre) and Israel (right) during the Victory Day over Armenia. Source: Aze.media (2021)

Israel benefits from its relations with Azerbaijan at different levels, with a focus on energy. Thanks to its wealth in oil and gas, Baku has become one of Israel's oil suppliers: in 2021 the latter accounted for 4% of Azerbaijan's crude oil exports, therefore also assisting in Azerbaijan's market diversification<sup>33</sup>. Azerbaijan's export route to Israel is the Baku-Tbilisi-Ceyhan (BTC) Pipeline, from where it is then shipped to Israeli ports<sup>34</sup>. Meanwhile, Baku's main objective in its deep cooperation with Tel Aviv is related to the Israeli advanced military and technological capabilities. In 2012, the both parties signed an arms agreement that included the sale of advanced air defence systems and Unmanned Aerial Vehicles (UAVs)<sup>35</sup>. During the second Karabakh war, some of these UAVs saw action, with Azeri forces employing modern Harop drones to incapacitate Armenian defence systems<sup>36</sup>, and Lora- a long-range surface-to-surface precision missile. And in 2021, Israeli Defense Company Meteor Aerospace teamed with Caspian Ship Building Company (CSBC) in Azerbaijan, establishing a new local joint venture

33 U.S. Energy Information Administration (EIA), "Country Analysis Executive Summary: Azerbaijan", *Independent Statistics & Analysis*, September 13, 2021. Available at: [https://www.eia.gov/international/content/analysis/countries\\_long/Azerbaijan/azerbaijan\\_exe.pdf](https://www.eia.gov/international/content/analysis/countries_long/Azerbaijan/azerbaijan_exe.pdf)

34 Ibid 2

35 Schaffer, B., Israel's Role in the Second Armenia-Azerbaijan War and Its Implications for the Future. *The Central-Asia Caucasus Analyst*, pp. 9-10, September 9, 2022. Available at: <https://www.cacianalyst.org/resources/pdf/220912Shaffer.pdf>

36 Ibid 5 pp.10-11

called Caspian Meteor specifically to go after local defence contracts, including cooperation on the establishment of Azerbaijan's indigenous defence industry.

The relations between both nations were further enhanced after Baku's victory and the improvement of diplomatic relations with the Israeli state that led Azerbaijan to open an embassy in Tel Aviv in 2022. The approach could mean a problem not only to Armenia but also to Azerbaijan's neighbour to the south: Iran<sup>37</sup>.

## ■ The Western Powers

The South Caucasus represents a relevant – although not vital – region for the **United States**. Three main factors contribute to the U.S. interests in the Caucasus: first, the growing relevance of the Azerbaijani energy resources extracted from the Caspian Sea; second, the prominent role of the Armenian diaspora, that is estimated to account between 1.500.000 and 2.000.000 individuals in the United States<sup>38</sup>; and finally, the political proximity of Georgia to the West.

Counterbalancing the influence of Russia, Türkiye, Iran and China over the region lies among the priorities of the U.S. in the South Caucasus. In this context, the efforts to spread democracy in the region aim at preventing the three countries from falling under Russian influence. Such an approach is connected with the idea that if Armenia, Azerbaijan and Georgia maintain their full independence, “forced friendship” with Russia will be less likely to materialise. For this reason, support for the independence and sovereignty of the three South Caucasus countries has always been at the core of the U.S. agenda in the region.

A more active U.S. engagement in contributing to solving conflicts in the region would ensure that neither Russia nor other regional actors will claim an exclusive sphere of influence, giving space to manoeuvre to serve the U.S. interests in the region. U.S. activity on the Karabakh issue throughout 2022 probably reached levels unseen since the early 2000s. Washington's attempt to shift the balance of power in the region has been clear also on the occasion of the border escalation that took place between Armenia and Azerbaijan in September 2022. On that occasion, the House Speaker Nancy Pelosi paid a visit to Yerevan, making her the highest-ranking U.S. official to visit Armenia since it gained independence. Although it remains unclear whether it was coordinated with the U.S. executive branch, this visit has been interpreted as an effort to bring Armenia closer to the United States at the expense of Russia<sup>39</sup>,

37 Adnan, A., “Why are relations between Azerbaijan and Israel developing now?”, *Middle East Monitor*, December 1, 2022. Available at: <https://www.youtube.com/watch?v=QCNHf2E1Zzs>

38 Reuters, “The Armenian issue in the United States”, April 24, 2021. Available at: <https://www.reuters.com/world/middle-east/armenian-issue-united-states-2021-04-24/>

39 Al Jazeera, “Nancy Pelosi visits Armenia as Azerbaijan truce holds”, September 18, 2022. Available at: <https://www.aljazeera.com/news/2022/9/18/nancy-pelosi-visits-armenia-amid-conflict-with-azerbaijan>

Yerevan's longtime protector, weakened by the unexpectedly tough war in Ukraine. However, Washington took an inclusive approach and didn't alienate Azerbaijan: the Biden Administration initiated numerous meetings for and with Armenian and Azerbaijani officials, both in person and on the phone<sup>40</sup>. Moreover, official rhetoric of the U.S. State Department gradually aligned with that of the EU, “people of Nagorno-Karabakh” (presupposing a distinct group with certain political rights of its own) being replaced with a more neutral “population of Karabakh”. In September, the U.S. Co-chair to the OSCE Minsk group Philip Reeker (dismissed just recently, in the first days of 2023) visited the countries of South Caucasus where he stressed the U.S. desire to help Azerbaijan and Armenia in negotiations, and in achieving a “comprehensive peaceful settlement”<sup>41</sup>.

Of course, the factor of the Armenian lobby in American politics should not be underestimated, which also explains why attention to this issue rises during the periods of Democratic governments. The relations between Washington and Baku have been constantly embittered by the ill-famous 907th amendment to the US Freedom Support Act, which was adopted by the U.S. Congress under the strong influence of the Armenian lobby during the First Karabakh war in 1992, prohibited the provision of any aid to Azerbaijan by the U.S. Government<sup>42</sup>. While the amendment has been constantly suspended, it has not been fully repealed yet.

Another challenging aspect of U.S. policy in the South Caucasus is its security relation with Georgia. The United States has repeatedly supported Georgian aspirations for NATO membership, and continuously led the alliance in assuring Georgia that NATO's door remains open, although following Russia's war with Georgia in 2008, and with Ukraine in 2014 and 2022, Georgia's membership in NATO appears to be a remote option.

The South Caucasus represents a strategic region for the **European Union**. Its location at the EU borders, along with its centrality for the energy security of the European continent, make the

The South Caucasus represents a strategic region for the European Union. Its location at the EU borders, along with its centrality for the energy security of the European continent, make the region a top priority for Brussels. Moreover, the South Caucasus represents a connectivity hub for Sino-European trade, and a bridge to energy-rich Central Asia.

40 DW, “US hosts talks with Armenia, Azerbaijan”, September 20, 2022. Available at: <https://www.dw.com/en/armenia-azerbaijan-diplomats-meet-after-deadly-border-clashes/a-63176839>

41 Chanadiri, N. “The South Caucasian dimension of the war in Ukraine”, *New Eastern Europe*, November 7, 2022. Available at: <https://neweasterneurope.eu/2022/11/07/the-south-caucasian-dimension-of-the-war-in-ukraine-russias-declining-influence-is-giving-the-west-a-role-in-the-karabakh-peace-process/>

42 Chiragov, F., Azərbaycan-Amerika münasibətləri: 1991-2016 [Azerbaijan-US relations: 1991-2016], in Mammadov, F., Valiyev, J. & Mammadov, A. (eds.), *Azərbaycan Respublikasının xarici siyasətinin əsas istiqamətləri: 1991-2016* [Major directions of the foreign policy of the Republic of Azerbaijan: 1991-2016], Baku, Poliart MMC, 2017.

region a top priority for Brussels. Moreover, the South Caucasus represents a connectivity hub for Sino-European trade, and a bridge to energy-rich Central Asia. After its last enlargement, the EU's relations with the South Caucasus countries have become one of the European Union's main external priorities. In this context, the European Union is attempting to establish closer relations with the three countries and has included them in several initiatives, for instance the Eastern Partnership, the European Neighborhood Policy, and the Black Sea Synergy.

EU foreign policy strategies in the South Caucasus are primarily conducted through the regional framework of the Eastern Partnership (EaP), which includes the six former Soviet countries of Belarus, Ukraine and Moldova in Eastern Europe, as well as Armenia, Azerbaijan and Georgia. EaP's main goal is to reinforce the political association and economic integration of these countries with the EU. By providing economic and political incentives, including in some cases the future prospect of EU membership, the EU has become, to varying degrees, a promoter of democratic norms in these countries. In 2010, the EU Strategy for the South Caucasus was adopted within the European Neighborhood Policy (ENP)<sup>43</sup>. It consists of a long-term strategy to promote a secure political, economic and social environment, and it displays the European approach to the region.

The three Caucasian countries display different attitudes towards the EU. While Georgia's government has been making substantial steps towards European integration and established an Association Agreement (AA) and Deep and Comprehensive Free Trade Area (DCFTA), Armenia's security alliance with Russia prevents the country from establishing a deeper cooperation with the EU. On the other hand, Azerbaijan's foreign policy is directed to a balancing act to maintain cordial and cooperative relations with both the European Union and Russia, without joining groundbreaking alliances with any of these actors.

After the outbreak of the war in Ukraine and the subsequent harsh energy crisis, the need for the EU to further differentiate its energy suppliers gained the highest attention in the European agenda. In this context, a strengthening of the partnership with Azerbaijan appears vital to Brussels. Azerbaijan started to deliver gas to the European Union in 2020, when the Trans Adriatic Pipeline (TAP) transporting the Azerbaijani gas from the Caspian Sea to Italy, became fully functional. In the context of the energy shortage generated by Russia's invasion of Ukraine, on July 18th, 2022, European Commission President Ursula von der Leyen visited Baku to announce a new agreement to double Azerbaijani gas imports, so as to diversify the European Union's supply sources<sup>44</sup>.

While the EU engagement in mediating the conflict between Armenia and Azerbaijan has been almost irrelevant for decades, starting from March 2022 the European involvement in the re-

43 Kirilov, E., Report on the need for an EU strategy for the South Caucasus | A7-0123/2010. *European Parliament*, April 23, 2010. Available at [https://www.europarl.europa.eu/doceo/document/A-7-2010-0123\\_EN.html](https://www.europarl.europa.eu/doceo/document/A-7-2010-0123_EN.html)

44 European Commission, "Statement by President von der Leyen with Azerbaijani President Aliyev", July 18, 2022. Available at: [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_22\\_4583](https://ec.europa.eu/commission/presscorner/detail/en/statement_22_4583)

gion appears to be increasing. Indeed, the EU is positioning itself as a mediator between the conflicting parties, and several meetings between Aliyev and Pashinyan have been held in Brussels under the European auspices. Moreover, after the escalation of September 2022, the European Union deployed a monitoring mission to Armenia along the border with Azerbaijan<sup>45</sup>, which represents the first international presence initiated by Brussels since the beginning of the conflict in 1988, and a display of the renewed proactive approach of the European Union towards the security issues of the South Caucasus.

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45 European Union External Action, "EU Monitoring Capacity to Armenia", October 20, 2022. Available at: [https://www.eeas.europa.eu/eeas/eu-monitoring-capacity-armenia\\_en](https://www.eeas.europa.eu/eeas/eu-monitoring-capacity-armenia_en)

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## chapter 3

# Economy, Energy and Transport Corridors

Murad Muradov, Mahammad Mammadov and Guillermo Revilla

For the independent Republic of Azerbaijan, the hydrocarbon resources of the Caspian have been the factor of ultimate strategic importance - as both the only available driver of robust economic growth and the cornerstone of geopolitical strategy in the conditions of an incredibly complicated geography and with the perennial territorial conflict with neighbouring Armenia. That's why Azerbaijani governments started to seek ways to bring oil and gas to the international markets almost immediately after independence.

Upon his coming to power in 1993, Heydar Aliyev prioritised this goal and to make it happen, he had to agree to a painful Bishkek ceasefire agreement with Armenia in 1994, according to which Baku lost de-facto control over the former Nagorno-Karabakh Autonomous Oblast and 7 adjacent regions. A national strategy developed by the government was crowned with the signing of a ground-breaking Production Sharing Agreement (PSA) on 18 September 1994. The PSA was signed between the State Oil Company of Azerbaijan Republic (SOCAR) and a consortium of 11 foreign oil companies from six nations (BP, Amoco, Unocal, LUKoil, Statoil, Exxon, TPAO, Pennzoil, McDermott; Ramco; Delta Nimir). This PSA represented the first major investment by Western multinational companies in any country of the former Soviet Union and was so significant for Azerbaijan that it almost immediately became known as the Contract of the Century<sup>46</sup>.

The success of the enterprise rested upon the vast resources of the Azeri-Chirag-Guneshli field (ACG), explored within the framework of the Contract; total investment in the field by the end of the first half of 2021 exceeded \$39 billion and its total production had exceeded 3.9 billion barrels by 2022<sup>47</sup>. On September 14, 2017 a signing ceremony was held for the amended and revised agreement for the Joint Development of the ACG; by the New Agreement, its development was extended until 2050. The updated agreement ("The new Contract of the Cen-

46 BP.com, "The contract of the century- a national strategy for success", Available at: [https://www.bp.com/en\\_az/azerbaijan/home/who-we-are/operations/projects/acg2/the-contract-of-the-century---a-national-strategy-for-success.html](https://www.bp.com/en_az/azerbaijan/home/who-we-are/operations/projects/acg2/the-contract-of-the-century---a-national-strategy-for-success.html)

47 Ibid

ture") includes a gradual increase of \$3.6 billion in bonus payments by foreign investors and an increase in SOCAR's share from 11.6% to 25%<sup>48</sup>.

This historic milestone has been defining certain strategic dimensions of Azerbaijani strategy and foreign policy ever since. Indeed, the critical situation Azerbaijan got into by summer 1993, when it was close to the government disintegration amid the successful Armenian offensives and concomitant economic collapse, promised little hope for the young country. The negotiations were hard. On the corporate side, BP had its specific objectives regarding the pipeline route—first preferring a southern route to Iran, then a path through Russia. The major U.S. energy companies, however, had a direct interest in the transportation of this oil to the West, which provided leverage for the U.S. negotiating team to achieve its geopolitical objective of a pipeline route that avoided both Iran and Russia. The interests of U.S. corporations—eager to avoid the experience of Kazakhstan, where companies were beholden to the Russian Transneft pipeline system to move their oil to Western markets—uniquely aligned with U.S. foreign policy priorities<sup>49</sup>. Washington's steadfast willingness to exclude Iran from the large regional projects and also to bring stronger foundations for the fragile independence of South Caucasian and Central Asian republics was probably the defining factor behind the success of the deal. But of course it came at a price: to soothe Moscow's outrage, Baku had to offer a significant share in the Contract to Russian oil company Lukoil, while it also granted Iranian oil company with a share in the future gas development at the Shah Deniz field<sup>50</sup>.

For Azerbaijan, the Contract provided a vital link with Europe, ensured the presence of tangible Western interests in the country, thus helping it to avoid the inevitable trap of total dependence on Russia and laid the foundations for the traditional multi-vector, balanced foreign policy of Baku. President Heydar Aliyev summarised its salience, saying that it showed Azerbaijan to be a fully independent country open to the world economy, owning its own wealth and maintaining firm relations with the developed countries of the world and their largest companies.<sup>51</sup>

The 1994 agreement also established the strategic partnership between Baku and London that has been in place until today. On the day of the signing of the Contract, Aliyev told the UK Minister of Energy Tim Egger that the two countries would henceforth be allies<sup>52</sup>, and this special relations has persisted to this day. Britain would firmly take the place of the biggest foreign investor in Azerbaijan, as BP has invested around \$80 billion into Azerbaijan-related energy

48 The Ministry of Energy of the Republic of Azerbaijan, "Contract of the Century", January 31, 2020, Available at: <https://minenergy.gov.az/en/neft/esrin-muqavilesi>

49 Kauzlarich, R., "America and Azerbaijan: Five reflections on the Contract of the Century", *American Interest*, October 3, 2019, Available at: <https://www.the-american-interest.com/2019/10/03/america-and-azerbaijan-five-reflections-on-the-contract-of-the-century/>

50 UPI, "Azerbaijan offers Iran oilfield stake", May 8, 1996, Available at: <https://www.upi.com/Archives/1996/05/08/Azerbaijan-offers-Iran-oilfield-stake/1439831528000/>

51 The Ministry of Energy of the Republic of Azerbaijan, op. cit.

52 Chiragov, F., *Azərbaycan-Amerika münasibətləri: 1991-2016* [Azerbaijan-US relations: 1991-2016], in Mammadov, F., Valiyev, J. & Mammadov, A. (eds.), *Azərbaycan Respublikasının xarici siyasətinin əsas istiqamətləri: 1991-2016* [Major directions of the foreign policy of the Republic of Azerbaijan: 1991-2016], Baku, Poliart MMC, 2017.

projects since the 1990s<sup>53</sup>. Its share in the development of the ACG and other major projects has been on the rise, and now it is virtually the only oil major with a fundamental stake in the Azerbaijani economy.

The implementation of the Contract of the Century ran through the construction of the 1768 km-long Baku-Tbilisi-Ceyhan (BTC) oil pipeline which, being one of the world's longest, crosses Azerbaijan, Georgia and Türkiye over distinct distances<sup>54</sup>. The BTC pipeline served as a major step in anchoring Georgia and Azerbaijan to Europe, strengthening their economic security; moreover, without this experience the implementation of further regional energy projects, such as the South Caucasus Gas Pipeline, would have been unthinkable. It gained momentum following the October 29, 1998 Ankara Declaration signed by the leaders of Azerbaijan, Georgia, Kazakhstan, Türkiye and Uzbekistan, and observed by then-U.S. Energy Secretary Bill Richardson. This declaration, which expressed strong support for the BTC main pipeline, was notable most especially because of Kazakhstan's participation which was a rather bold move on behalf of Astana<sup>55</sup>. Unsurprisingly, Moscow had been harshly opposed to its construction, so Russian political scientists and economists termed BTC as 'economically not viable' and referred to its geo-strategic purpose as the only reason for its construction. When the first oil from Azeri-Chirag-Guneshli was successfully extracted in 1997, the Russian army transferred large amounts of military hardware (totaling over \$1 billion) into Armenia's hands, causing much tension in bilateral relations<sup>56</sup>. For Russia, BTC provided further testimony to the fact that the states of the South Caucasus were independent and sovereign actors, where Russia had a natural right to influence, but not to dominate or dictate policy. For the United States and Europe on the contrary, BTC gave an impetus for further involvement in the energy and security sectors of the wider Caspian basin, a first step toward providing the lands east of the Caspian Sea with a direct connection to Europe that does not depend on former colonial overlords<sup>57</sup>.

The significance of this project was multiplied by the fact that it did not represent an isolated development but a part of a larger strategy, an ambition to build the new Silk Road, running all the way from Western China and Central Asia, through the Caspian and Caucasus, across the Black Sea, and then on to ports in Ukraine, and the Mediterranean.<sup>58</sup> This idea would resurface years later as the Middle Corridor in the face of a growing Western animosity towards Russia

53 Ibid

54 Persee, J., "Baku-Tbilisi-Ceyhan Pipeline - Geopolitical benefits for the countries it goes through", *BTC Analysis*, September 19, 2016, Available at [https://www.researchgate.net/publication/309528504\\_Baku-Tbilisi-Ceyhan\\_Pipeline\\_-\\_Geopolitical\\_benefits\\_for\\_the\\_countries\\_it\\_goes\\_through](https://www.researchgate.net/publication/309528504_Baku-Tbilisi-Ceyhan_Pipeline_-_Geopolitical_benefits_for_the_countries_it_goes_through)

55 Baran, Z., "The Baku-Tbilisi-Ceyhan Pipeline: Implications for Turkey", *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, 2005, ed. by Starr.F. and Cornell.S., Central Asia-Caucasus Institute & Silk Road Studies Program

56 Cornell, S., Ismailzade, F., "The Baku-Tbilisi-Ceyhan Pipeline: Implications for Azerbaijan" *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, 2005, ed. by Starr.F. and Cornell.S., Central Asia-Caucasus Institute & Silk Road Studies Program

57 Cornell, S., Tsereteli, M., Sokor, V., "Geostrategic Implications of the Baku-Tbilisi-Ceyhan Pipeline", *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West*, 2005, ed. by Starr.F. and Cornell.S., Central Asia-Caucasus Institute & Silk Road Studies Program

58 Ibid

and China. For Azerbaijan, it was also important that the construction of BTC, SCP, and the development of the East-West energy, transport and telecommunications corridor all took place through Georgia, effectively deepening Armenia's regional isolation<sup>59</sup> and thoroughly restricting its diplomatic clout and prospects for economic development. At the same time, the windfall revenues that flowed into the Azerbaijani economy since the opening of the pipeline in 2005 had been the ultimate factor behind its explosive growth. Nominal GDP of Azerbaijan rose by more than 5 times from \$8.7 bn in 2004 to \$48.98 bn in 2008<sup>60</sup>, while real growth rate peaked at 35% in 2006<sup>61</sup>. The country achieved spectacular results in improving the infrastructural quality, living standards and reducing the level of poverty from 49% in 2001 to about 5% in 2015<sup>62</sup>. Baku managed to preserve a substantial part of its energy revenues by accumulating them in its sovereign wealth fund (SOFAZ), whose reserves currently constitute \$45.4 bn<sup>63</sup>. The project transformed Azerbaijan's position in international trade, turning Italy into its major trade partner due to the huge volumes of Azerbaijani oil it has been buying from Azerbaijan: total oil imports throughout 2010-2021 equaled 133.15 million metric tons<sup>64</sup>. Israel, Baku's crucial strategic partner, became its second biggest importer.

Moreover, the implementation of BTC cemented the geostrategic partnership between Azerbaijan and Georgia and put it to an almost existential level. Given that Türkiye from the early 1990's had been the major friend and, later, ally of Baku, the value of securing such a high level of partnership with Georgia, which plays a crucial role in the uninterrupted connection between Ankara and Baku and further east, cannot be overestimated- it truly buttressed the independent and bold foreign policy of Azerbaijan. In fact, one of Moscow's main leverages over Tbilisi had been the latter's energy dependency on Russia. Since the time of independence, Georgia experienced severe shortages in energy supplies, and for years it was dependent on Russian supplies of natural gas and electricity<sup>65</sup>. Due to the strained Russian-Georgian relations, there were many occasions when natural gas or electricity supplies from Russia were cut off, and on those critical occasions, Azerbaijan proved to be a key source

The significance of this project was multiplied by the fact that it did not represent an isolated development but a part of a larger strategy, an ambition to build the new Silk Road

59 Cornell, S., Ismailzade, F., *op. cit.*

60 Statista, "Azerbaijan: Gross domestic product (GDP) in current prices from 1997 to 2027", Available at <https://www.google.com/url?q=https://www.statista.com/statistics/457496/gross-domestic-product-gdp-in-azerbaijan/&sa=D&source=docs&ust=1675171817778082&usq=AOvVaw34xvNtp0wv-hZa9msW7uxS>

61 The State Statistical Committee of the Republic of Azerbaijan, "National Summary Data Page (NSDP)-Azerbaijan", Available at <https://www.stat.gov.az/source/NSDP/?lang=en>

62 Azerbaijan24, "Azerbaijan reduces poverty from 49% to 5%", October 18, 2021, Available at <https://www.azerbaycan24.com/en/azerbaijan-reduces-poverty-from-49-to-5-world-bank/>

63 State Oil Fund of the Republic of Azerbaijan, "Recent figures", Available at <https://oilfund.az/report-and-statistics/recent-figures>

64 Statista, "Annual volume of crude oil imported from Azerbaijan to Italy from 2010 to 2021", January 5, 2023, Available at <https://www.statista.com/statistics/807167/volumes-of-crude-oil-imported-from-azerbaijan-to-italy/>

65 Tsereteli, M., "Azerbaijan and Georgia: Strategic Partnership for Stability in a Volatile Region", *Silk Road Studies*, September 2013, Available at [https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2013\\_09\\_SRP\\_Tsereteli\\_Azerbaijan-Georgia.pdf](https://www.silkroadstudies.org/resources/pdf/SilkRoadPapers/2013_09_SRP_Tsereteli_Azerbaijan-Georgia.pdf)

of support. One such occasion emerged in January 2006, and Baku immediately decided to help its neighbour, at a time when Azerbaijan itself had a shortage of natural gas and had to import substantial volumes from Russia<sup>66</sup>.

