

# From Passive to Active: Unpacking the EU's New Role in Promoting Peace between Azerbaijan and Armenia

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This article analyses the European Union's (EU) increased involvement in promoting peace between Armenia and Azerbaijan following the Second Karabakh War in 2020. While the EU's previous (indirect) engagement was shadowed by its member state France's co-chairing role within the Minsk Group, its recent diplomatic efforts and visibility signify a shift towards more active involvement in the South Caucasus region. This article explores the motivations behind the EU's engagement, including its political and economic interests in the region. Additionally, the article highlights the challenges that the EU faces in promoting lasting peace in this region. Furthermore, this article provides policy recommendations for the EU to promote peace and stability in the region. These include maintaining a consistent stance against separatism, drawing on its own experience with resolving conflicts within the Union, and increasing its financial investments in trade, infrastructure, and renewable energy production. By following these recommendations, the EU can strengthen its influence in the South Caucasus and promote lasting peace in the region.

**Key words:** EU, South Caucasus, Azerbaijan, Armenia, Energy, Middle Corridor, Peacebuilding



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### ***Introduction***

After the signing of the Trilateral Statement of November 10, 2020 that ended the Second Karabakh War, both Russia and the EU have undertaken multiple efforts to mediate negotiations for the normalization of relations between Azerbaijan and Armenia. Before the war, the EU's diplomatic representation in the peace negotiations was passive and it was de facto monopolized by France's participation within the Minsk Group. However, since the end of the Second Karabakh War, the EU has become more actively engaged. Specifically, it has organized seven meetings with the leaders of Azerbaijan and Armenia, although one was cancelled. In addition to the organized meetings, the President of the European Council, Charles Michel, has held intensive phone calls with Armenia's Prime Minister Nikol Pashinyan and Azerbaijan's President Ilham Aliyev. Given the EU's more active diplomatic involvement, one may question the reasons for this change in diplomatic strategy, as well as the motivations behind it. Furthermore, it is important to examine the main challenges and prospects for the EU's efforts in the region.

This article aims to explain the EU's role in promoting peace between Armenia and Azerbaijan. In doing so, the main focus of this article will be to explain the motivation behind the EU's involvement in the peace negotiations between Armenia and Azerbaijan, and that process's challenges and prospects.

### ***Competing mediation processes***

Geopolitical competition in the South Caucasus increased in the aftermath of the Second Karabakh War (2020) as Russia sidelined the Euro-Atlantic community from the trilateral statement. In July 2021, while answering the question, "*Where does the EU stand in all this, and why do we need to be involved in the region?*",<sup>1</sup> Josep Borrell, High Representative of the EU for Foreign Affairs and Security Policy, stated that the South Caucasus is significant for the EU in terms of energy and transportation, but "a growing number of countries"<sup>2</sup> are politically and economically active in the region, namely Russia, Türkiye, China and

1 Borrell, J., "Why we need more EU engagement in the South Caucasus", *European Union External Action*, July 2, 2021, available at: [https://www.eeas.europa.eu/eeas/why-we-need-more-eu-engagement-south-caucasus\\_en](https://www.eeas.europa.eu/eeas/why-we-need-more-eu-engagement-south-caucasus_en) (accessed: March 14, 2023)

2 Ibid.

Iran. Borrell's statement indicates that the EU views the region as a subject of competition and recognizes the need to intensify its activities in the area to safeguard its economic and political interests from other players. The EU's involvement in mediating the negotiations between Armenia and Azerbaijan should also be seen in this context. Although Russia has traditionally acted as the primary mediator, the EU's decision to increase its mediation efforts aims to bring a peace on its own terms, rather than on Russia's. From a competitive perspective, this move enables the EU to enhance its influence in the region, thereby providing a clear incentive for it to engage in peace efforts between Armenia and Azerbaijan.

