

The Impact of the Russian War Against Ukraine on the EaP Region: Azerbaijan

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Since its onset on 24 February, both the war in Ukraine and Russia's failures on the battlefield have become significant factors contributing to further complications around the Armenian-Azerbaijani negotiation process, in particular, and the geopolitical situation in the South Caucasus, in general.

The war in Ukraine and the Armenian-Azerbaijani negotiations process

The EU's offer of mediation between Azerbaijan and Armenia, for which early communications started a few months after the war in the autumn 2020, marked an important change in its approach to the Nagorno Karabakh conflict, as prior to the war 2020, the EU chose to support only confidence building measures by civil society actors. The first EU-facilitated meeting [took place](#) in December 2021. Russia's ongoing war against Ukraine, and its military and political exhaustion, has alienated even some of its long-time allies. On the Armenian and Azerbaijani sides, this has increased the openness towards EU mediation. For Armenia, it was a chance to push back against Azerbaijan's assertiveness and its upper hand in the negotiations, already sealed by a Russia-brokered deal on 10 November 2020. Azerbaijan, in turn, saw the (geo)political momentum to gain EU's support for its already strong position in the negotiations and ultimately get Armenia to unequivocally recognize Nagorno-Karabakh as part of Azerbaijan in a final peace deal. Azerbaijan's calculation was that given the war in Ukraine, the EU is now more interested than ever to help establish a sustainable peace between the two countries while Russia is weak. Since February 2022, three series of meetings between the leaders of Armenia and Azerbaijan ([April](#), [May](#), and [August](#)) have taken place in Brussels, as well as one in Prague, joined by French president Emmanuel Macron, which occurred on the margins of the first EPC summit. The meeting planned in December failed because of Armenia's insistence on the participation of French president Macron in this meeting and Azerbaijan's rejection of it. The high risk of escalations, like the [one](#) in mid-September which saw 300 killed soldiers and civilians in total has only further cemented the urgency of a settlement.

Baku believes that Europe's [renewed interest](#) in Azerbaijan as a gas supplier and a [transit route](#) with access to Central Asia's energy resources strengthens Azerbaijan's hand in gaining Europe's support for its position in the normalization process with Armenia. European Commission President Ursula von der Leyen's visit to Azerbaijan on [July 18](#) and the new [gas deal](#) reached in Baku which foresees to at least double Azerbaijan's gas export to Europe in middle term, increasing by 20 bcm per year, only bolsters this impression for Baku.

Turkey's active [mediation](#) role between Russia and Ukraine and its increasing strategic importance in the Black Sea in light of Russia's advance in the southeast of Ukraine along the Sea of Azov, taking a significant part of Ukraine's access to the world waters, have only further strengthened the bargaining position of Turkey vis-à-vis the EU and would relieve the former's backing of Azerbaijan from European criticisms.

Azerbaijan's major goal in the negotiations is to achieve first, the delimitation of borders between Armenia and Azerbaijan, and second, the opening of the so-called 'Zangezur corridor' linking Azerbaijan to Turkey through the southern region of Armenia and Azerbaijani exclave Nakhchivan. But

there is no agreement under which conditions the link to Nakhchivan should be opened. Azerbaijan considers the conflict around Nagorno-Karabakh resolved, and demands from Russia to take out its peacekeepers deployed in Karabakh upon a (framework) peace treaty between Russia, Azerbaijan and Armenia. Armenian PM Pashinyan has [declared](#) the goal of Armenia in negotiations is not per se to have a status but “security guarantees and rights” for Armenians living in Karabakh. Therefore, unlike the pre-2020 war position of Armenia, having a status is not the only way, but one of the alternative mechanisms for ensuring the security of and respect to the rights Armenians in Karabakh.. So far no (framework) peace deal has been reached – the room for manoeuvre that multiple tracks of mediation has created, and the domestic limitations for the Armenian PM, have so far precluded this.

The overall geopolitical context in the South Caucasus

The war in Ukraine has had two specific implications for the South Caucasus, in particular for Azerbaijan and Armenia. On the one hand, Russia faces more vocal and assertive [demands](#) from Azerbaijan regarding the implementation of the agreements reached with Armenia, in particular regarding the [“free movement of persons, vehicles and cargo in both directions”](#) along ‘Zangezur corridor’ (which for Azerbaijan means absence of Armenian customs control, while for Armenia, unobstructed movement does not mean lack of customs) and delimitation of the borders, which, Russia, in Baku’s view, has failed to deliver. On the other hand, Armenia openly showcases, as in the November summit of the Collective Security Treaty Organization (CSTO) held in Yerevan, frustration with its allies, in particular with Russia, which has [provided](#) none of the expected support. Azerbaijan’s advancement of strategic relations with [Kazakhstan](#) and [Kyrgyzstan](#) as well as gaining the support of Belarus – all three are CSTO members – has [paralyzed the CSTO](#) in offering support to Armenia.

On the other hand, Azerbaijan and Iran are experiencing unprecedentedly high tensions. Both sides have had conflicts previously, but this never reached the extent of open [claims](#) for Azerbaijani territories by Iran and Azerbaijani media’s unchained [support](#) to the independence movement of Azerbaijanis living in Iran and their rights to study in their mother language. For the first time since Azerbaijan’s independence in 1991, Iran held [military exercises](#) on its northern borders with Azerbaijan while Azerbaijani [special forces](#) reciprocated immediately. Moreover, Azerbaijani president Aliyev [raised](#) the issue publicly at the November summit of the Organization of Turkic States held in Samarkand, Uzbekistan, while Iran opened its consulate in the southern region of Armenia where the ‘Zangezur corridor’ is expected to pass. Iran stands firmly [against](#) the ‘corridor’ that it sees as an invitation to further strengthen Turkey’s role in the region. The war in Ukraine, and in particular, the decline of Russia’s influence in the South Caucasus, has changed the meaning of the ‘Zangezur corridor’, which is supposed to be protected by Russian FSB border troops, for Iran. Iran has both ideological and geostrategic reasons to be concerned about, such as the strengthening of Turkey in the South Caucasus and weakening of Russian leverages over the region. No doubt that, ideologically, many in Iran still see the South Caucasus as former Iranian territories lost to Russia, implying that if Russia is about to leave the region, it must be Iran who has to restore its oversight in the region. Geostrategically, Iran does not want Turkey and the West to strengthen their foothold in the region at the cost of Russia. At the same time, Iran and Russia have been cooperating on military equipment and Iran has become a key partner for Russia in its war in Ukraine.

Key issues facing Azerbaijan in 2022 and beyond

The [de-mining](#) of re-gained territories, the [restoration of infrastructure](#) in these territories and the return of the population are the major challenges facing the government. Although the government

has made considerable [progress](#), the population is impatient and wants to see the [return](#) as soon as possible. The government has been able to [invest](#) already large amounts in making the “Great Return”. However, both the capacity and the available financial resources are much below the required level and it seems not possible for the government to generate all these resources on its own in a short time, although the government frequently [states](#) its financial capabilities in this regard. Foreign investment in the re-gained territories has been limited and no international donor conference has been organized. The absence of a peace deal between Armenia and Azerbaijan emerges as the major reason for continued security concerns – and for the disinterest of potential foreign investors.