The combined BTC and SCP projects have been far and away the largest investment activities in Georgia, and they brought the country critically-important FDI<sup>67</sup> at a time when the country was trying to recover from the years of endemic corruption, lawlessness and poor governance which had almost earned Georgia the reputation of a failed state. The value of the Tbilisi-Baku partnership can be emphasised by the fact that despite the vicious feud between the Georgian Dream government, which had been in power since 2012, and former President Saakashvili, under whom the BTC project was completed, the relations between the countries have not changed an inch and in fact, they have even developed. A new high-voltage electricity line is now connecting Georgia and Türkiye<sup>68</sup>. As late as in October 2022, during the visit of Azerbaijani Minister of Energy Parviz Shahbazov to Georgia, the parties discussed the transportation of electricity from Azerbaijan to Türkiye and European countries with the implementation of the Black Sea submarine power and digital connectivity project, which will unite Azerbaijan, Georgia, Romania, and Hungary<sup>69</sup>.

Following the BTC, an issue of bringing Azerbaijani gas to the West came to the agenda. The first, groundbreaking project of this kind was the South Caucasus pipeline, or Baku-Tbilisi-Erzurum (BTE), which started to export gas from Shah Deniz-1 from Azerbaijan to Georgia and Türkiye in late 2006<sup>70</sup>. As the estimated reserves of gas in the Azerbaijani sector of the Caspian were growing fast with the exploration of the giant Shah Deniz field, so did the idea of turning Azerbaijan into an important supplier of natural gas to Europe.

Initially, an idea was put forward to extend the BTE into a major pipeline towards Central Europe, the project provisionally called Nabucco with a capacity of transporting at least 31 bcm of gas per year<sup>71</sup>. However, in order to be profitable Nabucco required an intake of gas from Turkmenistan which by the time was actively lobbied by the U.S. and EU to start selling westward as well. The project ultimately failed due to a number of factors such as Russia's active interference and exerting influence over European politics, as well as the EU's unwillingness to show sufficient resolve and provide investment necessary for securing the supplies from Turkmenistan. Throughout 2013, Baku faced both political and commercial challenges because

66 Ibid

67 Elkind, J., "Economic Implications of the Baku-Tbilisi-Ceyhan Pipeline", *The Baku-Tbilisi-Ceyhan Pipeline: Oil Window to the West (2005)*, ed. by Starr.F. and Cornell.S., Central Asia-Caucasus Institute & Silk Road Studies Program

68 Tsereteli, M., *op. cit.*

69 Azernews, "Georgian PM: Azerbaijan plays key role in Georgia's energy supply", October 10, 2022, Available at <https://www.azernews.az/business/200583.html>

70 Socarmidstream, "South Caucasus Pipeline: Overview", Available at <https://www.socarmidstream.az/project/scp/#overview>

71 Reuters, "Don't cry for the Nabucco pipeline", May 1, 2014, Available at <https://www.reuters.com/article/idUS232853865520140501>



Southern Gas Corridor (Source: AzerTag)

Gazprom gave a significant discount to its European customers in 2013<sup>72</sup>. Ultimately, the choice was made in favour of a less ambitious project.

This was the Southern Gas Corridor (SGC) which represents an extension of the BTE consisting of 2 parts: the Trans-Anatolian Pipeline (TANAP) running up to Ipsala on the Turkish-Greek border with the initial capacity of 16 bcm per year (6 bcm of which were to be reserved by Türkiye)<sup>73</sup> and the Trans-Adriatic pipeline (TAP), running through Greece and Albania under the Adriatic Sea towards San Foca in the Italian province of Puglia. The decision to bring Azerbaijani gas to Italy was not an obvious one, since the Italian market in the early 2010's was widely believed to be oversupplied. However, such factors as periodic supply shortages in winter, Italy's dependence on gas-fired power plants as well as 90% dependence on foreign gas supplies, mostly from Russia and Algeria, and Europe's shift towards common gas market and more stable pricing mechanism which would enable flexible exchange between the countries, were chief arguments in favour of TAP<sup>74</sup>. Although the Southern Gas Corridor was more palatable for Moscow than Nabucco, it still tried hard to disrupt its successful implementation or at least create significant problems to the Azerbaijani energy policy. On one occasion, Greece in 2017 annulled the agreement achieved with Azerbaijani State Oil Company (SOCAR) on the privatisation of the Greek Gas Distribution Company (DESFA)<sup>75</sup>, several years after Gazprom's

72 Jamestown Foundation, "Azerbaijan and the Southern Gas Corridor to Europe: Implications for U.S. and European Energy Security. Conference report", September 13, 2013, Available at [https://jamestown.org/wp-content/uploads/2014/02/Conference\\_Report\\_-\\_Azerbaijan\\_and\\_the\\_Southern\\_Gas\\_Corridor\\_-\\_FINAL\\_web\\_version.pdf](https://jamestown.org/wp-content/uploads/2014/02/Conference_Report_-_Azerbaijan_and_the_Southern_Gas_Corridor_-_FINAL_web_version.pdf)

73 Parkhomchik, L., "New Resource Base for the Southern Gas Corridor", *Eurasian Research Institute*, Available at <https://www.eurasian-research.org/publication/new-resource-base-for-the-southern-gas-corridor/>

74 Ibid

75 Reuters, "Greece extends deadline for expressions of interest in gas grid", July 24, 2017, Available at <https://www.reuters.com/article/eurozone-greece-privatisation-desfa-idUKL5N1KF11C>



attempt to do the same was blocked by the EU due to anti-monopolistic considerations<sup>76</sup> in 2016 under the Syriza government which was widely believed to be under significant Russian influence<sup>77</sup>.

More famous was the saga with environmental protest in Italy: as early as in 2011 local activists mostly connected with populist and far-right parties founded a “No-TAP Movement” which argued for the cancellation of the project due to the alleged harm to the local environment and ecosystems as well as the government’s failure to consult with the local population<sup>78</sup>. The matter came to the fore after the electoral victory of the populist-far right coalition in 2018, when the new Environment Minister Sergio Costa from Five Star said that “TAP would be reviewed, along with some other major projects”, while the senator for the Salento district Daniela Donno issued a statement asserting that “the people of Salento do not want the pipeline” and adding that the issue of international treaties with all the States involved, starting with Azerbaijan, needed to be reviewed<sup>79</sup>. Although the matter was soon resolved, most probably on the highest level as President Mattarella paid a state visit to Baku in July 2018, it still added some bitterness to the Azerbaijani-European relations. In 2019, Ukrainian Minister of Foreign Affairs P. Klimkin said that Russia had been behind the attempts to undermine diversification of energy supplies to Europe, particularly naming “different pseudo-environmental organisations” in Italy<sup>80</sup>. In anticipation of the start of gas supply via TAP scheduled for the late 2020, President Aliyev reciprocated with a state visit to Rome<sup>81</sup>.

Another example of Baku’s multi-vectored energy policy is the active involvement of the French Total into the development of the gas reserves in Azerbaijan. Despite significant political tensions between the countries, Total has been working on par with SOCAR since 2016 on the development of the Absheron gas field, which is expected to produce 1.25 bcm of gas in 2023 and 1.5 bcm in 2024, while the total reserves of the offshore Absheron field are estimated at 300-360 bcm of gas and 100 million tons of condensate<sup>82</sup>.

Geopolitical aspects of the SGC project have been huge as well. Besides bringing a serious boost to the Azerbaijani economy and renewing the EU’s interest in its partnership with Baku in an era of unprecedented Russian assertiveness, it also helped to build bridges in the very geopolitically fragile areas. Speaking as early as in 2013, the CEO of Energy Stream, Anthony

76 Jamestown Foundation, *op. cit.*

77 Polyakova, et al., “The Kremlin’s Trojan Horse 2.0”, *Atlantic Council*, November 2017, Available at <https://www.atlanticcouncil.org/in-depth-research-reports/report/the-kremlin-s-trojan-horses-2-0/>

78 Frontlinedefenders.org, No-TAP Movement, Available at <https://www.frontlinedefenders.org/en/profile/no-tap>

79 Roberts, J., “Europe’s Southern Gas Corridor: The Italian (Dis)connection”, *Atlantic Council Global Energy Center*, October 2018, Available at [https://issuu.com/atlanticcouncil/docs/europe\\_s\\_southern\\_gas\\_corridor\\_1010](https://issuu.com/atlanticcouncil/docs/europe_s_southern_gas_corridor_1010)

80 Gotev, G., “Is Russia behind climate change protests in EU?”, *Euractiv*, February 18, 2019, Available at <https://www.euractiv.com/section/global-europe/news/is-russia-behind-climate-change-protests-in-eu-definitely-yes-says-ukraine/>

81 AzerTag, “President Ilham Aliyev completed state visit to Italy”, February 22, 2020, Available at [https://azertag.az/en/xeber/President\\_Ilham\\_Aliyev\\_completed\\_state\\_visit\\_to\\_Italy\\_VIDEO-1422311](https://azertag.az/en/xeber/President_Ilham_Aliyev_completed_state_visit_to_Italy_VIDEO-1422311)

82 The Tribune, “Azerbaijan expects to produce first gas on its Absheron field in 2022”, February 22, 2022, Available at <https://www.thetribune.com/azerbaijan-expects-to-produce-first-gas-on-its-absheron-field-in-2023/>

Livanios, noticed that Azerbaijan would be able to use its leverage as a gas supplier to Greece in case tensions between Athens and Ankara boil in future. Baku quite probably tried to mediate between the old rivals in 2022 as the mutual bitterness rose to a very dangerous level: Aliyev with the Greek Prime Minister Mitsotakis during the opening of the gas interconnector from Greece to Bulgaria<sup>83</sup>, and the Greek Minister of Energy visited Baku soon afterwards<sup>84</sup>. Although we don’t know whether the issue of Athens’ dispute with Ankara was raised, it makes sense for Azerbaijan to try to help them to de-escalate, since a conflict between the countries would be a blow to Baku’s energy strategy.

In general, the significance of Azerbaijani supplies dramatically increased with the Russian invasion of Ukraine which triggered the EU to introduce sweeping sanctions that led to the gradual decoupling of the European energy market from Russian sources. Recently, Italian Prime Minister Giorgia Meloni claimed that gas supply from TAP in 2022 already accounted for 60% of its capacity.<sup>85</sup> Azerbaijan’s growing supplies contributed to Italian efforts to reduce dependence on Russian gas from the pre-war levels of 40% of total gas imports to 10% in September 2022. The Italian government expects the increasing gas deliveries from Egypt, Algeria, and Azerbaijan will help it weather the market turbulence caused by the war and put its energy security on firmer ground.<sup>86</sup>

Azerbaijan’s importance for European energy security hit the headlines a few weeks before Russia launched its brutal war of aggression. On January 30, EU foreign policy chief Joseph Borrell said Brussels was in talks with partners such as the U.S., Qatar, and Azerbaijan to increase its resilience to possible supply shocks emanating from Russia. On February 4, EU Commissioner for Neighborhood and Enlargement Oliver Varhelyi and Commissioner for Energy Kadri Simson visited Baku to discuss the prospects of increasing Azerbaijan’s gas deliveries to Europe. Attending the 8th Southern Gas Corridor Advisory meeting in Baku, Commissioner Simson hailed the SGC as a “continuing success story” that contributes to the provision of reliable, competitive, and affordable gas to Georgia, Türkiye, and Europe.<sup>87</sup> Thus, the rise of the SGC as a possible alternative to Russian gas served to the EU and Azerbaijani interests for a stable and prosperous neighbourhood against the background of Russia’s military assertiveness in the region,

Azerbaijan’s importance for European energy security hit the headlines a few weeks before Russia launched its brutal war of aggression.

83 President.az, “Ilham Aliyev attended inauguration of Greece-Bulgaria Gas Interconnector in Sofia”, October 1, 2022, Available at: <https://president.az/en/articles/view/57439>

84 APA, “Greek Energy Minister is on a visit to Azerbaijan,” October 18, 2022, Available at <https://www.apa.gov.tr/grekingizir>

85 Azernews, “Italian PM: Natural gas supplies from Azerbaijan via TAP accounts for 60 pct of Italy’s import”, December 5, 2022, Available at <https://www.azernews.az/business/188817.html>

86 Brambilla, A. and Albanese, C., “Italy Secures Enough Supplies for Winter Without Russia Gas”, *Bloomberg*, September 27, 2022, Available at <https://www.bloomberg.com/news/articles/2022-09-27/italy-secures-enough-supplies-for-winter-without-gas-from-russia>

87 Azernews, “EU thanks Azerbaijan for raising gas supplies via Southern Gas Corridor.”, 4 February 2022, Available at <https://www.azernews.az/business/188817.html>

which became especially destabilising after the Kremlin's ultimatums to the U.S. and NATO on December 17, 2021 to recognize its dominance over the post-Soviet countries.

In this context, the President of the European Commission Ursula von der Leyen's visit to Baku in July 2022 to sign a memorandum of understanding on strategic cooperation in the field of energy with Azerbaijani President Ilham Aliyev opened a new chapter in the EU-Azerbaijan relations, confirming the latter's significance for the European energy security. According to the agreement, Azerbaijan will double the capacity of the SGC to deliver at least 20 bcm of gas to the EU by 2027.<sup>88</sup>

Azerbaijan expects Brussels to provide financial assistance for upgrading the capacity of existing pipelines or construction of new ones if needed. To meet the increasing demand, Azerbaijani government plans to increase the share of renewables in domestic energy consumption that will spare millions of cubic metres of gas to be sent to European markets. With this in mind, Baku also signed a trilateral gas swap deal with Turkmenistan and Iran on November 28, 2021 that will bring 1.5 to 2 bcm of Turkmen gas to Azerbaijan, hence releasing a certain amount of Azerbaijani gas to be added to the 16 bcm of the annual capacity of the SGC.<sup>89</sup> In general, although Azerbaijan can in no way replace Russia's share of the EU gas market, it can offer a viable alternative to Russian gas in specific markets, especially in the Western Balkans and Central European countries.<sup>90</sup>

In the last few months, Baku has been busy with negotiating or signing new gas deals with partners in these regions. On October 1, President Aliyev attended the inauguration ceremony of the Greece-Bulgaria Interconnector (IGB) that will bring Azerbaijani gas from the Shah Deniz field to the Bulgarian market, decreasing the latter's dependence on Russian supplies. The technical capacity of the IGB is 3 bcm annually and it can be further upgraded to 5 bcm after the construction of a compressor station in Greece that will help deliver Azerbaijani gas further to neighbouring countries.<sup>91</sup> On January 1st, Azerbaijan started gas deliveries to Romania using the IGB interconnector. According to the agreement signed between SOCAR and Romgaz SA on December 16, 2022, Azerbaijan will supply 300 million cubic metres of gas to Romania from January to April 2023.<sup>92</sup> Thanks to growing energy partnership with Romania, Azerbaijan will also be able to send its gas to Hungary and Austria by using Romania's energy distribution system.

88 European Commission, "EU and Azerbaijan enhance bilateral relations, including energy cooperation", July 18, 2022, Available at [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_4550](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_4550)

89 Erubaeva, G., "Turkmenistan to start supplying swap gas to Azerbaijan via Iran in early 2022", *Caspian News*, December 25, 2021, Available at <https://caspiannews.com/news-detail/turkmenistan-to-start-supplying-swap-gas-to-azerbaijan-via-iran-in-early-2022-2021-12-25-0/>

90 Muradov, "Europe Turns to Azerbaijan for Gas: How Big Could This Be?", *RUSI*, October 5, 2022, Available at <https://www.rusi.org/explore-our-research/publications/commentary/europe-turns-azerbaijan-gas-how-big-could-be>

91 Bayramli, N., "President Aliyev inaugurates Greece-Bulgaria Interconnector to launch direct gas supplies to Bulgaria", *Caspian News*, October 2, 2022, Available at <https://caspiannews.com/news-detail/president-aliyev-inaugurates-greece-bulgaria-interconnector-to-launch-direct-gas-supplies-to-bulgaria-2022-10-2-0/>

92 Report.az, "Azerbaijan starts supplying gas to Romania", January 1, 2023: <https://report.az/en/energy/azerbaijan-starts-supplying-gas-to-romania/>

Another crucial aspect of President von der Leyen's statement in Baku was its emphasis on Azerbaijan's tremendous renewable energy potential and the strategic role it might play in European energy security. In previous years, the EU appreciated the growing Azerbaijani gas exports not only for its important place in Brussels' energy diversification policies but also for its contribution to the EU-wide transition to green energy. Now, with the EU attempts to transform the European energy system within the framework of the RePowerEU Plan, Azerbaijan aims to position itself as a pivotal partner on renewable energy. According to President von der Leyen, with new energy partnerships on offshore wind energy and green hydrogen, Azerbaijan is expected to gradually "evolve from being a fossil fuel supplier to becoming a very reliable and prominent renewable energy partner to the European Union."<sup>93</sup>

Now, with the EU attempts to transform the European energy system within the framework of the RePowerEU Plan

On December 17, 2022, Azerbaijan, Georgia, Romania, and Hungary signed an agreement in Bucharest to construct 1,195-km electricity cable under the Black Sea that will bring the electricity generated from renewable energy sources in Georgia and Azerbaijan to Romania and Hungary.<sup>94</sup> The new electricity cable will also help provide electricity to Moldova, Ukraine, and Western Balkan countries who have been adversely affected by Russia's war of aggression. According to President Aliyev, tangible steps will be taken to export Azerbaijan's electricity to Serbia starting in 2023.<sup>95</sup> The two countries have also been discussing possible Azerbaijani gas supplies to Serbia through the Serbia-Bulgaria connector which is expected to be completed by the end of 2023. In an interview to Azerbaijan's Report news agency, Serbia's Ministry of Mining and Energy Dubravka Dedovic said Belgrade is planning to cover 40% of its gas needs with Azerbaijani gas from September 2023.<sup>96</sup> Baku is also planning to export gas to Croatia, Montenegro, and Albania once the 530-km Ionian-Adriatic pipeline is completed.<sup>97</sup>

Azerbaijan's post-February 24 energy diplomacy proved the claims that the non-binding alliance declaration it signed with Russia on February 22 would prevent it from challenging Russia's dominance in energy markets simply wrong. Baku emerged as an alternative route for Kazakhstan and Turkmenistan energy exports to global markets. As Russia threatened shutting down Kazakhstan's oil exports through the Caspian Pipeline Consortium (CPC), Astana turned to the trans-Caspian routes to send its oil to customers through Azerbaijan's pipeline system. Turkmenistan has also been eyeing the possibility of sending its gas to European markets

93 European Commission, "Statement by President von der Leyen with Azerbaijani President Aliyev", July 18, 2022, Available at [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_22\\_4583](https://ec.europa.eu/commission/presscorner/detail/en/statement_22_4583)

94 Euractiv, "EU, Azerbaijan launch Black Sea electricity link", December 18, 2022, Available at <https://www.euractiv.com/section/energy-environment/news/eu-azerbaijan-launch-black-sea-electricity-link/>

95 Azernews, "Azerbaijan, Serbia set to further cement relations for long-term strategic partnership", December 23, 2022, Available at <https://www.azernews.az/business/204015.html>

96 Report.az, "Minister: Azerbaijani gas to cover about one third of Serbia's needs", December 28, 2022, Available at <https://report.az/en/energy/minister-azerbaijani-gas-to-cover-about-one-third-of-serbia-s-needs/>

97 APA, "Azerbaijani President: Azerbaijani gas to be transported to three Balkan countries through Ionian-Adriatic Pipeline", September 2, 2022, Available at <https://apa.az/en/official-news/azerbaijani-president-azerbaijani-gas-to-be-transported-to-three-balkan-countries-through-ionian-adriatic-pipeline-383894/>

through Azerbaijan's pipeline infrastructure after the construction of the Trans-Caspian Pipeline. These all attest to Azerbaijan's growing role in Eurasian energy geopolitics that will afford it many opportunities to help build a regional environment amenable to its vital interests.

## ■ South Caucasus: A pivotal link in the East-West and North-South Connectivity

The South Caucasus region is located at the strategic crossroads of the main international transport routes linking China to the EU (east-west) and Russia to India (north-south). Regional countries - Armenia, Azerbaijan, and Georgia - position themselves as pivotal players in regional and global connectivity. These countries see transport corridors as a strategic tool to develop trade

The destabilisation of transport routes passing through Russia and Iran after Western sanctions leads inexorably to the emergence of the South Caucasus republics as essential actors in Eurasian connectivity

links with major economic powerhouses and anchor themselves in the liberal international order. Especially for Armenia and Azerbaijan, intercontinental connectivity projects offer opportunities to overcome challenges emanating from their landlocked position and decrease economic dependence on neighbouring major powers. The evolution of the region's hard and soft infrastructure potential not only boosts long-term economic growth but also helps integrate regional economies into global value and supply chains. For external actors with serious stakes in global connectivity, the South Caucasus region, together with Central Asia, provides one of the shortest links between the EU and China, bypassing the territory of regionally assertive powers, Russia and Iran. In this

context, the destabilisation of transport routes passing through Russia and Iran after Western sanctions leads inexorably to the emergence of the South Caucasus republics as essential actors in Eurasian connectivity.<sup>98</sup>

After the collapse of the Soviet Union, the newly independent states in the South Caucasus found themselves in a geopolitical situation fraught with ethnic conflicts, having serious repercussions for regional connectivity. Secessionist wars in Georgia and Azerbaijan cut the countries' access to economically vital regions in the wider neighbourhood, dashing the hopes for regional integration. Closure of the 200-km Abkhaz section of the Georgia-Russia railway as a result of the war in 1992 deprived Georgia of valuable railway access to the Russian market which once accounted for 80% of trade between the two countries.<sup>99</sup> Armenia's economy also

98 Eldem, T., "Russia's War on Ukraine and the Rise of the Middle Corridor as a Third Vector of Eurasian Connectivity: Connecting Europe and Asia via Central Asia, the Caucasus, and Turkey", *German Institute for International and Security Affairs*, October 28, 2022, Available at <https://www.swp-berlin.org/en/publication/russias-war-on-ukraine-and-the-rise-of-the-middle-corridor-as-a-third-vector-of-eurasian-connectivity>

99 Civil.ge., "Abkhazia Seeks Involvement in Russo-Armenian Railway Project", February 10, 2021, Available at <https://civil.ge/archives/396417>

took a significant blow from the closure as it pushed Armenian trade with Russia to the already crowded and underdeveloped land route through Georgia. Similarly, the Azerbaijan-Armenia conflict and as a result, the latter's occupation of Azerbaijani territories in the former Nagorno-Karabakh Autonomous Oblast and surrounding districts led to the shutdown of critical railway infrastructure linking Azerbaijan to its Nakhchivan exclave through Armenian territory and connecting Armenia with Iran and Türkiye.

In the next three decades, Armenian and Russian attempts to freeze the Karabakh conflict had three major repercussions for regional connectivity. Firstly, it led to the isolation of Yerevan in regional transactions as Azerbaijan and Türkiye closed their borders with Armenia. Unsurprisingly, it pushed Armenia further into Russia's orbit, exposing the commanding heights of the Armenian economy to Russian manipulation.<sup>100</sup> Azerbaijan's turn to Georgia and Türkiye to reach global markets decreased the relevance of building mutually beneficial international transport corridors through Armenia and led to its comparative isolation<sup>101</sup>; cooperation, which in the 1990s was widely believed to be capable of spilling over to other policy areas and helping the two countries solve the Karabakh conflict in a peaceful way.