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Geopolitical tensions between the EU and Russia escalated further following Russia's continued invasion of Ukraine in 2022, and Russia is increasingly interpreting the EU's mediation efforts as aimed at excluding Russia from a diplomatic settlement.<sup>3</sup> While the EU and Russian mediation processes overlap on issues such as border delineation and demarcation and the reopening of transport links, their positions differ on the 'status' of the Armenian population living in the Karabakh region of Azerbaijan. Russia is reluctant to include a settlement of the issue of 'status' in any potential peace treaty and prefers to defer the issue to future negotiations.<sup>4</sup> In doing so, Russia seeks to keep its peacekeeping forces in the region for longer. The EU, on the other hand, prefers a comprehensive settlement that includes a decision on the issue of 'status'.<sup>5</sup> For Azerbaijan, the Armenia - Azerbaijan conflict is resolved, and the possibility of granting any 'status' to Karabakh Armenians does not exist.

It is difficult to say whether the EU has changed its position since the start of the negotiations because of the limited EU press statements.

<sup>3</sup> President of Russia, *Answers to media questions*, October 31, 2022, available at: <http://www.en.kremlin.ru/events/president/transcripts/69730> (accessed: April 26, 2023)

<sup>4</sup> Tass, *Status of Karabakh should be left to next generations to decide - Russian ambassador*, 1 November 2022, available at: <https://tass.com/world/1530691> (accessed: April 26, 2023)

<sup>5</sup> Council of the European Union, "Nagorno-Karabakh: Declaration by the High Representative on behalf of the European Union", November 19, 2020, available at: <https://www.consilium.europa.eu/en/press/press-releases/2020/11/19/nagorno-karabakh-declaration-by-the-high-representative-on-behalf-of-the-european-union/> (accessed: April 26, 2023)

Nevertheless, when reviewing all the press statements following the meetings of the leaders of Armenia and Azerbaijan, it becomes evident that the terms “Karabakh” and the “ethnic Armenian population in Karabakh” were mentioned for the first time after the EU-led meeting on May 22, 2022. According to some experts, Charles Michel chose to use the term Karabakh, which is favoured by Azerbaijan, instead of ‘Nagorno-Karabakh.’<sup>6</sup> Karabakh is preferred by official Baku because Azerbaijan’s President Ilham Aliyev signed a decree on July 7, 2021 resulting in the reorganization of economic regions in Azerbaijan and increasing their number from 11 to 14. Additionally, the decree established the new Karabakh and East Zangazur economic regions, which aim to facilitate the restoration, flexible regional management and rapid development of the historic Karabakh region. After the fifth trilateral meeting, Michel again addressed the rights and security of ethnic Armenians and referred to the “former Nagorno-Karabakh Autonomous Oblast” in his press statement.<sup>7</sup> The inclusion of “Nagorno” was an attempt by the EU to accommodate the preferences of the Armenian side too, as Armenians generally prefer the term ‘Nagorno-Karabakh.’ Additionally, the EU used the term “former” to address Azerbaijan’s perspective, as Baku no longer considers the oblast relevant or in existence. Thanks to the EU’s balanced play of policy, both Armenia and Azerbaijan initially welcomed the EU’s mediation efforts.

However, the EU and Russia have numerous shared priorities, specifically clearly defining and establishing the border between Armenia and Azerbaijan and restoring transportation connections between the two sides.

Another difference between Russia and the EU’s positions regarding the process is their presence on the ground. After Moscow’s involvement in the termination of military activities in 2020, Russia deployed 1,960 armed peacekeepers to the Karabakh region and along the so-called

6 Isayev, H., Kucera, J. and Mejlumyan, A., “EU emerges as major player in Armenia-Azerbaijan negotiations”, *Eurasianet*, May 25, 2022, available at: <https://eurasianet.org/eu-emerges-as-major-player-in-armenia-azerbaijan-negotiations> (accessed: March 14, 2023)

7 European Council, “Press remarks by President Charles Michel following the trilateral meeting with President Aliyev of Azerbaijan and Prime Minister Pashinyan of Armenia”, May 14, 2023, available at: <https://www.consilium.europa.eu/en/press/press-releases/2023/05/14/press-remarks-by-president-charles-michel-following-the-trilateral-meeting-with-president-aliyev-of-azerbaijan-and-prime-minister-pashinyan-of-armenia/> (accessed: May 14, 2023)