Secondly and relatedly, major Western actors hesitated to throw their political and financial weight behind the new connectivity projects linking Azerbaijan to Georgia and Türkiye as it would further isolate Armenia and hinder the EU's region-building efforts in the South Caucasus.<sup>102</sup> In the end, it was the Azerbaijani government that took the initiative to push the Baku-Tbilisi-Kars railroad project forward in cooperation with the neighbouring countries. Baku's \$750 million loan to Georgia was a significant step forward for the timely completion of the project.<sup>103</sup> The railroad recovered rail connectivity between Türkiye and the South Caucasus after 25 years with serious implications for the regional balance of power.

Thirdly, the so-called frozen conflicts in the South Caucasus raised security concerns for potential investors in the development of the region's transport potential. Long distances to major supply and value chains already derailed the individual and multilateral attempts to attract foreign investment in previous years and the prolongation of the conflict resolution process added a new layer to this geoeconomic uncertainty.

On the positive side, the West's normative and infrastructural expansion to the post-Soviet space opened up certain avenues for upgrading the region's connectivity potential and increasing re-

100 Minassian, G., "Armenia, a Russian Outpost in the Caucasus?" IFRI, February 2008, Available at [https://www.ifri.org/sites/default/files/atoms/files/ifri\\_RNV\\_minassian\\_Armenie\\_Russie\\_ANG\\_fevr2008.pdf](https://www.ifri.org/sites/default/files/atoms/files/ifri_RNV_minassian_Armenie_Russie_ANG_fevr2008.pdf)

101 Muradov, M., "Why Armenia's vision of itself represents a chronic threat to the regional peace", *Topchubashov Center*, August 3, 2020, Available at <https://top-center.org/en/analytics/3034/why-armenias-vision-of-itself-represents-a-chronic-threat-to-the-regional-peace>

102 Jardine, B., "Full Steam Ahead: Long-Awaited Baku-Tbilisi-Kars Railway Opens", *Eurasianet*, October 30, 2017, Available at <https://eurasianet.org/full-steam-ahead-long-awaited-baku-tbilisi-kars-railway-opens>

103 Azernews., "Azerbaijan allocates \$630M for Georgian section of BTK", February 28, 2017, Available at <https://www.azernews.az/business/109568.html>

gional countries' ability to adapt to the fast-moving globalisation of international trade. Launched in 1993, the EU-funded Transport Corridor Europe-Caucasus-Asia (TRACECA) program was streamlined to bring South Caucasus and Central Asia closer to the EU and ensure socio-economic growth in these regions in the long term.<sup>104</sup>

Since 1995, Brussels has funded 14 transport projects as part of TRACECA that helped regional countries renovate their transport infrastructure. Participation in the EU's European Neighborhood Policy and Eastern Partnership program provided the South Caucasus republics with a wide range of opportunities to gain access to the European transport networks. The decision to extend the EU's Trans-European Transport Networks (TEN-T) to the South Caucasus in 2018 was a significant development in this regard.<sup>105</sup> In Azerbaijan, the Indicative TEN-T Investment Action Plan envisaged the further development of the Alyat Free Trade Zone and the east-west railway that connects the country to the Georgian ports in the Black Sea.<sup>106</sup> In Georgia, the program envisioned investments in the construction of logistics centres in different parts of the country and increasing the capacity of ports in the Black Sea. In the case of Armenia, priority was given to the modernisation of the country's road infrastructure, the so-called north-south corridor linking Yerevan with Georgia and Iran. Successful development of this route means Armenia can emerge as a crucial transit country in the Persian Gulf-Black Sea connectivity.<sup>107</sup>

Since the early 2000s, two major intercontinental land transportation projects have featured high on the connectivity agenda of the South Caucasus republics. The International North-South Transport Corridor (INSTC), a 7,200-km long network that links Russia's Saint Petersburg ports to Mumbai in India, could offer significant benefits for Armenia and Azerbaijan in terms of transit fees and geostrategic importance.<sup>108</sup> Launched in 2000 by Russia, India, and Iran, the project eventually involved 10 countries as observers, including Baku and Yerevan. The INSTC is a multimodal route involving sea and railroad transportation. According to the Indian Federation of Freight Forwarders Association report, the INSTC is 30% cheaper and 40% shorter than the traditional maritime routes running through the Suez Canal. For Armenia, being part of the INSTC may bring economic dividends thanks to the deeper trade relations with Russia and Iran. Yerevan believes that the route might turn it into a strategic link in Iran's trade transactions with the Eurasian Economic Union (EEU) countries. With this in mind, Armenian leadership has gone a long way to construct the Southern Armenia Railway that would

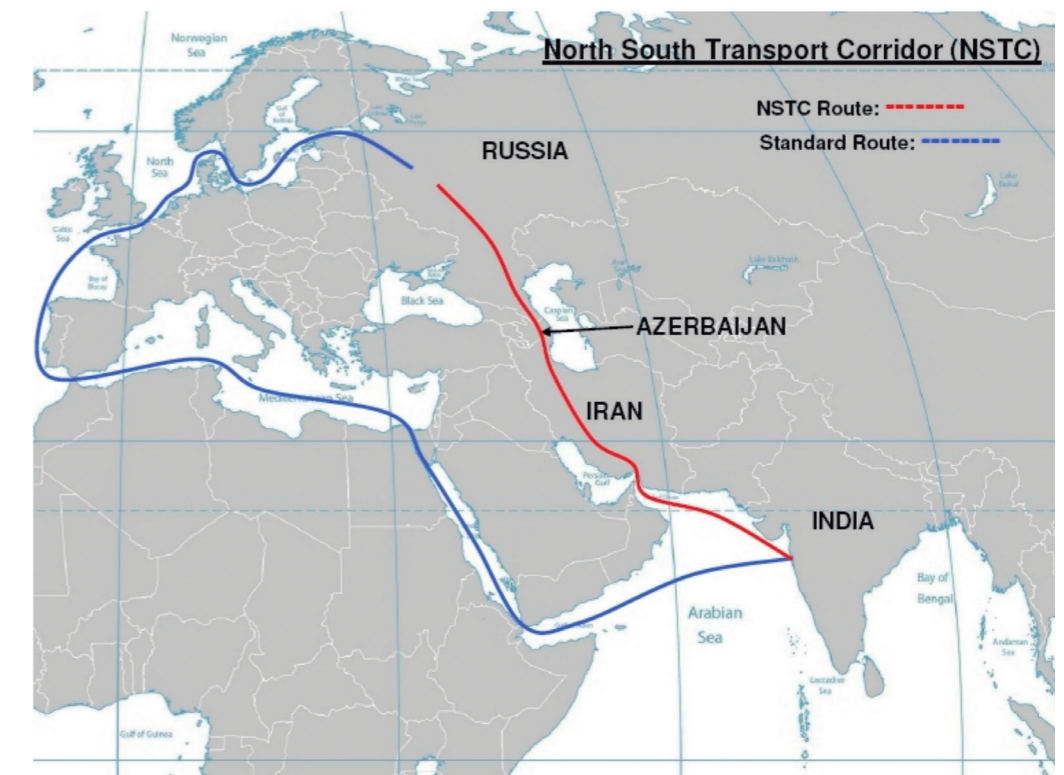
104 Traceca.org, "History of TRACECA", Available at <http://www.traceca-org.org/en/about-traceca/history-of-traceca/>

105 Railfreight.com, "New TEN-T maps for Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine", November 13, 2018, Available at <https://www.railfreight.com/specials/2018/11/13/new-ten-t-maps-for-armenia-azerbaijan-belarus-georgia-moldova-and-ukraine/>

106 European Commission. "Eastern Partnerships Indicative TEN-T maps", Available at [https://transport.ec.europa.eu/transport-themes/international-relations/european-neighbourhood-policy/eastern-partnership-eap/eastern-partnerships-indicative-ten-t-maps\\_en](https://transport.ec.europa.eu/transport-themes/international-relations/european-neighbourhood-policy/eastern-partnership-eap/eastern-partnerships-indicative-ten-t-maps_en)

107 ArmInfo, "Ambassador: Establishment of the "Persian Gulf - Black Sea" transit corridor can open up huge opportunities not only for Armenia and Iran", February 9, 2022, Available at [https://arminfo.info/full\\_news.php?id=67598&lang=3](https://arminfo.info/full_news.php?id=67598&lang=3)

108 Financial Tribune, "Talks on Activating INSTC Resume With India, Russia" April 7, 2018, Available at <https://financialtribune.com/articles/economy-domestic-economy/84211/talks-on-activating-instc-resume-with-india-russia>



The map of the International North-South Transport Corridor (Source: Wikimedia Commons)

connect southern parts of the country with Iran. However, the project remained ink on paper for a long time due to two major factors. Firstly, Yerevan could not find financial sponsors to support the realisation of the project. Although Russian and Iranian leaders from time to time expressed readiness to invest in the \$3.5 billion project, neither side showed serious commitment later on.<sup>109</sup> Secondly, the fact that Armenia's sole railway company, South Caucasus Railway is owned by Russian Railways made matters worse as it weakened Armenia's hand in negotiations and rendered the route's development hostage to Russia's preferences.<sup>110</sup>

In contrast, Azerbaijan's participation in the INSTC's development has been more fruitful as its financial capabilities and relatively more developed transport infrastructure afforded it many opportunities to build new connections to Russia and Iran.<sup>111</sup> Baku sees the INSTC as a strategic desideratum, an opportunity to take advantage of moving production activities, value, and supply chains from coastal regions to once-peripheral locations. At the same time, the project gives Azerbaijan a chance to diversify its transport linkages away from a strong dependence on the east-west route linking China to the EU. Most importantly, active participation in the INSTC serves

109 Shahbazov, F., "Is the Iran - Armenia railway project an illusion?", *The Times of Israel*, February 2, 2017, Available at <https://blogs.timesofisrael.com/is-the-iran-armenia-railway-project-an-illusion/>

110 Azatutyun, "Russian-Armenian Dispute Over Railway 'Settled'", September 3, 2022, Available at <https://www.azatutyun.am/a/30819063.html>

111 Contessi, N., "In the Shadow of the Belt and Road: Eurasian Corridors on the North-South Axis", *Reconnecting Asia (CSIS)*, March 3, 2020, Available at <https://reconasia.csis.org/shadow-belt-and-road/>

Azerbaijan's strategic goal to keep Armenia out of the regional transportation projects as long as it lays claim to Azerbaijan's internationally recognized territories.<sup>112</sup>

In 2018, Baku and Tehran launched a railway linking Astara in Azerbaijan and the Iranian namesake city, extending Azerbaijan's 1520-mm gauge rail 1.5 km into Iranian territory.<sup>113</sup> Azerbaijan also financed the construction of the 60-million-dollar bridge over the Astarachay river. After Iran finally completed the construction of the Qazvin-Rasht railway section in 2018, Baku began to push for the completion of the 164-km-long Rasht-Astara railroad which is the only remaining link to be completed to provide smooth transit of cargo between India and Russia through Azerbaijan and Iran. Azerbaijan even loaned \$500 million to the Iranian side for the construction of the railroad but the project stalled due to the ongoing sanctions regime in Iran and Tehran's unwillingness to contribute to Baku's strengthening position in the region's railway game.<sup>114</sup> It should come as no surprise that Iran considers expanding the transport capabilities of alternative routes to reach Russia. One of these routes links Iranian and Russian ports in the Caspian Sea.<sup>115</sup> However, this route is not that viable due to the difficult navigation conditions in the Caspian Sea. Another alternative is the use of the railway systems of Turkmenistan and Kazakhstan to connect with Russian railways.<sup>116</sup> Compared to the Azerbaijani route, this line is much longer.

The second major intercontinental rail route that includes the South Caucasus countries is the Trans-Caspian International Transport Route (TITR) or the Middle Corridor. It is a multimodal route that connects China with the EU through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, and Türkiye (or the Black Sea).<sup>117</sup> After China's launch of the One Belt One Road project in 2013 with a serious financial package for Eurasian rail connectivity, the Middle Corridor countries seized the moment to coordinate efforts to present the route as a viable option for intercontinental rail trade. Azerbaijan and Kazakhstan allocated significant resources to developing domestic and interstate transport infrastructure with a specific emphasis on railroads and ports. In this context, the construction of the Baku-Tbilisi-Kars railroad and the Trans-Kazakhstan Zhezkazgan-Saksaulskaya-Shalkar-Beyneu line decreased the transit time along the route to a great extent.<sup>118</sup> As the major supporter of the route, Türkiye also threw its weight behind the project, signing a memoran-

112 *Railfreight.com*, "Transport blockade could cost Armenia's INSTC position and strengthen Azerbaijan's", October 27, 2022, Available at <https://www.railfreight.com/corridors/2022/10/27/transport-blockade-could-cost-armenias-instc-position-and-strengthen-azerbaijans/>

113 *Financial Tribune*, "Iran, Russia, India to Meet on International North-South Corridor", October 30, 2018, Available at <https://financialtribune.com/articles/domestic-economy/94802/iran-russia-india-to-meet-on-international-north-south-corridor>

114 *Tehran Times*, "Baku, Tehran agree on \$500m loan for railway construction," June 12, 2016: <https://www.tehrantimes.com/news/403295/Baku-Tehran-agree-on-500m-loan-for-railway-construction>

115 Tirone, J. and Motevalli, G., "Russia and Iran are building a trade route that defies sanctions", *Bloomberg*, December 21, 2022, Available at <https://www.bloomberg.com/graphics/2022-russia-iran-trade-corridor/#xj4y7vzkg>

116 Abbasova, V., "Kazakhstan, Iran, and Turkmenistan agreed to boost cargo volume via railroad", *Caspian News*, November 20, 2021, Available at <https://caspiannews.com/news-detail/kazakhstan-iran-turkmenistan-agreed-to-boost-cargo-volume-via-railroad-2021-11-29-0/>

117 Calabrese, J., "Setting the Middle Corridor on track", *Middle East Institute*, November 18, 2019, Available at <https://www.mei.edu/publications/setting-middle-corridor-track>

118 Kenderdine, T. and Bucsky, P., "Middle Corridor – Policy Development and Trade Potential of the TransCaspian International Transport Route", *Asia Development Bank*, May 2021, Available at <https://www.adb.org/sites/default/files/publication/705226/adbi-wp1268.pdf>



The map of the Middle Corridor connecting China with Europe through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, and either Türkiye or the Black Sea (Source: Eurasianet)

dum of understanding with China on aligning the Middle Corridor with the Belt and Road Initiative (BRI) during the G20 summit in November 2015.<sup>119</sup>

Azerbaijan sees the Middle Corridor as an essential component of its multivector connectivity policy and a strategic tool to help diversify its economy away from heavy dependence on energy revenues. The growing importance of the Middle Corridor means closer cooperation with Western countries and a stronger Western vector in its foreign policy. When it comes to Georgia, Tbilisi benefits from additional revenues emanating from increasing freight turnover in the Middle Corridor. In geopolitical terms, the Middle Corridor brings Tbilisi closer to its regional trade partners – Azerbaijan and Türkiye – and its global trade partners – China and the EU. Against the background of increasing Russian and Iranian assertiveness in the South Caucasus, the deepening connectivity partnership between Azerbaijan, Georgia, and Türkiye creates a much-needed balancing pole for regional stability. Armenia's isolation and sometimes direct opposition to this group not only deprive it of economic benefits but also serve Moscow's and Tehran's goals of spoiling regional peace and stability.

After Russia's invasion of Ukraine, both east-west and north-south routes have been undergoing significant changes as the war undermined traditional supply and value chains. In the east-west connectivity, the Middle Corridor gained new momentum as a viable alternative to the Northern Corridor passing through Russia and Belarus. With Russia and Iran sanctioned, many interna-

119 Yilmaz, B., "The Belt and Road Initiative and the Impacts on Turkey as a part of the Middle Corridor". *German Institute for International and Security Affairs*, May 2, 2022, Available at [https://www.swp-berlin.org/publications/products/arbeitspapiere/WP02\\_22\\_FG7\\_Yilmaz\\_BRI\\_Turkey.pdf](https://www.swp-berlin.org/publications/products/arbeitspapiere/WP02_22_FG7_Yilmaz_BRI_Turkey.pdf)

tional logistics companies shifted their operations to the trans-Caspian route which increased Azerbaijan and Georgia's role in Eurasian trade.<sup>120</sup> To meet the rising demand, the Middle Corridor countries coordinated efforts to increase the hard and soft infrastructure potential of the route. Azerbaijan and Kazakhstan increased the number of vessels in the Caspian Sea from 3 to 7 in December.<sup>121</sup> At the same time, Baku in cooperation with Tbilisi and Astana put two cargo vessels in the Black Sea that will sail between Georgia's ports of Batumi and Poti and Romania's port of Constanta.<sup>122</sup> In parallel with the new energy deal with the EU, Azerbaijan's new connectivity initiatives with its regional partners aim to bolster regional resilience vis-a-vis external pressures and neutralise challenges emanating from Russia's aggressive conduct in the so-called shared neighbourhood. Azerbaijan, Georgia, Türkiye, and Kazakhstan also signed a quadrilateral agree-

## Growing transport connectivity in the South Caucasus could be a launching pad for peace and stability in the future

ment on the establishment of the Middle Corridor joint venture in the early-to-mid 2023.<sup>123</sup> The joint venture will provide high-level intermodal transport and logistics services, harmonise cargo rates, and introduce a unified IT platform to fully automate cargo transport services from China to the EU and vice versa.

Azerbaijan also emerged as a crucial transit partner for Russia in the north-south corridor. To shift its trade

from Europe to Asia, Russia needs transport connections to India and China more than ever and the INSTC may provide an ultimate platform to reach that goal. In this context, it should come as no surprise that Russia declared its readiness to financially support the remaining parts of the Rasht-Astara railway that will link Iran's railroad system with that of Azerbaijan.<sup>124</sup> At the same time, the sides signed the Baku declaration on September 9 to deepen customs cooperation and other soft infrastructure bottlenecks that previously hampered the smooth transfer of cargo between the countries.<sup>125</sup>

While Azerbaijan reaps the benefits of the growing dynamism around the east-west and north-south transport corridors, Armenia once again finds itself isolated in the region which bodes well neither for the Armenian economy nor regional stability in the South Caucasus. What is striking is that Russia's blunder in Ukraine opens up certain avenues for Baku and Yerevan to sign a peace agreement which, among others, envisions the opening of all transport corridors between the two

120 Maersk, "Maersk launches a revamped Middle Corridor rail service", May 16, 2022, Available at <https://www.maersk.com/news/articles/2022/05/16/maersk-launches-a-revamped-middle-corridor-rail-service>

121 Railfreight.com, "Middle Corridor update: another vessel added to the Caspian fleet", December 15, 2022, Available at <https://www.railfreight.com/railfreight/2022/12/15/middle-corridor-update-another-vessel-added-to-the-caspian-sea-fleet/>

122 ADY Container, "ADY Container launches a new service connecting Batumi to Europe", June 21, 2022, Available at <http://adycontainer.com/en/ady-container-launches-a-new-service-in-the-direction-of-batumi-europe/>

123 Railfreight.com, "Middle Corridor joint venture to be established in 2023", April 7, 2022, Available at <https://www.railfreight.com/beltandroad/2022/04/07/middle-corridor-utlc-to-be-established-in-2023/>

124 APA, "Russia to finance construction of Rasht-Astara railway", July 26, 2022, Available at <https://apa.az/en/infrastructure/russia-to-finance-construction-of-rasht-astara-railway-381645>

125 Hajieva, G., "Azerbaijan, Russia, Iran sign declaration on North-South transport corridor", *Caspian News*, September 11, 2022, Available at <https://caspiannews.com/news-detail/azerbaijan-russia-iran-sign-declaration-on-north-south-transport-corridor-2022-9-11-0/>

countries. On the one hand, the Azerbaijan-Armenia route would increase the transport capacity of the Middle Corridor, offering an alternative way to link Azerbaijan to Türkiye further to the EU countries not by replacing, as it often wrongly claimed, but by complementing the existing Georgian connection. On the other hand, both countries can get easier access to the new markets. Growing transport connectivity in the South Caucasus could be a launching pad for peace and stability in the future.

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# chapter 4

## Security and Defence

Rusif Huseynov, Murad Muradov and Jacobo Morillo

### ■ General issues and military power

When it comes to security and defence issues in the Caucasus, the main focus is the Karabakh conflict between Armenia and Azerbaijan. This is a major issue on which the military capabilities of both countries are involved. On a different scale, and with different repercussions, it is also worth noting the stalemate of Georgia and the self-proclaimed independent territories of Abkhazia and South Ossetia, backed by Russia.

The Caucasus is a crossroads, hence its geopolitical importance in terms of the value of supply chains and the complexity of security. This context has been accentuated by the current scenario in Ukraine, which may make energy resources from Central Asia a medium-term alternative for Europe.

The Caucasus is a crossroads, hence its geopolitical importance in terms of the value of supply chains and the complexity of security. This context has been accentuated by the current scenario in Ukraine, which may make energy resources from Central Asia a medium-term alternative for Europe. If this is the case, the weight of Azerbaijan and Georgia as transit players will increase. However, Russia's economic and financial legacy in these two countries cannot be underestimated. Moscow still has efficient channels of influence in Baku and Tbilisi, as well as good relations with Türkiye's Recep Tayyip Erdoğan.

On a larger scale, the Caucasus is also impacted by the three powers that surround it - Russia, Türkiye and

Iran - and that have competing geopolitical interests in the region. The Karabakh conflict between Armenia and Azerbaijan is a scenario that makes this indirect confrontation over the expansion of the radius of influence clear. It also serves as a gauge of the balance of power.

There is a significant difference among the three countries in terms of the security and defence expenditure, both in absolute figures and as a percentage of GDP. Georgia is by far the nation with

the lowest military budget, since it has not pursued the goal of ending the occupation in South Ossetia and Abkhazia with military means. This contrasts with the situation in both Armenia and Azerbaijan, with Yerevan and Baku being at loggerheads over Karabakh even after the end of the 44-day war, which is the main reason behind its defence budgets.

### CONFLICT OVER KARABAKH

An unfinished war from the 1990s remains the main source of instability in the Caucasus. The Karabakh issue has shaped the security and defence agendas of both Armenia and Azerbaijan. The reopening of the war in 2020 was the most intense chapter in recent years and served to demonstrate a change in the order of power.

The previous confrontation in 2016 had exposed Azerbaijani operational shortcomings, which prompted investment in structural change. From then on, a substantial commitment was made to improve its arsenal through fruitful trade agreements with Israel and Türkiye, as well as military consultancy. This direction would shape a force capable of shifting the dynamics of the conflict in its favour. Such tactical readiness showed its results during the six-week conflict in the late 2020s, in which the deployment of Unmanned Aerial Vehicles (UAVs) proved decisive.<sup>126 127</sup>

In addition, the use of drones in the 2020 standoff underlined the importance of air superiority for Baku:<sup>128</sup>

- **Azerbaijan:** UAVs of Israeli origin: (100) Skystriker, (80) Orbiter-1K, (10) Orbiter-3, (50) Harop, (14) Aerostar, (10) Hermes 450, (2) Heron TP, (2) Hermes 900; and of Turkish origin, (-) Bayraktar TB2 .
- **Armenia:** of Armenian origin the (-) Baze and (15) Krunk. Russian origin: (-) Ptero-5E, (-) Orlan 10.

After the six-week war, Azerbaijan liberated the seven adjacent occupied districts in Karabakh lost in previous wars, as well as parts of the core of the conflict zone itself.

### AZERBAIJAN

Azerbaijan is the nation in the South Caucasus with the greatest economic capacity to cover its security and defence needs, and this was evident in the latest war in 2020. The size of budgets is a differential issue that distinguishes it from Armenia and Georgia, which are more constrained by their lack of vast natural resources. Moreover, Azerbaijan's network of allianc-

<sup>126</sup> The Drone Databook, *Center for Study of the Drone at Bard College*, 2019, p. XII. <https://dronecenter.bard.edu/files/2019/10/CSD-Drone-Databook-Web.pdf>

<sup>127</sup> "The Air and Missile War in Nagorno-Karabakh: Lessons for the Future of Strike and Defense", *CSIS*, 8 December 2020: <https://www.csis.org/analysis/air-and-missile-war-nagorno-karabakh-lessons-future-strike-and-defense>

<sup>128</sup> Felipe Sánchez Tapia, "La industria turca de defensa. Activo estratégico de primer orden", *Instituto Español de Estudios Estratégicos*, 10 February 2021: [https://www.ieee.es/Galerias/fichero/docs\\_analisis/2021/DIEEEA06\\_2021\\_FELSAN\\_Industria-Turca.pdf](https://www.ieee.es/Galerias/fichero/docs_analisis/2021/DIEEEA06_2021_FELSAN_Industria-Turca.pdf)

es - especially with Türkiye, and to a lesser extent with Israel - further conditions its security projection. At the same time, Georgia is an indispensable window for Azerbaijan without which the country would be subject to isolation that would greatly affect its trade network and geopolitical status. This is in addition to Tbilisi's neutral stance on neighbourly confrontations. Georgia has all its borders open and this represents a major logistical and commercial lifeline for the two surrounding countries.

When it comes to defence capabilities, in 2020 Azerbaijan had an armed forces of 95,000 troops (85,000 in the army, 2,000 in the Azerbaijani navy and 8,000 in the air force).<sup>129</sup> Such a distribution of forces gives an idea of the country's strategic priorities as well as its force pro-

Show a country that is making a serious bid to become an increasingly important geopolitical actor in the region

jection. In terms of weapons, a key factor that needs to be underlined is that they are largely of Russian/Soviet origin.<sup>130</sup> The air force consists of MiG-29s, MiG-25 Foxbat and MiG-21 Fishbed (the latter two not in active service). It also has Su-25 Frogfoot, Su-24 Fencer to provide air support to the army, as well as Mi-24 Hind, Mi-24G Super Hind and Mi-35 Hind-E helicopters.<sup>131</sup> Although Russia has provided

Azerbaijan with two-thirds of its arsenal over the past decade, Israel, Türkiye and Belarus are also important suppliers. Indeed, over the past decade, Ankara and Tel Aviv have increased their influence over the entire security and defence framework of Azerbaijan.

As mentioned above, the field that has multiplied its operational significance has been aerial warfare, specifically through UAVs. Baku has been able to maximise their use, not only for offensive actions, but also to gather intelligence. Thus, Azerbaijan has obtained levels of real-time information and precision in attack that Armenia can hardly compete with.

In the area of unmanned vehicles, Israel's role at the operational level should be mentioned,<sup>132</sup> although Türkiye has positioned itself as an important supplier, especially for its Bayraktar TB2, which has demonstrated a remarkable performance. Azerbaijan also stocks drones of different profiles such as the 'suicide' IAI Harop, already used in 2016, the Orbiter-1K and the Skystriker - purchased by Azerbaijan in 2018, according to SIPRI.<sup>133</sup> In addition to drones, it is worth mentioning that Azerbaijan has also acquired LORA surface-to-surface missiles (SSMs)

129 "Azerbaijan", *CIA World Factbook*, Central Intelligence Agency, 2022: <https://www.cia.gov/the-world-factbook/countries/azerbaijan/#military-and-security>

130 Francisco Ruiz González, "El conflicto Nagorno-Karabaj: camino de una solución negociada?", *Instituto Español de Estudios Estratégicos*, 3 January 2014: [https://www.ieee.es/Galerias/fichero/docs\\_opinion/2014/DIEEO04-2014\\_Nagorno-Karabaj\\_Fco.RuizGlez.pdf](https://www.ieee.es/Galerias/fichero/docs_opinion/2014/DIEEO04-2014_Nagorno-Karabaj_Fco.RuizGlez.pdf)

131 Muhammad Baig, *The Defence Needs of Azerbaijani Armed Forces for Peace, Security and Stability*. Degruyter. Open Military Studies 2020; 1: 79-87

132 Paulo Botta, *El uso de drones en el conflicto entre Armenia y Azerbaiján*. RESGA, 2018.

133 Pieter D. Wezeman, Alexandra Kuimova and Jordan Smith "Arms transfers to conflict zones: The case of Nagorno-Karabakh", *SIPRI*, 30 April 2021: <https://www.sipri.org/commentary/topical-background/2021/arms-transfers-conflict-zones-case-nagorno-karabakh>

and Spike-MR/LR anti-tank missiles from Israel. In terms of naval force, Azerbaijan does not possess capabilities according to its key position in the Caspian Sea and its geopolitical weight. The approach can be reformulated in line with the potential of the Caspian Sea as a supply route. In 2020, the naval force consisted of 14 warships<sup>134</sup>. In 2020, Baku spent approximately 9% of its GDP on defence. These figures show a country that is making a serious bid to become an increasingly important geopolitical actor in the region.

Although Azerbaijan's major arms suppliers have traditionally been Russia, Israel, Türkiye and Belarus, Baku has also established significant military partnerships with the U.S. and, surprisingly, France. U.S.-Azerbaijan military cooperation was formed around Baku's participation in the American-led coalition against international terrorism which became a defining factor in the history of the bilateral relations in the military-security sphere. Between 2000 and 2020, the U.S. Defense Ministry had shared \$418 million of aid to the armed forces and other power structures of Azerbaijan. \$58.6 million and \$42.9 million were granted to the border and customs services for Azerbaijan in 2018 and 2019<sup>135</sup>, respectively, supposedly to bolster the country's capacity *vis-à-vis* threats originating from Iran.

A country with little infrastructure, minimal economic resources and limited military capabilities

The U.S. also provided 59 previously used patrol boats and other naval equipment to be used for fighting terrorism and other illegal activities in the Caspian<sup>136</sup>. When it comes to France, it's worth mentioning that between 2013 and 2021 it had issued licences for the sale of defence products to Azerbaijan at the amount of EUR 117.55 million, while the respective figure for Armenia amounted to zero. Among them were grenade launchers, armoured vehicles<sup>137</sup>, anti-aircraft missile systems<sup>138</sup>; moreover, Azerbaijani defence enterprises began to produce wheeled armoured vehicles and unmanned arms for naval and air carriers jointly with France. French companies have also been among the most active users of the Azerbaijani satellites Azersky and Spot 6. An agreement between Azerbaijani Space Agency Azercosmos and the French National Centre for Space Research laid the foundation for cooperation in this field.

134 "Azerbaijan", *CIA World Factbook*, Central Intelligence Agency, 2022: <https://www.cia.gov/the-world-factbook/countries/azerbaijan/#introduction>

135 Security Assistance in Focus: Azerbaijan State Border Service and State Customs Committee. // CIP. URL: <https://securityassistance.org/publications/security-assistance-in-focusazerbaijan-state-border-service-and-state-customs-committee/>

136 Amid Iran crisis, U.S. offers big military aid boost to Azerbaijan. // Eurasianet. [Электронный ресурс]. URL: <https://eurasianet.org/amid-iran-crisis-us-offers-big-military-aid-boost-to-azerbaijan>

137 Defence.az, "Azerbaijan's armoured vehicles: Gurza-2 tactical intelligence patrol vehicle - Military expert", February 14, 2018. Available at: <https://web.archive.org/web/20201029111651/http://defence.az/en/news/124381>

138 Mehdiyev, M., "Azerbaijan May Buy Missile Defense System From Europe's № 1 Supplier", *Caspian News*, December 6, 2018. Available at: <https://caspiannews.com/news-detail/azerbaijan-may-buy-missile-defense-system-from-europes-no-1-supplier-2018-12-5-46/>

## ARMENIA

Armenia is in a complex geographical position: in a conflict with Azerbaijan and with strained relations with Türkiye. As a result, the only viable borders are those it shares with Georgia to the north and Iran to the south. The fact that it maintains closed borders with two countries – which are also twinned – means that its security and defence spending is primarily devoted to this issue, a superlative threat for a country with little infrastructure, minimal economic resources and limited military capabilities. The fact that Armenia's military spending in 2021 accounted for 4.4% of its GDP is a reflection of its urgent need to invest in security and defence. These figures have been reduced, probably due to the impact of the pandemic, with spending having reached 5% in 2020 and 5.3% in 2019, amounting that year to \$1.82 billion.<sup>139</sup> As for the size of the army, the same source consulted estimates that Armenian forces will be close to 45,000 in 2022 (42,000 in the army and 3,000 in the air force/defence). Moreover, there have been 18–25,000 armed troops operating in the occupied Azerbaijani territories under the name of the "Nagorno-Karabakh Defence Army" for more than 20 years<sup>140</sup>. This amorphous structure existed due to the financial, political and technical support provided by the Republic of Armenia. Following the Second Karabakh War, some of these units – between tens of thousands and fifteen thousand, according to estimates<sup>141</sup> – are still active in the parts of Karabakh where Russian peacekeeping troops are stationed.

When it comes to the Armenian forces' arsenal, the first point to note is that the vast majority are of Russian and Soviet origin. Unlike their rival, Azerbaijan, they do not have the capacity to correct their shortcomings and improve their conditions. Proof of this is their defeat in the reopening of the war in the autumn of 2020. As for the arsenal sold by Russia, it is worth mentioning the Iskander surface-to-surface missile system. Also the Su-30SM fighter aircraft were supplied to Yerevan in 2019, however, there was no record of its use in the war.

Given Armenia's defence capabilities, it is understandable that the most realistic way to improve its security status is to involve Russia. Thus Yerevan turned, in vain, to the Collective Security Treaty Organisation (CSTO), a Moscow-led entity, in search of support. Russian forces stationed on Armenian soil are thus, in theory, obliged to respond to an Azerbaijani attack. The Russian contingency concentrates its bulk at the 102nd Gyumri Base, although it is also positioned at strategic points on the frontline on behalf of the CSTO regional force group.<sup>142</sup>

## GEORGIA

Georgia holds a unique position in the Caucasus because of its centrality and because it keeps all its borders open, making it a highly sought-after transit area. However, it maintains un-

<sup>139</sup> Ibid

<sup>140</sup> Giragosian, R., "Armenia and Karabakh: One Nation, Two States", *AGBU Magazine*, May 1, 2009.

<sup>141</sup> International Crisis Group, *Nagorno-Karabakh: seeking a path to peace in the Ukraine war's shadow*, April 22, 2022, available at: [https://icg-prod.s3.amazonaws.com/b093-seeking-a-path-to-peace\\_0.pdf](https://icg-prod.s3.amazonaws.com/b093-seeking-a-path-to-peace_0.pdf)

<sup>142</sup> Botta, P., "Enfrentamiento entre Armenia y Azerbaiyán", *Instituto Español de Estudios Estratégicos*, 29 September 2021: [https://www.ieee.es/Galerias/fichero/docs\\_opinion/2020/DIEEEO120\\_PAUBOT\\_ArmenAzer.pdf](https://www.ieee.es/Galerias/fichero/docs_opinion/2020/DIEEEO120_PAUBOT_ArmenAzer.pdf) Enfrentamiento entre Armenia y Azerbaiyán (ieee.es)

certainty over the two regions that proclaimed self-determination and are backed by Russia, Abkhazia and South Ossetia.<sup>143</sup> These issues mark many of its policy lines and have defined its approach to security and defence, both in dealing with Russia and its neutrality towards Armenia and Azerbaijan.

Georgian-Russian relations oscillate between mistrust and necessity. Tbilisi has not had diplomatic ties with Moscow over Abkhazia and South Ossetia since 2008, yet there are trade and economic ties that make these relations a necessity for Georgia. Soviet heritage still retains its weight and is reflected in the security and defence infrastructure. Although the bulk of society aspires to join the Western sphere, such a transition is problematic. Firstly, because of the economic and commercial bases already in place with Russia, and secondly, because the EU itself is not ready to invest to the degree necessary for Tbilisi to disengage from Moscow.

Georgia holds a unique position in the Caucasus because of its centrality and because it keeps all its borders open, making it a highly sought-after transit area

In terms of security and defence, the Georgian armed forces number approximately 30,000 troops, including the National Guard. A political decision reflecting the country's military prospects was seen in December 2020, when the Parliament passed a resolution limiting the maximum peacetime strength to 37,000. Georgia has spent 1.7% of its GDP on the military framework. This percentage has remained unchanged in recent years and, in 2019, represented a figure of \$780 million.<sup>144</sup> These figures on investment in the security sector highlight the fact that it is not a priority sector for growth, a fact that differentiates it from neighbouring countries. Georgia prioritises its political and social sphere in order to fulfil its aspiration to join the EU, so its path to improving security is focused on entering the Western fold.

## RUSSIA

Russia's influence in the South Caucasus is based on the triangulation of relations it maintains with the region's nations, with its role in the Karabakh conflict being the most prominent example. In this war, Moscow has swung in its support for each country, a posture of apparent equidistance that has served as both mediator and arms supplier.

The presence of Russian forces in the Caucasus has focused on three main points: 2,000 troops in Karabakh, 3,500 in Gyumri and Erebuni, and 7,000 between the regions of Abkhazia and Tshkinvali, the latter in South Ossetia.<sup>145</sup> However, at this stage it is difficult to know what military contingen-

<sup>143</sup> Martyushev, G., *Cinco días de guerra y muchos años problemáticos*. Real Instituto Elcano. N.163/2008, 2008

<sup>144</sup> "Georgia", *CIA World Factbook*, Central Intelligence Agency, 2022: <https://www.cia.gov/the-world-factbook/countries/georgia/#military-and-security>

<sup>145</sup> Kvamladze, T., "Russia's War in Ukraine and Reconfiguration in the South Caucasus", *International Centre for Defence and Security-Estonia*, 17 October 2022: <https://icds.ee/en/russias-war-in-ukraine-and-reconfiguration-in-the-south-caucasus/>

cy Moscow has in the Caucasus. The distribution of military forces may well have been altered as a result of the war in southern and eastern Ukraine. In fact, the September clashes may have served as a kind of a test to gauge Russia's response to a possible offensive from Baku.

## FINAL REMARKS

Azerbaijan has definitely shown the greatest projection in security and defence in the Caucasus. Its economic breadth and defence partners give Baku the possibility to articulate a better prepared and more efficient security and defence infrastructure. The latest Karabakh war in 2020 signified a profound change in Baku's preparedness and equipment. Drones provided by Türkiye and Israel, and intelligence and advice from the latter, made a difference. Of the three Caucasus

Several developments over the past few years may endow the Caucasus with great strategic weight; supply chains are a backbone of present and future geopolitics, and the Caucasus may become a hub if this transition is confirmed.

nations, Azerbaijan has shown the most promise in its security and defence projection. However, it also remains to be seen how it manages its doctrinal future and its ties with Moscow, given that much of its weaponry is of Russian origin. The transition to Israeli and Turkish-sourced capabilities, as well as its operational and intelligence advice, will determine the format and scope of its military force.

For its part, Armenia is dependent on aid from Russia and Iran, the countries most reviled in the international arena today. Thus, Yerevan cannot be expected to improve its position within the Caucasus, at least not through arms purchases. Armenia's relations with Russia are stronger because Yerevan has opted for it

as the only way forward, while Baku is aware that it has a privileged position that endows it with more alternatives. However, Azerbaijan is aware of the importance of having benign relations with Moscow, which is why it has articulated a foreign policy that is not closed to any actor, even less so if it is a neighbouring power.

Georgia has developed a more neutral policy in the last decade, after the 5-day 2008 war with Russia it had to endure. Since then, its policy of friendship has brought it economic benefits that make a difference in the country, which has no friction with its neighbours. In any case, Georgia's regional status justifies its low investment in security and defence.

The Turkish-Azerbaijani clampdown on Armenia is proof that this pairing is the strongest alliance in the region and may set geopolitical guidelines for the Caucasus in the future. Especially if one takes into account that the three powers in the region - Türkiye, Iran and Russia - are to a certain extent aligned in Syria, it is not in their interest to torpedo their uneasy cooperation over external issues such as those in the Caucasus. This argument helps to hint at the interest in keeping the margins of tension and dispute in Karabakh under control. However, Azerbaijan's military build-up works against Armenia, which also puts pressure on Russia. The

question for the future is whether diplomacy between Moscow and Baku will be able to contain Azerbaijani military dominance.

There is also a mobility factor that needs to be taken into account. All the three countries have limited road infrastructure. The orography complicates development and all Transcaucasian nations face logistical difficulties even though they are not large states. The most significant case is the so-called Zangezur corridor, the swath of Armenian territory which before the outbreak of the Karabakh conflict in 1988 used to connect mainland Azerbaijan to Nakhchivan. These issues pose a security and defence problem.

This reality raises the cost of the air force - also in support of the ground force - which requires large investment in technical equipment, especially in communications and detection, as well as in the high cost of precision aircraft and weaponry. Therefore, in the medium-term the country with the most efficient air force will enjoy tactical advantage over the rival. Under this premise, and taking into account each country's economic capabilities and alliance network, Azerbaijan is more likely to achieve air supremacy. The events of the 2020 war were the first demonstration of this trend through UAVs. However, Baku is not only articulating the most efficient arms capabilities in the Caucasus, it also has an established alliance with Türkiye and extremely fruitful channels with Israel, in addition to recent energy agreements with Europe. Thus, the military primacy that Azerbaijan has demonstrated and is on the way to crystallising also points to the extensive supplier network it has forged.

Several developments over the past few years may endow the Caucasus with great strategic weight; supply chains are a backbone of present and future geopolitics, and the Caucasus may become a hub if this transition is confirmed. Azerbaijan is the gateway, but the Caucasus is the physical link connecting Asia to Europe. But before that can yield further positive results, the strategic instability caused by the long-term conflict, whose ultimate resolution is still pending, must be reduced.

## ■ Pressing Security Challenges

The current security challenges in the South Caucasus should be understood and scrutinised through the prism of the geopolitical realities presented by two recent wars: the 2020 Karabakh war, which altered the geopolitical picture of the region, and the ongoing Russian invasion of Ukraine, which is expected to have implications on a larger scale. The previous subchapter analyses in detail the security concern of each regional country, the geopolitical interests of the neighbouring stakeholders and developing military-defence constellations. This subchapter, therefore, looks into several issues, which would not otherwise be classified as security issues in geopolitical understanding.

Having emerged triumphant from the 44-Day War, Azerbaijan has liberated all but a thin strip of land inhabited by the Armenian community, which is now encircled by the Azerbaijani forces

from all directions. Azerbaijan, on the one hand, cemented its gains by launching mega-projects in Karabakh throughout both 2021 and 2022; these projects include but are not limited to the revival of the formerly occupied territories, by injecting mass investments for constructing infrastructure and new settlements on the basis of the previous ones turned into ghost towns by the Armenian forces during the Interwar period and by introducing the Great Return plan for the displaced persons. On the other hand, Baku does not seem relaxed militarily and carefully considers security challenges originating from both separatist forces in Karabakh and Armenia.

In this context, one of the most important security challenges is the existence of landmines, a bitter legacy of the Armenian occupation in the region. One foreign expert referred to the former occupied territories as “carpets of land mines”, as they represent the most heavily mined region in the world<sup>146</sup>. “Azerbaijan is among the countries most polluted by mines in the world. According to preliminary estimates, during the occupation, Armenia planted more than one million mines on the territory of Azerbaijan. According to international experts, Azerbaijan will need about 30 years and 25 billion dollars to solve the landmine problem,” stated President Ilham Aliyev in fall 2022<sup>147</sup>.

The landmines are seen as one of the major obstacles for Azerbaijan’s revival and resettlement plans in Karabakh. Over 250 Azerbaijani citizens were killed or seriously injured as a result of mine explosions in the two years since the end of the war in Karabakh<sup>148</sup>. Therefore, Azerbaijan’s national demining agency, ANAMA, has launched extensive mine-clearing operations in the area. To speed up the demining process, Azerbaijan demanded several times Armenia provide minefield maps. The officials in Yerevan, although they initially rejected that such maps even existed, finally provided several of such maps. Nevertheless, the Azerbaijani side claimed that they are at most 25% accurate<sup>149</sup>. Despite this challenge, ANAMA cleansed 419 sq.km., in Karabakh and East Zangezur from 8,780 anti-personnel mines, 4,133 anti-tank mines and 14,950 unexploded ordnance, all planted by the Armenian side, in 2022<sup>150</sup>. Overall, throughout the 2021-2022 period more than 551 sq.km. were cleansed.

Another source of concern for Azerbaijan stems from the Armenian side, namely revanchist forces in Armenia and the illegal armed groups inside Karabakh. In the first case, it should

146 Kuzio, T., “Mines, Karabakh and Armenia’s crisis”, *New Eastern Europe*, 16 April 2021. <https://neweasterneurope.eu/2021/04/16/mines-karabakh-and-armenias-crisis/>

147 Abbasli, C., “25 milyard dollar və 30 il... - Qarabağın minalardan təmizlənməsinə Qərb niyə laqeyddir? [25 billion USD and 30 years.. - why the West is ignorant regarding de-mining efforts in Karabakh?]”, *Yeni Musavat*, 15 October 2022, available at: [https://musavat.com/news/25-milyard-dollar-ve-30-il-qarabagin-minalardan-temizlenmesine-qerb-niye-laqeyddir\\_928756.html](https://musavat.com/news/25-milyard-dollar-ve-30-il-qarabagin-minalardan-temizlenmesine-qerb-niye-laqeyddir_928756.html)

148 Modern.az, *Qarabağın minalardan təmizlənməsi ilə bağlı planlar* [Plans regarding de-mining in Karabakh], 5 October 2022, available at: <https://modern.az/aktual/372016/azerbaycanin-minalardan-temizlenmesi-ile-bali-planlar-aciqlandi/>

149 Jam-News, *Azerbaijan doubts reliability of Armenian minefield maps*, 8 December 2021. Available at: <https://jam-news.net/azerbaijan-doubts-reliability-of-armenian-minefield-maps/>

150 Interfax, *В Карабахе и Восточном Зангезуре в 2022г очищено от мин и боеприпасов около 42 тыс. га - ANAMA [Around 42 ha were cleansed from landmines and UXOs in Karabakh and Eastern Zangezur in 2022 - ANAMA]*, 31 December 2022. Available at: <http://interfax.az/view/883924>

be admitted that revanchist sentiments are promoted by rather marginal groups, who can be characterised as far-right, pro-Russian, anti-Azerbaijani and anti-Turkish. While these forces may not currently enjoy the popular support, they still constitute destructive power and given tragic experience in Armenia’s contemporary political culture, especially the 1999 Armenian parliament shooting and the 2016 Yerevan hostage crisis, their influence on both domestic and regional dynamics should not be ignored.

The Azerbaijani side also keeps demanding the dismantlement of the illegal Armenian military units or as the Azerbaijani official discourse calls, “the remnants of the Armenian army and illegal Armenian armed detachments” inside Karabakh. By putting forward these demands, Baku refers to the November deal which effectively ended the hostilities in Karabakh in 2020; Article 4 of the said document mandates the withdrawal of Armenian military forces from the region in parallel with the deployment of peacekeeping units<sup>151</sup>. The continuous existence of these armed groups in the region is seen by Baku as threatening and a potential source for future violence.

In addition to the national security concerns, the region as a whole faces common problems. Against the backdrop of the war in Ukraine, there is a fear of spillover of the conflict into the region in different forms. A weakening Russia, as a wounded lion, is said to have also losing its influence over the region, thus, could be interested in making up its humiliating losses by generating some sort of provocations in order to further keep a leverage.

One way to achieve this goal would be the obstacles for the Armenia-Azerbaijan *rapprochement* much needed and long-awaited for long-term stability in the entire region. This normalisation happens mostly through the mediation of Brussels and Moscow, although Washington gets occasionally involved. However, experts can observe that the Russian mediators, unlike their Western colleagues, are more interested in preserving their influence over both Armenia and Azerbaijan rather than accomplishing genuine peace. This pattern became especially notable with the infamous Vardanyan case: by installing a Russian-Armenian oligarch, who is close to the Kremlin and who is sanctioned by Ukraine, in Karabakh as a de facto ruler, Moscow wanted to derail the peace process and prolong the conflict in Karabakh.