‘Lachin corridor’. The mandate for these peacekeepers was not clearly defined, other than that its presence would last for five years, as enshrined in the Trilateral Statement of 10 November 2020.<sup>8</sup> The EU, on the other hand, set up the EU Monitoring Capacity in Armenia (EUMCAP) in October 2022 and later the European Union [Civilian] Mission in Armenia (EUMA) in January 2023. EUMA has an initial mandate of two years, during which observers deployed from the EU Monitoring Mission (EUMM) in Georgia patrol and report from the border between Armenia and Azerbaijan.<sup>9</sup> In contrast to Russia’s military mission, the EUMA’s mandate is strictly civilian. It is framed as a civilian mission “tasked with observing and reporting on the situation on the ground; contributing to human security in conflict-affected areas and based on the above, contributing to build confidence between populations of both Armenia and Azerbaijan.”<sup>10</sup> In addition, the civilian aspect is stressed by the fact that the mission was established as a response to requests by the Armenian authorities to the EU to deploy a civilian mission. Although the EUMA is part of the Common Security and Defence Policy (CSDP),<sup>11</sup> “the entire chain of command is civilian”.<sup>12</sup>

### ***The EU’s motivation for stability: Trade and energy***

Arguably, the EU has a greater interest in reconciling Azerbaijan and Armenia than Russia, as the existence of tension between these two is good for Russia’s military business in the region. For example, according to Calibier.az (Azerbaijani media), Russia’s peacekeepers, temporarily deployed in some parts of Azerbaijan’s Karabakh (Garabagh) region,

8 President of Russia, *Statement by President of the Republic of Azerbaijan, Prime Minister of the Republic of Armenia and President of the Russian Federation*, Events, November 10, 2020, available at: <http://en.kremlin.ru/events/president/news/64384> (accessed: April 26, 2023)

9 European Commission, “Armenia: EU establishes a civilian mission to contribute to stability in border areas”, January 23, 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: April 26, 2023)

10 Press and information team of EUMA, *About European Union Mission in Armenia*, EU Mission in Armenia, January 26, 2023, available at: [https://www.eeas.europa.eu/euma/about-european-union-mission-armenia\\_en?s=410283](https://www.eeas.europa.eu/euma/about-european-union-mission-armenia_en?s=410283) (accessed: July 1, 2023)

11 Press and information team of EUMA, *EU Mission in Armenia (EUMA)*, EU Mission in Armenia, February 28, 2023, available at: [https://www.eeas.europa.eu/euma/eu-mission-armenia-euma\\_en?s=410283](https://www.eeas.europa.eu/euma/eu-mission-armenia-euma_en?s=410283) (accessed: July 1, 2023)

12 Ibid.

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are supplying weapons to the Armenian separatists through the so-called Lachin corridor. Therefore, Russia has no interest in settling all the pending issues between two countries, notably the issue of 'status', as this would make its peacekeepers irrelevant and thereby decrease Russia's influence in the region.<sup>13</sup>

The EU, on the other hand, has much to gain from peace in the South Caucasus. After Russia's renewed invasion of Ukraine, the region has increased its strategic importance for the EU as both a source of energy commodities and as a trade corridor. The stability of the South Caucasus region is of vital interest to the EU. A new war between Armenia and Azerbaijan instantly complicates the development of projects such as the Middle Corridor, which is an international transport initiative that seeks to connect Türkiye to China via Georgia, Azerbaijan, and Kazakhstan. In other words, any new war could decrease the EU's opportunities for the diversification of its energy sources and routes.