Within this framework, the influx of mass Russian immigration to the South Caucasus could be a real security issue. The process took place mainly in two waves, the first happening in February-March 2022 after Putin launched a “special military operation” against Ukraine, the second

151 Huseynov, V., “Tensions Escalate in Karabakh as Azerbaijan Demands Withdrawal of Armenian Armed Groups”, *Jamestown Foundation EDM*, 29 March 2022. Available at: <https://jamestown.org/program/tensions-escalate-in-karabakh-as-azerbaijan-demands-withdrawal-of-armenian-armed-groups/>

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("Septemberist" wave) taking place following the mobilisation announcement by the Kremlin. Armenia and Georgia became the key recipients of the newcomers, while Azerbaijan, thanks to the sealed land borders, did not accept too many Russian emigres. Between 20,000 and 25,000 Russians entered Georgia in the first week after the start of Putin's war against Ukraine alone, according to Georgian Economy Minister Levan Davitashvili. Georgia is often a transit country for many Russian migrants but more than 100,000 have remained in the country to date. In Armenia, the number of arrivals from Russia is similarly high. About 50,000 Russians arrived in Armenia between February and April 2022 only, according to Minister of the Economy Vahan Kerobyan. In a population of about 3 million, 50,000–100,000 is a significant proportion.

While some tried to find benefits that the relocated Russians might bring to Armenia and Georgia, there are also arguments that the continued influx could lead to an increase in the level of poverty in the country (by contributing to the increase of prices of basic commodities and real

The obvious fragmentation of the region, different internal processes and divergent foreign policy priorities do not currently allow the three South Caucasus nations to combine efforts in order to address some of the pressing security challenges of regional importance.

estate) and even political and security risks. Moreover, some pundits fear that Russian visitors may at some point be used for internal political destabilisation in Armenia and Georgia. Both countries are already vulnerable in this regard: Armenia hosts a Russian base and has many of the strategic sectors of the economy controlled by the Russian companies<sup>152</sup>. Georgia, too, has Russian boots on its territory, in the breakaway territories of Abkhazia and South Ossetia. Therefore, the flow of Russian citizens into Georgia has triggered mixed reactions and controversy. Though the newcomers boosted the tourism sector and real estate market in Georgia, many people, especially the younger generation, were in some cases not welcoming the Russians. The country where the wounds of the 2008 war are still fresh and the "20% of Georgian territory is occupied by Russia" slogan is vivid, is now harbouring tens of thousands of Rus-

sians, who may not be welcomed by the locals. No surprise that a group of Georgians, usually the opposition, staged protests against "uncontrolled, unprecedented influx of Russians" which "poses security risks to Georgia," as one of the rally organisers said<sup>153</sup>.

The fear is that the influx will have both short- and long-term negative political, economic, cultural, and security impacts. While some anticipate an economic boom, others envisage more crime, corruption, and increased Russian soft power over time. Experts list both following

152 Sargsyan, G. "Second influx of Russians into Armenia: risks for a small country", *JAM News*, 2021, available at: <https://jam-news.net/second-influx-of-russians-into-armenia-risks-for-a-small-country/>

153 France24, *Protest in Georgia as migration from Russia doubles since draft*, 28 September 2022, available at: <https://www.france24.com/en/live-news/20220928-protest-in-georgia-as-migration-from-russia-doubles-since-draft>

security risks: sabotage and provocations (e.g. against Ukrainian refugees in Georgia which could lead to civic confrontations), espionage activities and an influx of security agents, potential rise in crime and corruption, etc.<sup>154</sup>

The obvious fragmentation of the region, different internal processes and divergent foreign policy priorities do not currently allow the three South Caucasus nations to combine efforts in order to address some of the pressing security challenges of regional importance. Although Georgia once facilitated the exchange of minefield maps between Armenia and Azerbaijan and offers to serve as a venue for further Armenia-Azerbaijan negotiations, the region is far from becoming a platform of cooperation, say, just like the Baltic trio.

## ■ The Influence of the war in Ukraine on the South Caucasus

Baku's official position as to the war in Ukraine has been rather nuanced. On one hand, **Azerbaijan** has not joined the anti-Russian sanctions introduced by the Western coalition, and maintains mostly uninterrupted trade relations and communications with Russia (of course, excluding those interactions which would lead to the secondary sanctions imposed on Azerbaijani entities). On the other hand, Azerbaijan has been consistently providing humanitarian aid to Ukraine and much-needed energy supplies for different social services in the country, and according to at least one investigation, Azerbaijani weapons (mainly mortars and laser-guided munitions) ended up in Ukraine through Sudan<sup>155</sup>. Moreover, in December 2022 Azerbaijan supplied Ukraine with a cargo of 45 power transformers and 50 generators<sup>156</sup> amid the systematic Russian bombing of civilian infrastructure which threatened to leave the country largely off-grid for the coldest months of the year and exacerbate a humanitarian catastrophe, the step Russian MFA officially estimated as "puzzling" and not to be viewed as humanitarian aid<sup>157</sup>.

Baku has consistently emphasised commitment to the territorial integrity of Ukraine, including Crimea. While President Aliyev personally has always refrained from making any sharp statements on the matter, at the Shusha Conference in April 2022, responding to the question of the UK-based Ukrainian expert Olena Hlyvko, recommended Ukraine "never to agree with the occupation of any of its territories"<sup>158</sup> and mentioned Azerbaijan as an example of sticking to a principled and uncompromising position on Karabakh.

154 Kakachia, K., and Kandelaki, S., "The Russian Migration to Georgia: Threats or Opportunities?", *Ponars Eurasia*, 19 December 2022, available at: <https://www.ponarseurasia.org/the-russian-migration-to-georgia-threats-or-opportunities/>

155 Antoine, G., "Zelensky's Sudan connection - how Ukraine armed itself in Khartoum", *Africa Intelligence*, 29 July 2022. Available at: <https://www.africaintelligence.com/eastern-africa-and-the-horn/2022/07/29/zelensky-s-sudan-connection---how-ukraine-armed-itself-in-khartoum,109802953-ge0>

156 APA, *Azerbaijan sends 45 power transformers and 50 generators to Ukraine*, 10 December 2022, . Available at: <https://apa.az/en/foreign-policy/azerbaijan-sends-45-power-transformers-and-50-generators-to-ukraine-391390/>

157 Eruygur, B., "Transfer of Azerbaijani equipment to Ukraine as humanitarian aid 'puzzling': Russia", *Anadolu Agency*, Available at: <https://www.aa.com.tr/en/russia-ukraine-war/transfer-of-azerbaijani-equipment-to-ukraine-as-humanitarian-aid-puzzling-russia/2764930>

158 Trend, Президент Ильхам Алиев поделился формулой успеха Азербайджана в борьбе за территориальную целостность [President Aliyev shared Azerbaijan's success formula in his struggle for territorial integrity], 30 April 2022, available at: <https://www.trend.az/azerbaijan/politics/3589668.html>

Georgia's position on the war in Ukraine has been somewhat different from what it was expected to be by many analysts and observers. While Tbilisi invariably expressed full support to Kyiv, its approach diverged from that taken by virtually all Western countries—despite the fact it had been considered the single most pro-Western country in the region by far. On 7 April, Georgia voted in the UN General Assembly to suspend Russia's membership of the Human Rights Council; on 5 May Prime Minister Irakli Garibashvili took part in a conference of donors to Ukraine held in Warsaw, and presented data on the aid Georgia had provided<sup>159</sup>. However, Georgia did not join anti-Russian sanctions, as the government claimed it would be against their national interests<sup>160</sup>. Moreover, on a number of occasions Tbilisi was accused of helping Moscow sideline the sanctions, and sometimes these accusations were voiced from Kyiv, causing significant tensions in the countries' once-stellar relations. Some facts may support the claims about Georgia's increasing cooperation with Russia: for example, in the first four months of 2022, imports from Russia to Georgia rose by 27%, compared to the same period in 2021. Georgia has also become home to hundreds of thousands of Russians leaving their country<sup>161</sup>. This is particularly notable given that the countries formally remain in conflict and do not have diplomatic relations. Overall, some commentators characterised this position as Tbilisi's "benevolent neutrality" vis-à-vis Moscow<sup>162</sup>.

Armenia's approach to the conflict in Ukraine has been mostly defined by its status as an ally—though recently a complicated one—of Russia. Though Yerevan has been trying a neutral, rather than a pro-Russian stance, on some occasions its position differed from that of its regional neighbours. Thus, on February 25, Armenia was the sole country to join Russia in voting against a decision by the Council of Europe to suspend Russia from the organisation. Furthermore, on February 28, Armenia abstained from a vote held by the United Nations Human Rights Council to hold an "urgent debate" at the request of Ukraine<sup>163</sup>. Moreover, the separatist problem of Armenian politics definitely influenced dominant moods in Yerevan, as the so-called "President" of the so-called republic "Nagorno-Karabakh Republic" Arayik Harutyunyan welcomed Putin's announcement of the "independence" of Donetsk and Luhansk in February 2022<sup>164</sup>. There were numerous claims (although refuted by official Yerevan) that Armenia donated Soviet and Russian military equipment to Russia which has never hidden its intention to use these in the war against Ukraine, and that four

159 Gorecki, W., "Having your cake and eating it. Georgia, the war in Ukraine and integration with the West" OSW, 7 June 2022, Available at: <https://www.osw.waw.pl/en/publikacje/osw-commentary/2022-06-07/having-your-cake-and-eating-it-georgia-war-ukraine-and>

160 Narimanashvili, N., "Lack of political will - Why Georgia does not join anti-Russian sanctions?", *JAM News*, 3 June 2022, Available at: <https://jam-news.net/lack-of-political-will-why-georgia-does-not-join-anti-russian-sanctions/>

161 Cordell, J., "From Russia with cash: Georgia booms as Russians flee Putin's war", *Reuters*, 5 November 2022, available at: <https://www.reuters.com/world/europe/russia-with-cash-georgia-booms-russians-flee-putins-war-2022-11-05/>

162 Gorecki, W., "Having your cake and eating it. Georgia, the war in Ukraine and integration with the West" OSW, 7 June 2022, Available at: <https://www.osw.waw.pl/en/publikacje/osw-commentary/2022-06-07/having-your-cake-and-eating-it-georgia-war-ukraine-and>

163 Avedian, L., "Armenia silent on Russian invasion of Ukraine", *Armenian Weekly*, 2 March 2022, available at: <https://armenian-weekly.com/2022/03/02/armenia-silent-on-russian-invasion-of-ukraine/>

164 Ibid

Armenian SU-30 jet fighters were donated to Russia<sup>165</sup>. Armenia has been willing to benefit from the exodus of the hordes of educated, entrepreneurial youth from Russia, attracting primarily the IT and startup crowds. At the same time, its status of an EAEU member could help to link high-value Russian sectors unable to operate in Moscow, to the global economy<sup>166</sup>.

Since February 2022, the new realities emerging as Russia is sinking deeper into the Ukraine war have already shaped Azerbaijan in many ways. As Russia's confrontation with the "collective West" gradually turns from a propaganda trick into reality, some patterns which for many years had constituted the backbone of regional politics, are being replaced by new structures yet too fragile to ensure a stable political landscape. However, there are certain facts which must already be accepted as fragments of this new emerging reality.

First of all, the configuration of powers and interests around the Karabakh issue and peace negotiations between Armenia and Azerbaijan has thoroughly changed. For many years before 2022, Western interest in this most complicated of the unresolved post-Soviet conflicts had been quite low, making many analysts claim that the West had somehow "delegated" powers over managing it to Russia<sup>167</sup>. This thought found further proof in Autumn 2020 when Moscow interfered to stop the hostilities and insisted on sending its peacekeeping mission to the Armenian-populated part of Karabakh, initially for a 5-year term, while Brussels' and Washington's activity had mostly remained declarative. However, this trend has profoundly reversed in 2022. As it will be shown in the chapter dedicated to the European Union, the Ukraine war led to the instrumentalisation of the peace process and fierce competition between alternative mediators. The consequences of this change are rather two-sided for Azerbaijan. On one hand, this competition creates a situation when one side, trying to gain the monopoly over the process, may undermine the peace process led by its rival, resulting in its demise. On the other hand, the presence of an alternative enables Baku to push for its preferences to be accounted for, more effectively, as it now has an option to join an alternative track. Actually, we have already witnessed the outcomes of this logic in the gradual shift of the European and U.S. approach to the conflict towards the Azerbaijani position.

The OSCE Minsk Group, which has been in charge of the arduous task of pursuing endless and unsuccessful negotiations, became the major victim of this shift. The Group which had USA, Russia and France as co-chairs, in recent years has remained one of the few remaining examples of Russia's coordinated effort with the Western countries. The spectacular absence of internal clashes between the co-chairs on the Karabakh issue became proverbial and triggered analysts to believe the West had effectively withdrawn any responsibility for managing this conflict. However, the Minsk Group, severely criticised in Baku for its inability to achieve any substantial

165 Kuzio, T., "Why is Armenia Ukrainophobic?", *Geopolitical Monitor*, 29 August 2022, available at: <https://www.geopoliticalmonitor.com/why-is-armenia-ukrainophobic/>

166 Wallace, H., "Armenia has a unique position in the Ukraine-Russia war - opinion", *Jerusalem Post*, 3 May 2022, available at: <https://www.jpost.com/opinion/article-705804>

167 Broers, L., "Armenia and Azerbaijan: Anatomy of a Rivalry", Edinburgh University Press: 2019.

progress, finally seems to be dysfunctional after February 24. While the Russian, American and European diplomats alike actively continued to appeal to the Group's authority throughout 2021, last year it has gradually faded from the agenda, so the U.S. diplomat in charge of the Azerbaijani-Armenian reconciliation Philip Reeker preferred to be entitled "special advisor for Caucasus negotiations"<sup>168</sup>. On April 7, Russian Foreign Minister Sergey Lavrov in a meeting with his Armenian counterpart criticised the EU's lack of reference to Russia's role in the Armenia-Azerbaijan negotiations and accused the United States and France of cancelling the OSCE Minsk Group<sup>169</sup>.

Two other immediate consequences of the war for Azerbaijan are related to the dramatic expansion of its role in international energy markets and logistics. While the details and significance of the "gas deal" with the EU and Baku's role as a crucial transit hub are discussed in the respective chapters, here we should also touch upon their geopolitical consequences. For Europe, it is pretty straightforward: Azerbaijan provides a badly needed source of energy whose importance can be boosted by a possible agreement with Turkmenistan on bringing Turkmen gas to the westward pipelines, and also a link ensuring strategically and economically salient connection with Central Asian countries and ultimately China, for Russia Baku's role looks much trickier. On one hand, Azerbaijan to a certain extent spoils the Russian game of cutting Europe from energy sources; on the other, it provides Russia with a number of super-important links with the outside world, whose importance has grown dramatically with the introduction of the anti-Russian sanctions, particularly the North-South corridor (INSTC) discussed in more details in the Chapter 3. But in fact they are more than that: given the growing role of Turkish connection for the Russian economy, the ability to send goods to Türkiye via the Baku-Tbilisi-Kars railway<sup>170</sup> is significant as well. The importance of North-South is not limited to logistics: Russian active presence on this roadway also ensures it doesn't completely lose its clout in Central Asia<sup>171</sup>.

Moscow's newly-found dependence on Azerbaijan can explain certain changes in Baku's policy *vis-à-vis* Russia which has been growing considerably bolder. It is a little-kept secret that Russian peacekeeping forces ended up in Karabakh in November 2020 through direct pressure on Azerbaijan, which included the transfer of an expanded version of the Iskander missile with a maximum range of 500 km, to Armenia, which used it during the war - the remnants of the missile were found near Shusha<sup>172</sup>, and their obvious trespasses were usually perceived with a kind of understanding patience - openly confronting Russia, rather than trying to neutralise its influence, was believed too risky. However, after February 24 Azerbaijan has been raising the tone of its statements regarding the peacekeepers' activities and taking a number of

168 Turan, *Pashinyan agrees with proposal to postpone status of Karabakh until later*, 2 November 2022, available at: [https://www.turan.az/ext/news/2022/9/free/politics\\_news/en/9297.htm](https://www.turan.az/ext/news/2022/9/free/politics_news/en/9297.htm)

169 Haqqin.az, *Евросоюз хочет выдавить Россию с Южного Кавказа [European Union wants to squeeze Russia out of South Caucasus]*, 8 December 2022, Available at: <https://haqqin.az/news/268222>

170 Lavrina, A., *Azerbaijan and Russia - Economic Cooperation and its Prospects*, AIR Center, Available at: <https://aircenter.az/en/single/azerbaijan-and-russia--economic-cooperation-and-its-prospects-591>

171 Nvard, C., Tashjian, Y.: *Geopolitics of the North-South Transport Corridor*, July 9. Available at: <https://southasianvoices.org/geopolitics-of-the-north-south-transport-corridor/>

172 Huseynov, V., *Iskander-M Mystery Looms Over Russia-Azerbaijan Relations*. AIR Center, Disponible en: <https://aircenter.az/en/single/iskander-m-mystery-looms-over-russia-azerbaijan-relations--oped-692>

actions implausible before. For example, the Farrukh clash, Azerbaijan's first significant encroachment into the peacekeeper-controlled part of Karabakh, happened just a month after the Ukrainian war started. Notes issued by the Azerbaijani MFA, open refusal to agree on V. Putin's proposals regarding Karabakh he made in Sochi, as well as endorsement and support of the EU-mediated negotiation format indicate to Baku's growing assertiveness and willingness to put its own conditions to the Russian leadership.

### POTENTIAL GEOPOLITICAL OPPORTUNITIES AND RISKS

With the war in Ukraine, the region stepped into the field of the unknown characterised by the extreme degrees of uncertainty ripe both with risks and new opportunities. As a small country in the direct proximity of Russia which has recently fought its own war and has not managed to come to a peaceful solution yet, Azerbaijan is particularly vulnerable, and it can be said for sure that the small republic is living through pivotal moments of its history.

With Russia cut off from the West by numerous sanctions, given that the current Iranian government is probably the most radical and anti-Western since the 1980's, Azerbaijan is genuinely turning into a geopolitical pivot, a bottleneck between Europe, Türkiye and Central Asia - the definition first carved by Z. Brzezinski in his "Grand chessboard"<sup>173</sup>. This pivotal role is enhanced by the accumulating tension between the West and China, which promises to be the core of the next "Cold war"<sup>174</sup> (or in the worst case even an armed conflict) and thus makes it critical for the Western countries to retain uninterrupted communications with Central Asia. Very well aware of it, Baku has been ambitiously expanding co-operation with the Central Asian republics using multiple formats, throughout 2022<sup>175</sup>. This explains very well the spectacular increase in attention Baku receives from the U.S., EU and its separate member states.

The war in Ukraine has put a lot of established configurations and alliances upside down, entailing a number of new alignments, often short-term and situational. Benefitting from its strategic location on the crossroads of powers, Azerbaijan uses different leverages for different partners: while bypassing Russia is the major boon for the West, Baku's opposition to Iran makes it an important player in the Middle East as well. Azerbaijan, squeezed between Russia and Iran, has been Türkiye's closest ally and Israel's natural partner for a couple of decades, but now these partnerships seem to acquire

The war in Ukraine has put a lot of established configurations and alliances upside down, entailing a number of new alignments, often short-term and situational.

173 Brzezinski, Z., "The Grand Chessboard: American Primacy and Its Geostrategic Imperatives", Basic Books: 1997

174 Spencer-Churchill, J., "The new Cold War with China will be very different", 4 August 2022, Available at: <https://warroom.armywarcollege.edu/articles/new-cold-war/>

175 Huseynov, V., "Azerbaijan boosts ties with Central Asia as region adjusts to Ukraine crisis", *Commonspace*, 15 July 2022, available at: <https://www.commonspace.eu/opinion/opinion-azerbaijan-boosts-ties-central-asia-region-adjusts-ukraine-crisis>



much more geopolitical importance. In 2022, Türkiye and Israel have finally dug the axe of war, fully restoring diplomatic relations and coming to terms on a number of issues, and it has been widely mentioned that Baku played an instrumental role in this process<sup>176</sup>. An even more unlikely combination was spotted in October when the Defense Ministers of Türkiye and Israel along with the Minister of Foreign Affairs of Saudi Arabia- the countries considered Iran's major rivals in the region - paid simultaneous visits to Baku, amid the latter's vicious informational confrontation with Tehran<sup>177</sup>. Israel is often named among the countries interested in the opening of the "Middle Corridor"<sup>178</sup>, which by boosting latitudinal cooperation and attracting Western interests can serve as a crucial pillar against the Iranian encroachment in the region.

The dramatic increase of the Iranian threat is in fact directly related to the Ukrainian war developments. As Russia's campaign has been drowning in the Ukrainian steppes and sanctions severely curtailed Moscow's ability to renew its arms supply, it had to turn to Iran for its cheap "Shahed-30" loitering munitions available in large quantities. It has also been reported that Moscow is actively seeking for the supplies of Iranian ballistic missiles, and Russian FSB Secretary Patrushev was even flying to Tehran on this mission<sup>179</sup>. Many experts suggest Russia may provide crucial expertise to Iran in its alleged attempts to create a nuclear bomb<sup>180</sup>. This process threatens one of the pillars of Baku's regional foreign policy- balancing Russia with Iran. While it is barely a secret that Tehran has always viewed South Caucasus, and particularly Azerbaijan, as its due by virtue of history, Moscow has historically opposed Iranian ambitions in the region. While for some time after the 44-day war Baku was seemingly open to Russia's desired "3+3" format for South Caucasus (the three regional countries plus Russia, Türkiye, Iran)<sup>181</sup>, right now it seems to be all but forgotten. Washington now believes Moscow and Tehran are going to expand their military cooperation: the Biden administration has been accusing Russia of moving to provide advanced military assistance to Iran, including air defence systems, helicopters and fighter jets<sup>182</sup>. White House National Security Council spokesman John Kirby also said the two countries are considering standing up a drone assembly line in Russia<sup>183</sup>. Moreover, if Russia grows more dependent on Tehran and continues to weaken militarily and politically, there are risks Iran will turn to more radical methods for projecting its power in the region.

176 Huseynov, R., "The Sky is the Limit: The Azerbaijan-Israel-Türkiye Trio and the Greater Middle East", *Dayan*, 15 August 2022. Available at: <https://dayan.org/content/sky-limit-azerbaijan-israel-turkiye-trio-and-greater-middle-east>

177 Silkway News, *Andrey Piontkovsky about a meeting in Baku of Israeli, Turkish and Azerbaijani generals*, 2 November 2022. Available at: <https://www.silkway.news/andrey-piontkovsky-about-a-meeting-in-99583/>

178 Kara, A., "Why Israel should support the establishment of the Middle Corridor", *Modern Diplomacy*, 7 December 2022, Available at: <https://moderndiplomacy.eu/2022/12/07/why-israel-should-support-the-establishment-of-the-middle-corridor>

179 New York Times, *Putin's Top Security Official Visits Iran as Russia Seeks Precision Weapons*, 9 November 2022. Available at: <https://www.nytimes.com/2022/11/09/world/europe/putin-patrushev-russia-iran.html>

180 Silkway News, *Andrey Piontkovsky about a meeting in Baku of Israeli, Turkish and Azerbaijani generals*, 2 November 2022. Available at: <https://edition.cnn.com/2022/11/04/politics/iran-russia-nuclear-program/index.html>

181 Azernews, *Azerbaijan, Russia eye 3+3 regional cooperation format*, 3 November 2022. Available at: <https://www.azernews.az/nation/185099.html>

182 CBS News, *U.S. accuses Russia of providing weapons, fighter jets to Iran*, 10 November 2022. Available at: [https://www.cbsnews.com/amp/news/us-accuses-russia-providing-weapons-fighter-jets-to-iran/?fbclid=IwAR2G3TzBWgm6FtL84DyA6G5O\\_mkbqmMRcpD6od5PLokmAbM8IyKDoKdqFoI](https://www.cbsnews.com/amp/news/us-accuses-russia-providing-weapons-fighter-jets-to-iran/?fbclid=IwAR2G3TzBWgm6FtL84DyA6G5O_mkbqmMRcpD6od5PLokmAbM8IyKDoKdqFoI)

183 Ibid.

In its attempts to influence domestic agenda in Azerbaijan and spread its ideological narratives, Tehran has always been tapping from a certain social base within the country: the devoted Shi'a stratum of the population, often indoctrinated in Iranian madrasas and universities. In 2022, Iranian media, Azerbaijan-oriented social network accounts and some loyal clerics in Azerbaijan started to preach about the so-called "Karimah state", an exemplary Shi'a religious state which they believe should be established in Azerbaijan<sup>184</sup>. They also started to spread in Azerbaijan the military march named "Salam, Farmandeh" hailing the IRI supreme leader Khamenei. Along with this ideological campaign, Iranian authorities have significantly raised pressure on the ground as well. In October 2022, Tehran held the biggest military drills in years in the immediate vicinity of the border with Azerbaijan which included parachute heliborne operations, night operations, helicopter combat operations, combat and suicide drone operation, as well as constructing a bridge over the Aras River<sup>185</sup>. These operations were perceived in Baku as a poorly disguised threat, and it entailed significant toughening of the anti-Iranian rhetoric on Azerbaijani TV channels and other media which have started to systematically raise the issue of the violation of rights of Iranian Azerbaijanis and the anti-Azerbaijani policy of Tehran in general. And in early December, Azerbaijani armed forces held an almost mirror drill together with their Turkish counterparts that also included building pontoon bridges and paratrooper landing<sup>186</sup>- operations which caused the biggest outrage in Baku back in October. Minister of Defense Hulusi Akar also paid a visit to Baku on this occasion.

There are two outcomes which could also trigger Tehran's imperialist ambitions. First, if the theocratic regime manages to put down the protests shaking the country for 3 months already, it may well try to channel anger and frustration into geopolitical expansion and play the nationalist card. This regime will then be even more convinced in its conspiracy claims about Azerbaijan's participation in the "Zionist plot" against Iran. Second, Russia's victory in Ukraine, even a partial one, in case it manages to consolidate and somehow normalise its occupation of some Ukrainian regions, may turn wars of aggression and annexation more palatable for some states, and Iran, already isolated and ostracised from the international community, may see few hurdles for choosing this path.

Baku understands that to counter these negative trends in the long term, bilateral and short-term partnerships don't suffice. The biggest security guarantee is establishing a normative alliance which would bring a number of countries with shared interests under a common umbrella on a sustainable and ideological basis. The idea of the Turkic Union, or "Turan 2.0", as some experts call it, is an example of this approach. Defined both by Türkiye's crude geopo-

184 Poliçon.az, *İranın Azərbaycanca ideoloji həmlələri: Kərimə dövləti nədir?* [Iranian ideological claims on Azerbaijan: What is Karimah state?], 13 August 2022, Available at: <https://pia.az/iranin-azerbaycana-ideoloji-hemleleri-%C2%A0kerime-dovle-ti-nedir--468235-xeber.html>

185 Bayramli, N., "Iran Kicks Off Military Drills Near Azerbaijan's Border", *Caspian News*, 19 October 2022., Available at: <https://caspiannews.com/news-detail/iran-kicks-off-military-drills-near-azerbaijans-border-2022-10-18-48/>

186 Karimli, I., "Azerbaijani, Turkish Troops Hold Joint Exercises on Azerbaijan's Border with Iran", *Caspian News*, 6 December 2022, available at: <https://caspiannews.com/news-detail/azerbaijani-turkish-troops-hold-joint-exercises-on-azerbaijans-border-with-iran-2022-12-6-6/>

litical interests and economic needs of the landlocked Central Asian countries, this union is buttressed by the idea of common roots, cultural peculiarities and values. The growing instability and vulnerability of the region spearheaded this process, and it is not a coincidence that even the perennially closed and neutral Turkmenistan agreed on a deeper integration within the Organisation of the Turkic States and has been improving its bilateral cooperation with Azerbaijan. While last year Baku and Ashgabat finally put an end to the dispute over the Dostlug oilfield in the Caspian, having agreed on splitting it evenly and exploiting together<sup>187</sup>, it is widely expected that the agreements achieved during the meeting of the two countries' and Türkiye's presidents as of 14.12.2022, would spearhead the long-awaited process of the Transcaspian gas interconnector construction<sup>188</sup>, although the initial statements of the Turkmen side are not very enthusiastic about it<sup>189</sup>. Türkiye and Azerbaijan are clearly interested in accelerating this integration process as Central Asian countries, which have long been prone to feuds with each other and suffer from a number of structural socioeconomic weaknesses, could be easy prey to geopolitical predators. In the situation where Russia becomes an international pariah akin to Iran, serving as a bridge to Central Asia significantly adds strategic value to Azerbaijan. At the same time it is believed that the "Turan project" represents the biggest bone of contention between Moscow and Ankara<sup>190</sup> whose relations in the recent years have been characterised by a mixture of mutually beneficial cooperation and competition. Many Russian policy-makers and experts (particularly on the right-imperialist side of the spectrum) are convinced that the Turkic unity is in fact a British plot aimed at squeezing Russia out of Central Asia and Caucasus and reshape Europe in general<sup>191</sup>.

On the other hand, risks to Georgia- Azerbaijan's key political and economic partner- have also sprung up. With its poor strategic depth, modest military capacity and the current "Georgian Dream" government whose relations with Washington are significantly worse now than 10 years ago, there is a genuine risk Moscow could try to disrupt the vital link connecting the Caspian Basin and Central Asia from the West. This scenario may become reality both in case of Russia getting bolder if it succeeds in Ukraine and as an attempt to compensate for a failure there. The ambiguity of Georgia's current position was emphasised by the EU refusing to grant it a membership candidacy in June 2022- unlike Ukraine and Moldova<sup>192</sup>. These con-

187 Jalilov, O., "Azerbaijan, Turkmenistan Agree to Deepen Cooperation on Dostlug Offshore Field", *Caspian News*, 30 July 2022. Available at: <https://caspiannews.com/news-detail/azerbaijan-turkmenistan-agree-to-deepen-cooperation-on-dostlug-offshore-field-2021-7-30-0/>

188 Roberts, J., and Bowden, J., "Europe and the Caspian: The gas supply conundrum", *Atlantic Council*, 12 December 2022. Available at: <https://www.atlanticcouncil.org/blogs/energysource/europe-and-the-caspian-the-gas-supply-conundrum/>

189 Conroy, W., "Analysts Say Turkmenistan Told US Diplomats 'It's Not Interested' In Caspian Gas-To-Europe Connector Project, Wants Major Pipeline", *NewsBase*, 13 December 2022. Available at: <https://newsbase.com/story/analysts-say-turkmenistan-told-us-diplomats-it-s-not-interested-in-trans-caspian-gas-connector-project-wants-30-bcma-pipeline-265227>

190 Goble, P. "Moscow Fears Ankara's Greater Turan Ideas Threaten Russia Abroad and at Home", *Jamestown*, 16 December 2022. Available at: <https://jamestown.org/program/moscow-fears-ankaras-greater-turan-ideas-threaten-russia-abroad-and-at-home/>

191 Russtrat, *Great Britain is reshaping Europe via the hands of Poland and Turkey*, 23 May 2022, available at: [https://russtrat.ru/en/comments\\_/23-may-2022-0151-10440](https://russtrat.ru/en/comments_/23-may-2022-0151-10440)

192 Harshbarger, S., "In Georgia's moment of vulnerability, the US should step up engagement", 25 October 2022, available at: <https://www.dailyprincetonian.com/article/2022/10/princeton-georgia-ukraine-war-care-support-vulnerability>

siderations make it particularly important for Ankara and Baku to keep a close eye on Tbilisi and to strengthen and formalise the ties of traditional trilateral cooperation on strategic issues, such as energy transit and security. This idea loomed large during the latest meeting between the two countries' ministers of defence in Tbilisi held on November 14, 2022<sup>193</sup>, after which some experts even suggested a formal military alliance between Türkiye, Georgia and Azerbaijan is on the horizon. Despite the considerable deterioration in Ankara's relations with US and many other Western countries, the vital character of the Turkish-Georgian strategic partnership for the Western security is out of question<sup>194</sup>.

Another important outcome of the war in Ukraine is that foreign policies of the Western countries became more diverged, and while some of them, such as France, are taking an openly pro-Armenian position, such countries as UK and Italy have deepened their cooperation with Baku and mostly endorse Azerbaijan on Karabakh and other key issues<sup>195</sup> <sup>196</sup>. It is not a coincidence that these countries, unlike most other European countries, are expanding their strategic partnership with Ankara, including its military component<sup>197</sup> <sup>198</sup>. This, on one hand, attests to the growing strategic alignment between Türkiye and Azerbaijan, and on the other- that the principles of liberal solidarity in the Western diplomacy are gradually giving way to geopolitical pragmatism. Of course, considerations of energy supply diversification, security of transport corridors and geopolitical interests in these relations are strongly intertwined and it is not always easy to find out the ultimate factor triggering their development. For example, one month after the war, UK Minister for Armed Forces James Heappey visited Baku primarily to discuss broadening defence cooperation and the state of affairs in the Karabakh negotiations<sup>199</sup>. Relations with the EU, boosted by Brussels' constructive and proactive approach to the Azerbaijani-Armenian negotiations, have also been on the rise. Just recently, the EU announced the provision of aid to Azerbaijan

Of course, considerations of energy supply diversification, security of transport corridors and geopolitical interests in these relations are strongly intertwined and it is not always easy to find out the ultimate factor triggering their development.

193 APA, *Azerbaijani-Georgian-Turkish military cooperation format to be developed*, 14 November 2022, available at: <https://apa.az/en/military/azerbaijani-georgian-turkish-military-cooperation-format-to-be-developed-389445>

194 Harshbarger, S., "In Georgia's moment of vulnerability, the US should step up engagement", 25 October 2022, available at: <https://www.dailyprincetonian.com/article/2022/10/princeton-georgia-ukraine-war-care-support-vulnerability>

195 Report.az, *Azerbaijan-Italy ties: developing cooperation*, 1 September 2022, available at: <https://report.az/en/analytics/azerbaijan-italy-ties-developing-cooperation-commentary/>

196 Muradov, M., "Nagorno-Karabakh: what is the British view?", 21 October 2022, available at: <https://www.top-center.org/en/expert-opinion/3063/nagorno-karabakh-what-is-the-british-view>

197 Soylu, R., "UK lifts all restrictions on defence exports to Turkey", *Middle East Eye*, 20 May 2022, available at: <https://www.middleeasteye.net/news/uk-turkiye-defence-exports-restrictions-lifted>

198 Anadolu Agency, *Türkiye, Italy to deepen cooperation in defence industry*, 5 July 2022. Available at: <https://www.aa.com.tr/en/europe/turkiye-italy-to-deepen-cooperation-in-defense-industry-turkish-president/2630925>

199 Azernews, *UK Minister for Armed Forces visits Azerbaijan*, 30 March 2022. Available at: <https://www.azernews.az/nation/191488.html>

to the sum of EUR 2 billion<sup>200</sup>. At the same time, Brussels has been increasingly favourable to Baku's position on Karabakh: for example, during his latest visit to Yerevan on December 10, Toivo Klaar, the EU special representative on South Caucasus, suggested Türkiye should directly participate in the negotiations between Armenia and Azerbaijan<sup>201</sup>.

On the other half of the scale, some countries, notably France and India, have been increasingly hostile to Baku, which is not characteristic of Azerbaijani foreign policy in general as Baku has been always trying to maintain at least workable relations with all the regional and global pow-

The undermining of the basic norms of international law and inviolability of state borders changes the international environment in ways making it more dangerous to small players with a vulnerable geostrategic location

ers. Rhetorical wars between Aliyev and Macron have been already discussed, but two resolutions from the Upper and Lower chambers of the French Parliament calling the French government to recognize the independence of the so-called "Nagorno-Karabakh Republic" and sanction Azerbaijani government for the alleged aggression against Armenia<sup>202</sup> followed soon.

Political confrontation with India has been more unexpected and most likely stems from the intensification of Baku's strategic cooperation with Pakistan, India's arch-enemy. In 2022, New Delhi opposed Azerbaijan's participation in the BRICS summit<sup>203</sup>, while some prominent Indian experts argue that the

"Ankara-Baku-Islamabad triangle" represents a genuine threat to Indian interests<sup>204</sup>. Moreover, in Autumn 2022 India has agreed to export various weapons to Armenia, including missiles, rockets and ammunition to the sum of \$245 million<sup>205</sup>, and later on- artillery gun systems worth \$155 million<sup>206</sup> in November.

Thus, we can conclude that the growing polarisation and confrontational climate in international relations is making Azerbaijan's traditional balanced foreign policy increasingly difficult to maintain as it would have to clearly prioritise certain alliances and partnerships over others. It must be

200 Report.az, *EU to allocate 2 billion euros to Azerbaijan*, 8 December 2022. Available at: <https://report.az/en/finance/eu-to-allocate-2-billion-euros-to-azerbaijan/>

201 Armenia News, *Turkey can offer a lot for Armenia-Azerbaijan relations' normalisation*, 10 December 2022. Available at: <https://news.am/en/news/734432.html>

202 Aghayev, I., and Avetisyan, A., "French Senate calls for sanctions on Azerbaijan and recognition of Nagorno-Karabakh", *OC Media*, 16 November 2022. Available at: <https://oc-media.org/french-senate-calls-for-sanctions-on-azerbaijan-and-recognition-of-nagorno-karabakh/>

203 Mehdiyev, M., "India: a clandestine Azerbaijan enmity hidden behind a fake smile", *Caliber*, 10 August 2022. Available at: <https://caliber.az/en/post/100810/>

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also mentioned that the undermining of the basic norms of international law and inviolability of state borders changes the international environment in ways making it more dangerous to small players with a vulnerable geostrategic location, such as Azerbaijan. That's why we shall expect a tighter integration and alignment between Azerbaijan and its key strategic partners, primarily Türkiye, but possibly also Georgia, Central Asian states, Pakistan, Israel and maybe some Eastern European states (Ukraine, Romania) in future.

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## chapter 5

# The South Caucasus and the European Union

Shujaat Ahmadzada and Ricardo Gómez

### ■ From “Strategic Ignorance” to Cooperation

Up until the middle of the 2000s, the European Union did not prioritise the South Caucasus in its foreign policy. For instance, the EU did not even include Armenia, Azerbaijan and Georgia into its European Neighborhood Policy (ENP)<sup>207</sup>. As geopolitical tensions between Russia and the West grew, European nations started to engage more with the South Caucasus countries because of the region’s advantageous geographic location and the abundant hydrocarbon resources. Moreover, the Rose Revolution in Georgia in 2003 increased Western attention to this part of the world.

This increased engagement led to three South Caucasian countries to become part of the ENP in 2004<sup>208</sup>. In the years that followed, the EU opted to give priority to the region’s democratic transition, the rule of law, and combating corruption, instead of acting as an actively engaged geopolitical actor. The Western nations’ pursuit of “strategic ignorance” partially facilitated Russia’s decision to invade Georgia in 2008. Having been “punished” by the Kremlin for its pro-Western foreign policy course, Tbilisi was unable to mobilise the West behind it; the support for Georgia was rather declaratory, and no mechanism for collective punishment of Russia was initiated.

The military aggression against Georgia in 2008 amply showed how unprepared the Western powers were to cope with Russia’s neo-imperial ambitions in the post-Soviet space. Therefore, it was only after the 2008 war that the Western actors, particularly the European Union, began to increase diplomatic engagement with Russia’s neighbours. In 2009, the Eastern Partnership initiative (EaP), comprising three countries in Eastern Europe (Belarus, Moldova, and Ukraine) and another three in the South Caucasus (Armenia, Azerbaijan, and Georgia), was launched upon the initiative of Sweden and Poland. The goal of the initiative was to strengthen ties between the EU and the six countries in the region and make it easier for them to form an association with the

207 Delcour, L., and Hoffmann, K., “The EU’s Policy in the South Caucasus,” *L’Europe en Formation*, no. 385, 2018. Available at: [https://www.cairn.info/load\\_pdf.php?ID\\_ARTICLE=EUFOR\\_385\\_0007&download=1](https://www.cairn.info/load_pdf.php?ID_ARTICLE=EUFOR_385_0007&download=1) (Accessed: 5 January 2023)

208 Sasse, G., “The European Neighbourhood Policy: Conditionality Revisited for the EU’s Eastern Neighbours,” *Europe-Asia Studies* 60, no. 2. 2006.

EU. The integration mechanisms within the initiative are an example of how this platform acts as a kind of springboard for eventual EU membership, despite it being frequently declared that the Eastern Partnership does not imply EU membership<sup>209</sup>.

Brussels has offered the EaP countries to sign association agreements that would allow them to get integrated into a range of EU bodies in exchange for enhanced geopolitical cooperation to reduce their reliance on Russia. The “more cooperation, more benefits” strategy envisaged opening up the European market and giving visa-free entry to the EaP members. However, this kind of cooperation was not enthusiastically and unanimously accepted in the South Caucasus: only Georgia has signed the association agreement with the European Union, while Armenia entered the Eurasian Economic Union – Kremlin’s economic brainchild that emerged after the sanctions on Russia in 2014 – rather than signing the association agreement after protracted discussions. Azerbaijan likewise declined to sign the association agreement because Baku considered it not to be in line with its delicate balancing foreign policy<sup>210</sup>.

However, it should not be assumed that the EU’s presence in the South Caucasus has failed due to the EaP’s inability to achieve its goals and several challenges. On the contrary, the EU’s influence in the South Caucasus has been unprecedentedly expanding, at a time when the EaP’s viability as a platform is being questioned. Russia’s military invasion of Ukraine was the major event that set off the expansion of European involvement in the South Caucasus to an unparalleled extent and form. The war in Ukraine, while significantly altering the Eurasian security architecture, compelled Brussels to take its relations with the South Caucasus republics to a new level.

### ■ Hard Times Reveal True Friends: the EU and South Caucasus after February 24

#### GEORGIA

Georgia, where the war in Ukraine sparked the most concern, has been the only country in the region to have the consistent and unwavering political backing of the majority of EU nations for more than two decades. The membership perspective granted to Georgia on June 23, 2022, by the European

209 Delcour, L. and Wolzuc, K., “Spoiler or facilitator of democratization?: Russia’s role in Georgia and Ukraine,” *Democratization* 22, no. 3. 2009.

210 Rahimov, R., “Armenia and Azerbaijan: What Do They Seek From the EU?,” *Eurasian Daily Monitor* 14, no. 40. Available at: <https://jamestown.org/program/armenia-azerbaijan-seek-eu/> (Accessed: 3 January 2022)

The war in Ukraine, while significantly altering the Eurasian security architecture, compelled Brussels to take its relations with the South Caucasus republics to a new level.

Union, is the apex point of Tbilisi's decades-long European aspirations<sup>211</sup>. But the very fact that Georgia was not granted candidate status, in contrast to Ukraine and Moldova, demonstrates that the relations between Brussels and Tbilisi are more complicated than would first appear.

The discontent between Brussels and Tbilisi can be attributed to an embodiment of two broader dynamics. The first of them is connected to ongoing democratic backsliding against the backdrop of Georgian society's growing polarisation over the previous five years. This polarisation, which is centred around the "Saakashvili vs. Ivanishvili" feud<sup>212</sup>, not only breeds apathy for Georgia's pluralistic democratic politics but also enables far-right, illiberal political groups that target the EU's liberal interventions to gain more support. The attack on LGBTQ+ protests in Tbilisi in 2021 and the burning of EU flags are two excellent illustrations of how pervasive this divide is.

Also sceptical was the response to the EU mediation to end the political crisis that engulfed Georgia in 2020–2021. The opposition concluded that Brussels exerts little pressure on the Georgian Dream government, which is attempting to get only "carrots" from the EU's carrot-and-stick strategies<sup>213</sup>. In contrast, the Georgian Dream government occasionally defied Brussels without hesitation. Although an agreement was signed between the government and the opposition on April 19, 2021, at the initiative of European Council President Charles Michel, after a while both the opposition and the government announced that they were withdrawing from the agreement<sup>214</sup>.

Polarisation has taken over not only the internal politics of Georgia but also its foreign policy. Unlike its predecessor Saakashvili's rule, the Georgian Dream party has adopted a political course that maintains more open communication in relations with Russia. It was during the power of the Georgian Dream that the Karasin–Abashidze negotiations – a direct political dialogue format between Moscow and Tbilisi – were established and negotiations between the two states were started in terms of prospects for trade, transport, and energy cooperation<sup>215</sup>. This in itself has led to the regular branding of the current government as "pro-Russian" and "anti-Western", especially by the current opposition.

This branding has reached a height never before seen after February 24. Tbilisi has declared that it would not join any sanctions against Russia in light of the of deteriorating Ukraine–Georgia re-

211 The European Commission, "The European Commission recommends to Council confirming Ukraine, Moldova and Georgia's perspective to become members of the EU and provides its opinion on granting them candidate status", 17 June 2022, available at: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_22\\_3790](https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3790) (Accessed: 5 January 2023)

212 Mikheil Saakashvili was the president of Georgia (2004–2013). His "United National Movement" party got defeated in 2012 by Bidzina Ivanishvili, who served as the Prime Minister of the country in 2012–2013. Ever since, the Georgian politics turns around the political rivalry between these two political forces – Saakashvili's United National Movement and Ivanishvili's Georgian Dream, even though neither Saakashvili, nor Ivanishvili personally hold power after 2013.

213 The term "carrot-stick policy" refers to a strategy where negotiation participants use both coercive (stick) and motivating (carrot) tactics. The European Union combined political pressure with a variety of motivating means, primarily financial ones, in order to resolve the political situation in Georgia.

214 European External Action Service, "A way ahead for Georgia", 19 April 2021, available at: [https://www.eeas.europa.eu/sites/default/files/210418\\_mediation\\_way\\_ahead\\_for\\_publication\\_0.pdf](https://www.eeas.europa.eu/sites/default/files/210418_mediation_way_ahead_for_publication_0.pdf) (Accessed: 5 January 2023)

215 JAM News, *What the Karasin–Abashidze talks were really about and why they sparked protest in Georgia*, 29 November 2020, available at: <https://jam-news.net/anti-russian-sentiments-in-georgia-news-protest-tbilisi-dialogue-with-moscow-abashidze-karasin/> (Accessed: 5 January 2023)

lations<sup>216</sup>. In addition to raising internal perceptions of the current administration's pro-Russian stance, these sentiments were not well-received by Georgia's international partners. In particular, Kyiv went offensive on Georgia, stating that "it was unknown who [Russia or Ukraine] Georgia supported", and summoned its ambassador from Tbilisi<sup>217</sup>. The Georgian government also castigated the Ukrainian government during this time, declaring that it would not "open a second front against Russia"<sup>218</sup>. Georgian PM Irakli Garibashvili, specifically declared that they do not need the membership granted because of the war (hinting at Ukraine's fast-track membership) to show his displeasure with Brussels' position on membership<sup>219</sup>.

The fact that the relations between Brussels and Tbilisi are strategic does not mean that there are no dissatisfactions. In particular, after the war in Ukraine, the European Union needs pro-European Georgia even more. However, it appears that the EU is attempting to use the arm-twisting tactics at its disposal to stop the illiberal/anti-Western forces from obtaining support. On the other hand, the Georgian government opts for a more balanced foreign policy course and restricts its assistance to Ukraine with declaratory backing to avoid irritating its neighbour Russia. As the war in Ukraine continues, there is a chance that Georgia's already restricted manoeuvring capabilities will be even more constrained and political polarisation will worsen.