### Energy: Diversification from Russia

In 2020, the EU presented its Green Deal, a plan to "transform the EU into a modern, resource-efficient and competitive economy."<sup>14</sup> Thus, ensuring a secure and affordable EU energy supply, developing a fully integrated and digitalised EU energy market, and developing a power sector based largely on renewable sources are among the key principles of the Green Deal.<sup>15</sup> In order to achieve these principles, the Commission wants to, *inter alia*, build interconnected energy systems, which is possible through a well-diversified energy network and better-integrated grids to support renewable energy sources.<sup>16</sup> However, the conflict in Ukraine

13 Isayev, H., Kucera, J. and Mejlumyan, A., "EU emerges as major player in Armenia-Azerbaijan negotiations", *Eurasianet*, May 25, 2022, available at: <https://eurasianet.org/eu-emerges-as-major-player-in-armenia-azerbaijan-negotiations> (accessed: April 26, 2023)

14 European Commission, "A European Green Deal – Striving to be the first climate-neutral continent", available at: [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en) (accessed: March 15, 2023)

15 European Commission, "Energy and the Green Deal", available at: [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/energy-and-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/energy-and-green-deal_en) (accessed: March 15, 2023)

16 Ibid.

has once again highlighted the EU's dependence on Russia for energy, prompting the European Commission to accelerate its search for alternative sources. Russia's renewed war of aggression against Ukraine has only increased the importance of the South Caucasus region in terms of energy. In May 2022, the EU presented 'REPowerEU' in response to Russia's renewed invasion.<sup>17</sup> One of the aims of REPowerEU is to end the EU's dependence on Russian fossil fuels.

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Azerbaijan is one of these reliable, non-Russian sources of energy in the Caspian Sea region. Azerbaijan has aided Europe in diversifying its oil and gas supplies and improving its oil and gas security via the Southern Gas Corridor (SGC) and the Baku-Tbilisi-Ceyhan oil pipeline. The Trans-Adriatic Pipeline (TAP), the SGC's third component, became operational in December 2020. This 878-km-long pipeline receives natural gas from the Shah Deniz field in the Azerbaijani section of the Caspian Sea through the South Caucasus Pipeline, passing it through Azerbaijan and Georgia, and then along the Trans-Anatolian Pipeline (TANAP) via Türkiye. It connects to TANAP at the Türkiye-Greece border in Kipoi, carries gas onward to Europe through Greece, Albania, and the Adriatic Sea, and then terminates in southern Italy. Given that Italy, Greece, and Bulgaria heavily rely on gas imported from Russia, making them vulnerable to supply cuts and price increases imposed by a monopolistic supplier, the TAP is critical for the energy security of these countries.

Azerbaijan's President Ilham Aliyev and EU Commission President Ursula Von der Leyen signed a new Memorandum of Understanding on a Strategic Partnership in the Field of Energy on July 18, 2022.<sup>18</sup> The memorandum includes a commitment to double the capacity of the Southern Gas Corridor to provide at least 20 billion cubic meters of gas to the EU annually by 2027.<sup>19</sup> In line with this, on April 25, 2023, the national gas system operators of Bulgaria, Romania,

17 European Commission, "REPowerEU: A plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition\*", May 18, 2022, available at: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_3131](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3131) (accessed: March 15, 2023)

18 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) (accessed: June 24, 2023)

19 Bayramov, A. and Wagenmakers, T., "Europe's Energy Dilemma and Azerbaijan's Potential Contribution", *Russian Analytical Digest*, Vol. 284, June 8, 2022, p. 9



Hungary, and Slovakia reached an agreement to increase the transfer of natural gas from Azerbaijan by utilizing their respective countries' existing infrastructure.<sup>20</sup> In addition to natural gas, on December 2022, the leaders of Azerbaijan, Georgia, Romania, and Hungary signed an agreement to construct an underwater electric cable beneath the Black Sea. The cable will carry green energy (electricity) from planned Caspian Sea wind farms to Europe.<sup>21</sup>

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In light of these energy initiatives, it is imperative for the EU to ensure stability and peace in the region to safeguard long-term ventures and mitigate potential risks and threats to its diversification goals. Moreover, these projects illustrate that Azerbaijan holds a crucial position as a transit country for transporting energy resources from Kazakhstan and Turkmenistan, with significant potential for future expansion of gas volumes. For example, in May 2023, KazTransOil, the national oil transporter of Kazakhstan, announced a substantial

increase in oil exports via its Aktau Port to Baku, Azerbaijan. In the same vein, during the period of January to February 2023, Turkmenistan demonstrated a noteworthy surge in crude oil exports to Azerbaijan, amounting to 119,200 tons. This figure represents a significant growth of 4.4 times when compared to the corresponding indicator observed in the previous year.<sup>22</sup>