## ARMENIA

Armenia has long been characterised by the lowest level of political linkages with the EU due to its geographical position and military-political orientation. Armenia's conflicts with its neighbours have made the country's situation even more challenging, notwithstanding the Velvet Revolution, which led to a shift in power in Armenia in 2018, raised hopes that the country would strengthen its ties with the EU. In particular, Armenia suffered a great deal as a result of the military confrontation with neighbouring Azerbaijan in 2020.

But the particular moment is that it was the war in Ukraine that brought Brussels and Yerevan closer together. In the past years, the EU has largely focused more on economic cooperation in its ties with Armenia. But now it has begun to cooperate with Armenia on regional security matters, too. "The Brussels format" created by Charles Michel, who started mediation efforts between Armenia and Azerbaijan in December 2021, placed Brussels as a mediator for the first time in the history of the Armenia–Azerbaijan conflict<sup>220</sup>.

216 Eurasianet, *Georgia says it won't join international sanctions against Russia*, 25 February 2022, available at: <https://eurasianet.org/georgia-says-it-wont-join-international-sanctions-against-russia> (Accessed: 5 January 2023)

217 Atlantic Council, *Russian War Report: Ukraine accuses Georgia of allowing Russian smuggling through its territory*, 6 April 2022, available at: <https://www.atlanticcouncil.org/blogs/new-atlanticist/russian-war-report-ukraine-accuses-georgia-of-allowing-russia-to-smuggle-but-lacks-evidence/> (Accessed: 4 January 2023)

218 Agenda.ge, *PM: Georgia would be "at war" if imprisoned former President Saakashvili was in power*, 27 April 2022, available at: <https://agenda.ge/en/news/2022/1458> (Accessed: 5 January 2023)

219 JAM News, *PM Garibashvili's controversial statement on EU accession*, 14 June 2022, available at: <https://jam-news.net/georgian-pm-garibashvili-we-do-not-want-war-even-if-it-is-the-price-of-joining-the-eu/> (Accessed: 5 January 2023)

220 Trend, *Shafiyev: new format of Armenia–Azerbaijan negotiations may be created*, 28 December 2022, available at: <https://report.az/en/foreign-politics/shafiyev-new-format-of-armenia-azerbaijan-negotiations-might-be-created/> (Accessed: 5 January 2023)

Having run out of manoeuvring opportunities in the Kremlin-backed formats, Armenia welcomed the Brussels format. Two significant agreements for the Armenia-Azerbaijani conflict were reached within this format. First, the signing of an interstate peace treaty was agreed upon as a result of the meeting with Charles Michel in April 2022<sup>221</sup>. Second, Baku and Yerevan came to a preliminary understanding in October 2022 on the mutual recognition of each other's territorial integrity<sup>222</sup>.

Moreover, the undemarcated Armenian-Azerbaijani border, where military clashes intensified after the Second Karabakh War, has acted as the basis of a new presence for the EU in the South Caucasus. The temporary monitoring mission of the EU was stationed on the Armenian side of the border for two months to assist in de-escalation following the military clashes in September 2022<sup>223</sup>. Subsequently, in January 2023, it was upgraded to a full-fledged monitoring mission (EUMA) with an initial mandate of two years<sup>224</sup>. This decision was not welcomed with enthusiasm by Baku because it has been interpreted as a disruptive alignment with one of the sides of the conflict, which will likely affect the peace process.

Increasing political ties between Armenia and France following the 2020 war should also be noted. The Macron government initiated a series of political actions to help Armenia in its recovery from the result of the 2020 war. To be more particular, the decision to send the aforementioned EU monitoring missions to Armenia - which kept the ceasefire regime on hold on the border - was particularly initiated by France<sup>225</sup>. Even though this in and of itself heightened Baku's displeasure with Paris, Yerevan saw France as the only viable option for Armenia's isolated international standing.

To sum up, Armenia and the EU have stronger political ties than ever before, and the EU has been able to expand its presence in Armenia thanks to the newly deployed monitoring missions. However, the main obstacles preventing Yerevan from reaching out to the EU are the country's conflicts with Azerbaijan and Türkiye. Many EU nations do not prioritise Armenia in their foreign policies, primarily because of the absence of Armenia in most of the regional energy and transport projects and when it comes to regional security matters, Armenia can rely on only a few EU member states (namely, France, Cyprus and Greece).

## AZERBAIJAN

The dynamics of the relations between Azerbaijan and the EU following the war in Ukraine deserve special consideration. The strategic importance of Azerbaijan in the Eurasian space has greatly increased as a result of its unique location and abundant energy resources. The

221 Eurasianet, *Armenia and Azerbaijan make diplomatic progress in Brussels*, 7 April 2022, available at: <https://eurasianet.org/armenia-and-azerbaijan-make-diplomatic-progress-in-brussels> (Accessed: 5 January 2023)

222 European Council, *Statement following quadrilateral meeting between President Aliyev, Prime Minister Pashinyan, President Macron and President Michel*, 6 October 2022, available at: <https://www.consilium.europa.eu/en/press/press-releases/2022/10/07/statement-following-quadrilateral-meeting-between-president-aliyev-prime-minister-pashinyan-president-macron-and-president-michel-6-october-2022/> (Accessed: 5 January 2023)

223 Ibid.

224 European Council, *Armenia: EU establishes a civilian mission to contribute to stability in border areas*, 23 January 2023, available at: <https://www.consilium.europa.eu/en/press/press-releases/2023/01/23/armenia-eu-sets-up-a-civilian-mission-to-ensure-security-in-conflict-affected-and-border-areas/> (Accessed: 25 January 2023)

225 Armenpress, *France calls for extension of EU monitoring mission on Armenian border*, 7 December 2022, available at: <https://asbarez.com/france-calls-for-extension-of-eu-monitoring-mission-on-armenia-border/> (Accessed: 1 February 2023)

strategic importance and relevance of the energy projects developed in cooperation between Azerbaijan and Western nations 15-20 years ago were amply demonstrated after February 24. Brussels began energy negotiations with Baku knowing that Russia would use the gas threat against the EU. As a result, Azerbaijan and the European Union inked a brand-new strategic partnership agreement in July 2022<sup>226</sup>. EU Commissioner Ursula von der Leyen called Baku "Europe's reliable partner" and said that this deal is of strategic importance for the future of the EU<sup>227</sup>. With the signing of this agreement, Baku and Brussels became strategic allies in the fields of trade, transportation, and energy. To help Brussels in the energy crisis caused by the war, the delivery of Caspian gas to Europe through the TAP/TANAP gas pipelines has been intensified and the volume of delivered gas has been increased<sup>228</sup>. Azerbaijani gas was of strategic importance, especially for the countries of the Western Balkans and Southern Europe and played a positive role in reducing the dependence of those countries on Russia. By using gas from Azerbaijan, Bulgaria and Italy, for instance, were able to significantly lessen their reliance on Russia<sup>229</sup>. The President of the European Commission, Ursula Von der Leyen, already stated that imports of gas from Azerbaijan might reach 20 billion cubic metres (bcm) by 2027.<sup>230</sup>

A key agreement on the creation of the Green Corridor, which connects Azerbaijan, Georgia, Romania, and Hungary, was signed in Romania in December 2022<sup>231</sup>. According to this agreement, green energy will be transported from the South Caucasus to Central Europe. There is also a chance that in the future that energy will be transported through this corridor to Ukraine, Moldova, and other countries that are in a precarious relationship with Russia. It was not only the energy agreements that made 2022 profitable for Azerbaijan-EU relations but also the new role of Brussels in the Armenia-Azerbaijan conflict. The mediation of Brussels, which supports the positions of Azerbaijan more than Moscow, in the issues related to the future of Karabakh Armenians, was welcomed by Baku. In particular, changes in the rhetoric and statements of EU officials have shown that Azerbaijan's interests are taken into account in the Brussels format<sup>232</sup>.

Azerbaijan-EU ties benefited from 2022 not just because of the energy deals, but also because of Brussels' new position in the Armenia-Azerbaijan conflict. Charles Michel's meetings were not a one-off event but a prelude to the consistent negotiation process dubbed "the

226 European Council, *EU and Azerbaijan enhance bilateral relations*, 18 July 2022, available at: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_4550](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_4550) (Accessed: 5 January 2023)

227 European Council, *Statement by President von der Leyen with Azerbaijani President Aliyev*, 18 July 2022, available at: [https://ec.europa.eu/commission/presscorner/detail/da/statement\\_22\\_4583](https://ec.europa.eu/commission/presscorner/detail/da/statement_22_4583) (Accessed: 5 January 2023)

228 Ibid.

229 Valiyev, T., "Azerbaijan's role in natural gas supplies to Europe", *Baku Research Institute*, 7 November 2022, available at: <https://bakuresearchinstitute.org/en/azerbaijans-role-in-natural-gas-supplies-to-europe> (Accessed: 5 January 2023)

230 Huseynov, V., "Azerbaijan and European Union Ink Deal on Strategic Partnership in Energy", *The Jamestown Foundation*, Eurasia Daily Monitor, Vol. 19, Issue: 120. Available at: <https://jamestown.org/program/azerbaijan-and-european-union-ink-deal-on-strategic-partnership-in-energy/> (Accessed 17 November 2022)

231 Euronews, *Hungary, Romania, Georgia, Azerbaijan agree to Black Sea electricity project*, 17 December 2022, available at: <https://www.euronews.com/2022/12/17/hungary-romania-georgia-azerbaijan-agree-to-black-sea-electricity-project> (Accessed: 5 January 2023)

232 President Charles Michel used "ethnic Armenian population in Karabakh" in May 2022 by avoiding Nagorno-Karabakh - which represents a political unit.



Brussels format”: further trilateral meetings took place on May 22 and August 31 and were characterised by a significant change in the European approach to the conflict<sup>233</sup>. If earlier Brussels had been mostly focused on humanitarian actions and abstained from delving into the rough power realities on the ground, throughout the “Brussels process” it acted in accordance with the crudest principles of political realism and chose to work closely with the two countries’ governments. In his statement after the May 22 meeting, Michel used the toponym “Karabakh” instead of “Nagorno-Karabakh”<sup>234</sup>, which fits the Azerbaijani vision of the region’s political geography, and the EU’s pledge for the protection of rights of the “Armenian population of Karabakh” rather than the so-called “people of Nagorno-Karabakh”, which, according to the Armenian separatists, is supposed to enjoy the right to self-determination.

The anti-Azerbaijani discourse, which has increased especially in France in recent months, carries a serious risk for Azerbaijan-EU relations. After the violent September clashes, the first direct talks between Aliyev and Pashinyan occurred during the inaugural European Community Summit in Prague, organised by Michel and French President Macron<sup>235</sup>. However, it turned out that Paris was not happy about the fact the negotiations were going in the direction favourable to Azerbaijan. A few days after Prague, Macron, speaking to the France 2 TV channel, spoke about “a terrible war” Azerbaijan waged in 2020 and claimed “the aggression against Armenia and occupation of its territories”, calling Karabakh “a disputed territory”<sup>236</sup>. These comments outraged Aliyev who in response called them “unacceptable and provocative” and added that France would not be able to play the role of mediator on Karabakh anymore<sup>237</sup>. The planned December 7 meeting in Brussels was cancelled after Pashinyan suddenly demanded Macron’s presence, which Azerbaijani side considered a deliberate sabotage<sup>238</sup>. Strangely enough, this policy of France has considerably reverberated with Russia’s attempts to spoil the Brussels process in recent months.

In general, Azerbaijani-EU relations are now progressing quickly. The countries of Southern, Eastern, and Central Europe in particular are in favour of having closer cooperation with Baku. It might be claimed that as the war in Ukraine continues, Azerbaijan’s strategic importance will grow even more, increasing Brussels’ contacts with Baku. Azerbaijan’s disagreement with France, which has gotten worse, unresolved conflict with Armenia, and issues with political governance, on the other hand, are the main risks to ties reaching their full potential.

233 International Crisis Group, “Averting New War between Armenia and Azerbaijan”, 30 January 2023, available at: <https://www.crisisgroup.org/europe-central-asia/caucasus/nagorno-karabakh-conflict/266-averting-new-war-between-armenia-and-azerbaijan> (Accessed: 1 February 2023)

234 European Council, *Press statement by President Michel following a trilateral meeting with President Aliyev and Prime Minister Pashinyan*, 23 May 2022, available at: <https://www.consilium.europa.eu/en/press/press-releases/2022/05/23/press-statement-by-president-michel-of-the-european-council-following-a-trilateral-meeting-with-president-aliyev-of-azerbaijan-and-prime-minister-pashinyan-of-armenia/> (Accessed: 5 February 2023)

235 Huseynov, V. “In Prague, Armenia and Azerbaijan make a critical turn toward peace”, *Eurasia Daily Monitor*, vol: 19, issue: 153, 17 October 2022, available at: <https://jamestown.org/program/in-prague-armenia-and-azerbaijan-make-a-critical-move-toward-peace>

236 Saxavatoghlu, E., “France’s ‘Karabakh plan’ and President Ilham Aliyev’s powerful reply to President Macron”, *Trend*, 24 October 2022, available at: <https://en.trend.az/azerbaijan/politics/3660797.html> (Accessed: 5 January 2023)

237 Azemedia, *Aliyev’s harsh response to Macron’s street language*, 14 October 2022, available at: <https://aze.media/aliyevs-harsh-response-to-macrons-street-language/>

238 Muradov, M. “The cancellation of the next Brussels meeting: what does it mean?”, 28 November 2022, available at: <https://top-center.org/en/analytics/3445/the-cancellation-of-the-next-brussels-meeting-what-does-it-mean>

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## chapter 6

# Spanish Interests in the Region

Marcos Márquez, Simona Scotti y Murad Muradov

Spain has not been particularly pro-active in its policy towards the South Caucasus. Indeed, it mostly developed its interactions with the countries of the region through the EU-level frameworks, the Eastern Partnership (EaP), the programme initiated by Sweden and Poland in 2009 aiming at bringing together Ukraine, Belarus and Moldova with Armenia, Azerbaijan and Georgia, which has proved to be the most significant one in this regard. However, since Madrid had for a long time taken a moderate position as to the European policy towards Russia, believing that "isolating" Moscow and escalating tensions is a wrong choice, it used to be somewhat reserved on certain EaP initiatives<sup>239</sup>. Spain also believes that the European Neighbourhood Policy, which includes the South Caucasus countries, should not be used openly, at least at this stage, as a precursor to the EU enlargement<sup>240</sup>. In this opposition to the EaP countries' membership bids, Madrid for many years sided with the most significant Western European countries, including France, Germany, Italy and Netherlands<sup>241</sup>. Between the eastern and southern neighbourhood, Spain naturally supported more proactive engagement with the latter while predicating its eastern policy on striking the middle ground between two opposing geopolitical logics: *buffer zone* and *full membership* for the Eastern Partnership countries. In the context of the military aid to Ukraine, Spain, while it has recently provided Kyiv with a battery of Aspide missile system and missiles for it, Hawk air defence systems, anti-tank missile systems, mortars and munitions<sup>242</sup>, in

Spain also believes that the European Neighbourhood Policy, which includes the South Caucasus countries, should not be used openly, at least at this stage, as a precursor to the EU enlargement

239 De Borja Lasceras, F., "Six key aspects of Spanish policy towards the Eastern Partnership", *European Council on Foreign Relations*, May 19, 2015. Available at: [https://ecfr.eu/article/commentary\\_six\\_key\\_aspects\\_of\\_spanish\\_policy\\_towards\\_the\\_eastern\\_3031/](https://ecfr.eu/article/commentary_six_key_aspects_of_spanish_policy_towards_the_eastern_3031/)

240 *ibid*

241 Kostanyan, H., "The Fifth Eastern Partnership Summit: Between hyperbole and understatement", November 8, 2017. Available at: <https://www.ceps.eu/ceps-publications/fifth-eastern-partnership-summit-between-hyperbole-and-understatement/>

242 Ukrinform, "FM Kuleba: New package of military aid from Spain already on its way to Ukraine", November 2, 2022. Available at: <https://www.ukrinform.net/rubric-defense/3606392-fm-kuleba-new-package-of-military-aid-from-spain-already-on-its-way-to-ukraine.html>

general has not been among the first ranks of suppliers, either<sup>243</sup>. Hence, the existing experience can hardly allow us to expect Madrid to play an active role in the rough and turbulent negotiation process between Baku and Yerevan which since 2020 has been oscillating between hopes of an imminent peace and violent clashes.

### The future Spanish presidency in the EU Council expected to take off in July 2023 and last for 6 months, endows Madrid with some tangible opportunities to be more proactive and to contribute to the European quest for a bigger influence in this incredibly complex international environment

However, the future Spanish presidency in the EU Council expected to take off in July 2023 and last for 6 months, endows Madrid with some tangible opportunities to be more proactive and to contribute to the European quest for a bigger influence in the South Caucasus in this incredibly complex international environment. First of all, if Spain is willing to actively participate in the Brussels process between Baku and Yerevan, it can be good news for the region. Unlike some European countries, notably France, whose activities undermined the EU efforts in the late 2022, Spain doesn't have a negative background with Azerbaijan, and hence it may help to build more trust in Brussels' regional goals in general; moreover, due to certain factors Madrid takes a consistent

stance against separatism and secessionism in general. The fact that Spain isn't known for its geopolitical interests in the region and is not a crucial economic partner to any of the parties to the conflict, should also boost its credentials as an impartial and honest mediator.

Secondly, Spanish presidency comes at the crucial point of time for the negotiations between Baku and Brussels on the renewal of the Partnership and Cooperation Agreement, since the current one has been in force since 1999<sup>244</sup> and doesn't reflect the demands and opportunities of bilateral cooperation any more. The European Council adopted a mandate to negotiate a comprehensive agreement with Azerbaijan on November 14, 2016, and the process itself took start on February 7, 2017 following the visit of President Ilham Aliyev to Brussels the day before<sup>245</sup>, and has been dragging on since then. Recent developments have visibly accelerated the talks, and speaking at the conference "Along the Middle Corridor" in Baku on November 26, 2022, President Aliyev stated that the new agreement is almost 90% ready<sup>246</sup>. However, it must be noted that Aliyev made a similar statement a year before- at the 6th Eastern Partnership Summit of the EU in December 2021<sup>247</sup>.

243 InSpain News, "Spain is among the countries that have sent the fewest weapons to Ukraine", October 25, 2022. Available at: <https://inspain.news/spain-is-among-the-countries-that-have-sent-the-fewest-weapons-to-ukraine/>

244 European Council, "EU relations with Azerbaijan". Available at: <https://www.consilium.europa.eu/en/policies/eastern-partnership/azerbaijan/>

245 ibid

246 President.az, "Ilham Aliyev attended the opening of the conference under the motto "Along the Middle Corridor: Geopolitics, Security and Economy", November 25, 2022. Available at: <https://president.az/en/articles/view/57968>

247 Report.az, "Azerbaijan-EU new partnership agreement 90 percent ready", December 16, 2021. Available at: <https://report.az/en/foreign-politics/azerbaijan-eu-new-partnership-agreement-90-percent-ready/>

Certain issues still put obstacles to the proper finalisation of the talks, and they are only partly political, such as the disagreements over the Karabakh conflict resolution process; there are significant technical matters involved, and one of the most important of them is the absence of the Open Skies agreement between Baku and Brussels. The EU has been lobbying this deal, which would fully liberalise Azerbaijani airspace for European companies, for a long time, however the heavily protected Azerbaijani state carrier (AZAL) has been persistently opposing it<sup>248</sup>. If we take the updated Comprehensive and Enhanced Partnership Agreement between the EU and Armenia that entered into force in 2021, we can see that compared to the previous texts of the agreements with the South Caucasus republics, there are a number of new obligations taken over by the state which require considerable efforts and compromises for their implementation. Among them, there is the implementation of the UN Convention Against Corruption of 2003 and other relevant treaties concerning fight against corruption, high level of protection of personal data in accordance with the international legal instruments and standards of the EU and other international bodies, more accentuated and detailed measures for dealing with the climate change, and very importantly, much more detailed requirements on Sanitary and phytosanitary measures and a comprehensive set of standards for the alignment of customs legislation and procedures with the European benchmarks<sup>249</sup>. It is likely that Baku's agreement on all of these terms will not be easy and hence there is some work to be done. Significant frictions on a number of trade-related issues are reported, as well<sup>250</sup>. Hence, Spain in its role of the EU Council President will have a great chance to assist in the progress in these directions since the geopolitical environment poses a unique chance for a more sustainable and quick progress in the EU-Azerbaijan relations.

### AZERBAIJAN

The Kingdom of Spain was one of the first countries to recognise Azerbaijan as an independent country in 1991. Madrid formally established diplomatic relations with Baku on February 11<sup>th</sup>, 1992<sup>251</sup>. However, the partnership between the two nations has been scarce. Spain does not have a full-fledged embassy in Baku but only a representation on the level of charges d'affaires, thus, it relies on its embassy in Ankara for several functions. However, considering the growing bilateral trade turnover and the emerging opportunities that Spain could enjoy in the country, it would be favourable for Spain to upgrade its diplomatic representation to a full-fledged embassy. On the other hand, Azerbaijan opened an embassy in Madrid in 2005<sup>252</sup>.

In 2021, Spanish imports from Azerbaijan have increased by 71% compared to the previous

248 Ch-aviation, "Azerbaijan's AZAL continues to oppose EU Open Skies", November 8, 2018, Available at: <https://www.ch-aviation.com/portal/news/72652-azerbajians-azal-continues-to-oppose-eu-open-skies>

249 EUR-Lex, "Comprehensive and enhanced Partnership Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Armenia, of the other part", January 26, 2018. Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22018A0126\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22018A0126(01))

250 Caucasus Watch, "EU-Azerbaijan deal in risk of a collapse", September 2, 2019. Available at: <https://caucasuswatch.de/news/1984.html>

251 Azerbaijani Ministry of Foreign Affairs "The Kingdom of Spain", Available at <https://mfa.gov.az/en/category/avropa/ispaniya>

252 Spanish Ministry of Foreign Affairs, European Union and Cooperation, "Republic of Azerbaijan. Diplomatic Information Office", 2022, Available at [http://www.exteriores.gob.es/documentos/fichaspais/azerbaijan\\_ficha%20pais.pdf](http://www.exteriores.gob.es/documentos/fichaspais/azerbaijan_ficha%20pais.pdf)

year, and reached \$564.436 million<sup>253</sup>. Overall, the relations between the two parties have been focused around energy. Fuels and mineral oils represent more than 90% of the total imports of Spain from Azerbaijan. According to the Azerbaijan State Customs Committee, in the period January–November 2022, Spain was the fourth country with the highest import of crude oil from Azerbaijan, after Italy, Israel and India<sup>254</sup>. However, in 2021, Spanish exports experienced a significant decrease of 17% compared to the previous year, reaching an amount of \$81.379 million. In 2021, the main products exported to Azerbaijan were electrical appliances and materials, machines and mechanical devices, clothing, ceramic products, and vegetable fats and oils<sup>255</sup>. Although trade relations between Spain and Azerbaijan are of limited nature, there are some relevant aspects that need to be taken into account. The Spanish company Técnicas Reunidas is finishing a major project in Baku. The company was chosen by SOCAR in 2017 to carry out the modernisation and the reconstruction of the Heydar Aliyev Refinery. In addition, ELECNOR has started work for the construction of a Garadagh wind power plant in Baku following the signing of a Memorandum of Understanding with the Azerbaijan Investment Company and Caspian HDG. Finally, other small and medium-sized companies are cooperating or have indicated their willingness to do so with Azerbaijan.

Despite the limited relations between the two countries, both governments have been making efforts to improve them at all levels. According to the Azerbaijani government, the ties with Madrid have been improving during these thirty years of diplomatic relations<sup>256</sup>. The Spanish government wants to diversify its sources of energy and a close interaction with Azerbaijan could be one of the ways to achieve it. The energy supply crisis caused by the war in Ukraine and the tensions with Algeria, as a result of a change in Spain's policy towards Morocco and Western Sahara, can encourage Madrid to improve its relations with Baku<sup>257 258</sup>. Even though Spain and Azerbaijan are situated at the opposite ends of Europe and there have been very few direct links, the future project of the Italian–Spanish corridor might make the countries somewhat closer. Azerbaijani gas goes to Europe through the Trans-Adriatic pipeline (TAP), which has connections with other European countries. Spain and Italy are considering the possibility to build up a bilateral corridor after the failure of the Spanish–French gas line MidCat, which could potentially see Azeri gas reaching Spain. It must also be noted that the Spanish

253 UN Comtrade Database, “Trade Data.” Available at <https://comtradeplus.un.org/TradeFlow?Frequency=A&Flows=X&CommodityCodes=TOTAL&Partners=724&Reporters=31&period=2022&AggregateBy=none&BreakdownMode=plus>

254 Azerbaijan State Customs Committee, “Azərbaycan Respublikası Xarici Ticarətinin Gömrük Statistikası” [Customs Data on the Foreign Trade of the Republic of Azerbaijan], December 2022, Available at [https://customs.gov.az/uploads/foreign/2022/2022\\_12.pdf?v=1674644815](https://customs.gov.az/uploads/foreign/2022/2022_12.pdf?v=1674644815)

255 Trading Economics, “Azerbaijan imports from Spain”, 2021, Available at <https://tradingeconomics.com/azerbaijan/imports/spain>

256 Azertac, “Los empresarios españoles están invitados a aprovechar el clima de inversión en Azerbaiyán”, May 25, 2022, Available at [https://azertag.az/es/xeber/Los\\_empresarios\\_espaoles\\_estn\\_invitados\\_a\\_aprovechar\\_el\\_clima\\_de\\_inversion\\_en\\_Azerbaiyn-2149859](https://azertag.az/es/xeber/Los_empresarios_espaoles_estn_invitados_a_aprovechar_el_clima_de_inversion_en_Azerbaiyn-2149859)

257 Europa Press, “Argelia no afloja en su pulso con España medio año después del inicio de la crisis”, September 18, 2022, Available at: <https://www.europapress.es/nacional/noticia-argelia-no-afloja-pulso-espana-medio-ano-despues-inicio-cri-sis-20220918111050.html>

258 Leal, J., “Sanchez sought to boost trade with Azerbaijan with an eye on Baku gas”. *La Información*, November 7, 2022, Available at: <https://www.lainformacion.com/economia-negocios-y-finanzas/sanchez-busco-impulsar-el-comercio-con-azerbaiyan-con-la-mira-en-el-gas-de-baku/2876232/>

company Enagás holds a 16% stake in the TAP<sup>259</sup>. Moreover, at a 2021 seminar dedicated to the two countries' relations, such sectors as agriculture, textiles, light industry and tourism were mentioned as those with the potential for the development of Spain's participation in business and investment in Azerbaijan<sup>260</sup>. The absence of the bilateral agreements on taxes and foreign trade this far has been a significant hurdle on the business links between Madrid and Baku<sup>261</sup>. Finally, it is worth mentioning that in September 2022 Jeyhun Bayramov, Minister of Foreign Affairs of Azerbaijan, paid a visit to Spain<sup>262</sup>. With his visit, he intended to give a greater boost to political relations in the year of the 30th anniversary of the establishment of diplomatic relations between Spain and Azerbaijan.



Current Italian gas corridors. (Source: Pipeline Technology Journal)

259 Sanar, P. et al., “Economic Cooperation in the South Caucasus and the Wider Region: Gained Losses, Lost Benefits” *Caucasus Edition*, April 2016. Available at: <https://caucasusedition.net/wp-content/uploads/2016/04/Economy-ENG.pdf>

260 AIR Center, “Air Center holds a webinar titled “Spain – Azerbaijan Relations. Regional and International Developments”, April 22, 2021. Available at: <https://aircenter.az/en/post/air-center-holds-a-webinar-titled-spain--azerbaijan-relations-regional-and-international-developments-690>

261 Ibid

262 Ministry of Foreign Affairs of Azerbaijan, “No:384/22, Information of the Press Service Department of the Ministry of Foreign Affairs of the Republic of Azerbaijan”, Available at <https://mfa.gov.az/en/news/no38422>

# Los gasoductos para llevar gas a Europa

## Proyectos de interconexiones

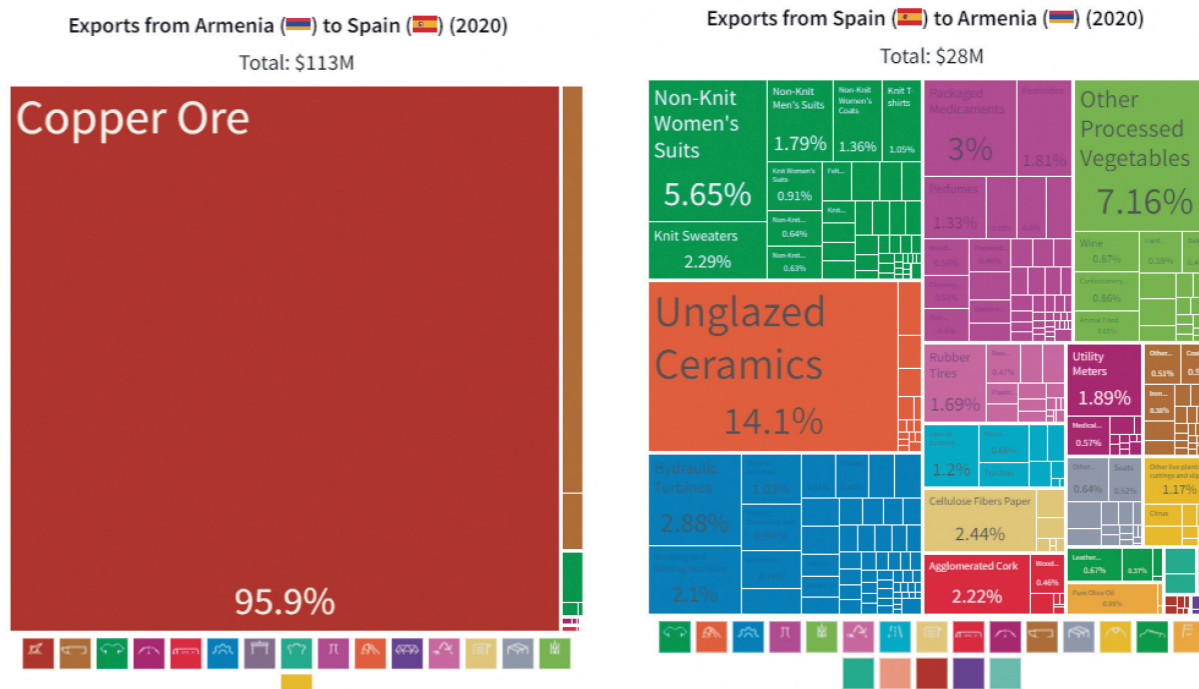


Proposed Gas Corridor Between Italy and Spain. (Source: elEconomista.es)

Another interesting aspect of the Azerbaijani-Spanish relations is military ties. In 2019, Spanish company “Indra Systems” supplied undisclosed amounts of LANZA LTR-25 full solid-state three dimensional (3D) long-range radars to the Azerbaijani Air Force<sup>263</sup>. This comes as the apex point of the increasing Azerbaijani-Spanish ties, especially in military domains. “Spain and Azerbaijan have identical friends and enemies”, said Spanish Defence Minister Pedro Morenes Eulate in 2016 when receiving his Azerbaijani counterpart Zakir Hasanov in Madrid<sup>264</sup>. Moreover, Spanish military officers have been long participating in the training courses organised by NATO to enhance combat capabilities and skills of the personnel of the Azerbaijani Armed Forces<sup>265</sup>.

263 Polygon, “Azerbaijani Air Forces adopted LTR-25 radars” October 16, 2019, Available at: <https://polygonjournal.com/2019/10/16/azerbaijani-air-forces-adopted-ltr-25-lanza-radars/>  
 264 Azernews, “Defense Minister: Spain and Azerbaijan have identical enemies and friends” May 26, 2016, Available at <https://www.azernews.az/nation/97175.html>  
 265 Ministry of Defense of Azerbaijan, “Azərbaycan və NATO münasibətləri qarşılıqlı etimad üzərində qurulub” [Azerbaijani and NATO relations are based on mutual trust], October 1, 2022, available at: <https://mod.gov.az/az/pre/42728.html>

In Autumn last year, the ruling party, the Spanish Socialist Workers’ Party (PSOE) presented a draft agreement on the exchange and protection of confidential information with Azerbaijan, which was preliminarily signed on December 14, 2021, to the Spanish Congress of Deputies (the lower house of the Parliament). The agreement would have been of great relevance in improving the political cooperation of the two countries. However, on November 4, 2022, the Congress declined to ratify the project, with 174 lawmakers voting against and 132 in favour, as no major party except for the PSOE supported it. It was reported that some of the MPs mentioned their concern over Armenia and Karabakh as the reason for their choice<sup>266</sup>. Although there was no political agreement passed for a strong relationship with Azerbaijan, several Spanish companies are still showing interest in investing in the country, especially after the cessation of hostilities in Karabakh. In May 2022, the CEO of Factor energía S.A., Emili Rousaud Parés met with Farid Mustafayev, Chairman of the Azerbaijan-Spain Trade Association. Mustafayev exposed to Parés the opportunities that Azerbaijan might bring to his business in industry and renewable energies in the liberated areas<sup>267</sup>.



Current Italian gas corridors. (Source: Pipeline Technology Journal)

266 El Confidencial, “El Congreso tumba un acuerdo internacional con Azerbaiyán en solidaridad con Armenia”, November 3, 2022, Available at [https://www.elconfidencial.com/espana/2022-11-03/congreso-tumba-acuerdo-internacional-azerbaiyan-solidaridad-armenia\\_3517719/?utm\\_source=twitter&utm\\_medium=social&utm\\_campaign=ECNocheAutom%C3%A1tico](https://www.elconfidencial.com/espana/2022-11-03/congreso-tumba-acuerdo-internacional-azerbaiyan-solidaridad-armenia_3517719/?utm_source=twitter&utm_medium=social&utm_campaign=ECNocheAutom%C3%A1tico)  
 267 Azertac, “Azerbaijani Foreign Ministry: Relations between Azerbaijan and Spain are growing closer”, February 11, 2022, Available at [https://azertag.az/es/xeber/Cancillera\\_de\\_Azerbaiyn\\_Se\\_estrechan\\_las\\_relaciones\\_entre\\_Azerbaiyn\\_y\\_Espaa-2010221](https://azertag.az/es/xeber/Cancillera_de_Azerbaiyn_Se_estrechan_las_relaciones_entre_Azerbaiyn_y_Espaa-2010221)

## ARMENIA AND GEORGIA

Relations between **Spain** and the northern strip of the South Caucasus (i.e. the republics of **Armenia** and **Georgia**) are currently poor. Nonetheless, the presence of Spanish companies in this location is very promising and has considerable potential.

Economic and diplomatic interaction between the **Kingdom of Spain** and the **Republic of Armenia** (according to data provided by the Spanish Ministry of Foreign Affairs<sup>268</sup>) is 'poor', but not unsatisfactory. In 2021, **bilateral trade** (both imports and exports) accumulated a value of more than 90 million euros, which is lower than in 2020 and even 2019, a consequence of the instability in **Karabakh**. From the point of view of **exports**, the most demanded Spanish products are textiles, ceramics and preserved food and fruit. Meanwhile, more than 90% of **imports** from Armenia are focused on minerals, ashes and aluminium.

The presence of Spanish companies on Armenian soil is visible in two areas: textiles and household goods (present since 2017 in Yerevan thanks to **INDITEX**<sup>269</sup>) and food and delivery thanks to the Catalan company **Glovo**<sup>270</sup>.

Diplomatic relations between the two countries date back to **1992**, one year after Armenia's independence from the **Soviet Union**, and the establishment of its permanent embassy in **Madrid** since 2010<sup>271</sup>. For its part, Spain does not have a diplomatic mission similar to Armenia's one in its territory, as relations between the two nations are managed by the Spanish embassy in Moscow. Even so, since 2022, the figure of the **Chargé d'Affaires** has been in place to facilitate peaceful bilateral relations between the two countries<sup>272</sup>.

This is due to the substantial presence of Armenians in Spain, especially since 1991-1992, which is estimated at more than **40,000** distributed in various cities such as Valencia, Barcelona, Alicante and San Sebastián. Moreover, in 2010, according to the Embassy of the Caucasian country in Madrid<sup>273</sup>, the so-called '**Casa Armenia**' was inaugurated in **Barcelona**, which aims to give a voice to the diaspora and strengthen ties between the local and Armenian communities.

Concerning the **Republic of Georgia**, trade encounters have decreased on a bilateral level. While **exports** from Spain have decreased from 2017 to 2020 (from more than 73 million euros to 58 mil-

268 Ministerio de Asuntos Exteriores de España, "Ficha de país: Armenia (República de Armenia)". Available at [http://www.exteriores.gob.es/Documents/FichasPais/armenia\\_FICHA%20PAIS.pdf](http://www.exteriores.gob.es/Documents/FichasPais/armenia_FICHA%20PAIS.pdf)

Ministerio de Asuntos Exteriores de España, *ibid*

269 INDITEX, "Apertura de tiendas Zara Home", Available at [https://static.inditex.com/annual\\_report\\_2017/assets/pdf/a5\\_zara-home\\_es.pdf](https://static.inditex.com/annual_report_2017/assets/pdf/a5_zara-home_es.pdf)

270 Armenia News, "Delivery time measured in seconds: how does modern technology help Glovo speed up order delivery in Armenia", July 29, 2022, Available at <https://news.am/eng/news/714058.html>

271 Ministerio de Asuntos Exteriores de España, *ibid*

272 *Ibid*

273 Embajada de la República de Armenia, "Comunidad Armenia en España", Available at [https://spain.mfa.am/es/community-overview/#:~:text=Actualmente%20residen%20en%20Espa%C3%B1a%20aproximadamente\)%2C%20M%C3%A1laga%20\(200\)](https://spain.mfa.am/es/community-overview/#:~:text=Actualmente%20residen%20en%20Espa%C3%B1a%20aproximadamente)%2C%20M%C3%A1laga%20(200))

lion euros respectively), **imports** have fallen by 71% in the same period according to data from ICEX<sup>274</sup> and the Spanish Ministry of Foreign Affairs<sup>275</sup>.

Indeed, trade and economic relations between the two countries are developing mainly within the framework of the **DCFTA (Deep and Comprehensive Free Trade Area)**, which aims to facilitate trade between the **European Union** and Georgia, one of the next potential candidates to join the regional integration organisation<sup>276</sup>.



The Prime Minister of Spain, Pedro Sánchez, with the PM of Georgia, Irakli Garibashvili in Madrid. (Source: La Moncloa)

The presence of Spanish companies in **Tbilisi** is deficient for the moment. Even so, since 2022, the company **FCC Aqualia** (in charge of water management) has owned 65% of the assets of **GCU - Georgia Global Utilities -**, in charge of operating the water infrastructure in the capital and other municipalities such as Rustavi and Mishketa<sup>277</sup>.

274 ICEX, "Ficha país. Georgia", Available at <https://www.icex.es/es/todos-nuestros-servicios/informacion-de-mercados/libreria-icex/2018/pub2019810278>

275 Ministerio de Asuntos Exteriores de España, "Ficha de país: Armenia (República de Armenia)", *ibid*

276 European Commission, "EU-Georgia Deep and Comprehensive Free Trade Area", Available at <https://trade.ec.europa.eu/access-to-markets/en/content/eu-georgia-deep-and-comprehensive-free-trade-area>

277 FCC Aqualia, "Aqualia adquiere GCU", January 3, 2022, Available at <https://www.fcc.es/-/aqualia-adquiere-ggu-compa%C3%B1a-ADa-proprietaria-y-operadora-de-las-infraestructuras-del-ciclo-integral-del-agua-en-la-capital-de-georgia-tiflis-y-otras-ciudades-con-1-4-millones-de-habitantes-servidos-a-georgia-capital>

There is a bilateral treaty, which reflects the strengthening of bilateral relations, on the **prevention of tax evasion in income and wealth taxes** signed in 2010<sup>278</sup>, but also an earlier one from 1993 – in force since 1996 – on **educational, cultural and scientific co-operation** with the aim of stimulating exchanges in the various areas mentioned above<sup>279</sup>.

Finally, at the **diplomatic** level, Spain has maintained relations (as with Armenia) since 1992, the year after its independence. It was not until **2005** that Tbilisi sent a permanent diplomatic mission to Madrid. For its part, Spain has established, since **2015**, a **Diplomatic Antenna**<sup>280</sup>, an administrative instrument that allows a presence in those countries where there is no embassy presence.

To conclude, Spain's presence in both countries of the northern South Caucasus is, in general terms, weak despite the fact that it has been in operation for 31 years. It is hoped that, with the next stages of the EU (especially in relation to Georgia's increasing proximity to the organisation), such as the **Spanish presidency of the Council of the EU** – July to December 2023 – the economic, commercial and diplomatic sphere will be reinforced in a region in constant development.

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278 Ministerio de Asuntos Exteriores de España, *ibid*

279 Boletín Oficial del Estado, "Acuerdo de cooperación cultural, educativa y científica entre el Reino de España y la República de Georgia, firmado «ad referendum» en Madrid el 11 de marzo de 1993", 1996, Available at [https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-1996-26980](https://www.boe.es/diario_boe/txt.php?id=BOE-A-1996-26980)

280 Ministerio de Asuntos Exteriores, "Ficha de país: Armenia (República de Armenia)", *ibid*

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## conclusion

In more than thirty years of the independence of its three sovereign states, the region of South Caucasus has never been silent. Wars between Azerbaijan and Armenia, as well as of Georgia with its separatist provinces (and later- Russia itself), which have not been fully resolved up to now, remain the lines of geopolitical rifts actively exploited by the external powers which strive to establish their influence here.

The direct geographical exposure to three big players, Russia, Iran and Türkiye, each of which has more or less complicated relations with the wider West, explains the extreme complexity of the politics of South Caucasus. In its turn, the West has always been active enough to ensure access to the region's energy resources and strategic location and to prevent the exclusive domination of the regional powers here, but has not this far taken enough effort to ensure fair and sustainable resolution of the conflicts which hold back the three countries' development. Against this background, considerations of military security have been playing a crucial role in their political strategy. While Azerbaijan and Armenia have been and remain heavy military spenders compared to the size of their economies, Georgia challenged Russia as early as in 2008 but has recently opted for dense cooperation with Azerbaijan and Türkiye and in general keeping a more or less neutral stance. The growing turbulence of global politics has dramatically increased the role of the region and to a certain extent the agency of its countries, particularly Azerbaijan, whose significance as an energy supplier and at the same time as a crucial bottleneck between Europe and Central Asia, Russia and Iran has skyrocketed.

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On the other hand, these opportunities bring with themselves certain risks and add to the region's characteristic fragility. The geopolitics of South Caucasus is a little chessboard reflecting the processes going on the grand one, now maybe as much as ever before..



# biographies

## Luis Valer del Portillo

Luis Valer del Portillo (Zaragoza, 1993) is Director and founder of GEOPOL 21 since 2017. Historian specialised in international relations and security, defence and foreign policy issues. Graduated in History at the University of Zaragoza, Master in International Studies at the Universitat de Barcelona, Master in International Security and Defense Policy at the International Campus of Security and Defense, Postgraduate in Economic Intelligence and Security at Universidad Pontificia de Comillas - ICADE, MBA at EAE Business School.

He currently lives in Vienna, where he worked for the Spanish Embassy to the OSCE and where he is in contact with international organisations, institutions and diplomatic corps. He has published more than 25 articles, coordinated in-depth publications and participated in radio interviews.

## Rusif Huseynov

Rusif Huseynov is the Co-founder and Director of Topchubashov Center, a Baku-based think tank. His main interests are socio-political developments, frozen conflicts, and ethnic minorities, in post-Soviet countries, while his focus areas mainly cover Eastern Europe, the Middle East, Caucasus and Central Asia. Mr. Huseynov obtained his bachelor's degree from Baku State University and master's degree from the University of Tartu. He is a ReThink.CEE (2021) fellow with the German Marshall Fund of the United States and Local Focal Point within the EU4Dialogue project. Mr. Huseynov also taught as an adjunct lecturer at ADA University. He pens articles for international media outlets such as The National Interest, The Jamestown Foundation, the New Eastern Europe.

## Ricardo Gómez Laorga

Ricardo Gómez Laorga (Madrid, 1992) is the deputy director of GEOPOL 21 as well as a Main Researcher of the Europe area. He holds a PhD in Political Science and Administration and International Relations from the Complutense University of Madrid, and teaches at the Isabel I University in various degrees and masters related to History, Security Sciences, Security and Defence. Previously, he completed a Master's degree in Security and Defence at the Nebrija University, and holds a degree in History, Sociology and International Relations from the Complutense University of Madrid. He has carried out international stays in Rome (Università degli Studi La Sapienza), and Paris (Université Paris-Sorbonne). His main areas of research are European Neighbourhood Policy, European Union foreign policy, the history of European integration, security and defence policies and geopolitics.

## Simona Scotti

Simona Scotti is a Research Fellow at the Topchubashov Center, where she follows the post-war developments between Azerbaijan and Armenia. Her main areas of expertise include geopolitics of the South Caucasus, Turkish security policies, Italy-Azerbaijan relations and energy and connectivity. She holds a Master's degree in International Relations from Ca' Foscari University of Venice. She carried out exchange programs in Bogotá, Moscow and Belgrade, receiving education in Security Studies and Political Science. She has published articles in multiple international media outlets.

## Fran Olmos

Fran Olmos is a GEOPOL 21's Main Researcher for the post-Soviet space and a Research Fellow at the Foreign Policy Centre specialising in Central Asia. His area of research covers nationalism, conflicts and politics in the Central Asian republics. He has published multiple articles in international media covering the region, including The Diplomat and the Oxus Society. In 2022 he was granted the Beca Rui de Clavijo to research relations between Spain and Central Asia.

## Murad Muradov

Murad Muradov graduated with a Bachelor of Arts degree in International Relations from the Academy of Public Administration of the Republic of Azerbaijan (2011), a Master of Arts in Diplomacy and International Affairs from the Azerbaijan Diplomatic Academy (2013) and a Master of Science in Comparative Politics from the London School of Economics (2015). He participated in a number of training programs, summer schools and fellowships both in Azerbaijan and abroad, including the John Smith Trust Fellowship for Wider Europe (2017). His areas of expertise cover security and geopolitics of South Caucasus and post-Soviet countries, British politics, and international political economy.

## Marcos Márquez Blanco

Marcos Marquez Blanco (Vigo, 1997) graduated in History and holds a Master's Degree in International Studies from the Universidade de Santiago de Compostela. His areas of expertise are the socio-political and geo-strategic dynamics of the Western Balkans and the processes of accession to the EU. International analyst at GEOPOL 21 since 2021, he is currently a member of the Editorial Committee of this think tank specialised in geopolitics, where he has published more than 45 articles and participated in TV interviews, as well as having contributed to the development of a geopolitical analyst master's degree for LISA Institute and UDIMA

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## Jacobo Morillo

Jacobo Morillo (Vigo, 1988) is a graduate in Journalism from Universidad Pontificia de Salamanca and Master in Armed Conflicts and Defense communication. His areas of investigation are International Affairs, Armed Conflicts and Geopolitical Theatres, specifically in the Middle East and post-Soviet space. He has published articles in several think tanks; GEOPOL21's analyst since 2021.

### **Shujaat Ahmadzada**

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Guillermo Revilla Arjona (Badalona, 1996). Graduate in Political Science and Public Management from the Autonomous University of Barcelona, with a Master in International Affairs from Blanquerna, is currently studying a second Master's degree in Big Data at ENEB. He has collaborated with institutions such as CIDOB: Barcelona Center for International Affairs and United Cities and Local Governments. He contributes with GEOPOL 21 writing articles and creating maps in the area of the post-Soviet space.

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