### Trade: The Middle Corridor

According to Joseph Borrell, the South Caucasus plays a significant role in linking the EU with Asia through transport corridors. Therefore, the EU should foster the region's role as a connectivity hub.<sup>23</sup> Russia's

20 AP News, *European countries, Azerbaijan agree to boost gas transfers*, April 25, 2023, available at: <https://apnews.com/article/europe-azerbaijan-gas-bulgaria-romania-hungary-slovakia-a0ae5e90dbb7b87b7b81afb3acd3455a> (accessed: June 24, 2023)

21 Euronews, *Hungary, Romania, Georgia, Azerbaijan agree to Black Sea electricity project*, December 17, 2022, available at: <https://www.euronews.com/2022/12/17/hungary-romania-georgia-azerbaijan-agree-to-black-sea-electricity-project> (accessed: June 24, 2023)

22 Orient, *Turkmenistan has significantly increased oil exports to Azerbaijan*, April 25, 2023, available at: <https://orient.tm/en/post/52055/turkmenistan-has-significantly-increased-oil-exports-azerbaijan> (accessed: June 24, 2023)

23 Borrell, *op. cit.*



war has sparked renewed interest in the Middle Corridor, an alternative trade route that circumvents Russia by starting in China and traversing through Central Asia and the South Caucasus to reach the EU. The burgeoning interest in the Middle Corridor highlights the growing importance of the South Caucasus region as a transport corridor, which clarifies the EU's interest in the region.<sup>24</sup> As Mardell explains, the war in Ukraine has negatively impacted the China-Europe rail express connection. China's One Belt One Road project initially aimed to promote freight trains running from China across Russia and Ukraine or Belarus to the EU. However, the sanctions imposed as a result of the war have made this trade route less feasible. Thus, the Middle Corridor, which crosses the South Caucasus region, is the obvious alternative choice.<sup>25</sup>

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The EU has a significant interest in the Middle Corridor as it could be crucial for rebuilding Ukraine after the war.<sup>26</sup> To rebuild the country, Ukraine requires materials from China, and the Middle Corridor provides the easiest solution to access these materials while bypassing Russia. Since the EU has pledged to aid in Ukraine's reconstruction, it has a critical interest in securing the Middle Corridor's viability. Consequently, the EU needs to establish peace in the South Caucasus region to ensure the Middle Corridor's continued use as an alternative trade route.<sup>27</sup>

However, it remains uncertain how much the Middle Corridor can substitute for the trade route that passes through Russia. The Middle Corridor will be unable to match the volume of trade that the northern route through Russia can handle anytime soon. Additionally, the Middle

24 Avdaliani, E. and Devonshire-Ellis, C., "Will The Middle Corridor Evolve To Reshape Eurasian Connectivity Between China and the European Union?", *Silk Road Briefing*, March 2, 2023, available at: <https://www.silkroadbriefing.com/news/2023/03/02/will-the-middle-corridor-evolve-to-reshape-eurasian-connectivity-between-china-and-the-european-union/> (Accessed: March 15, 2023)

25 Cokelaere, H. and Aarup, S.A., "Ukraine war shakes up China-Europe railway express", *Politico*, July 25, 2022, available at: <https://www.politico.eu/article/ukraine-china-silk-road-railway/> (accessed: 25 April 2023)

26 Ibid.

27 Prodaniuk, T. and Koldomasov, A., "The EU's mission to rebuild Ukraine: problems and priorities", *Institute of International Relations Prague*, Policy Paper, 6 August 2022, p. 1, available at: <https://www.iir.cz/the-eu-s-mission-to-rebuild-ukraine-problems-and-priorities> (accessed: March 15, 2023)

Corridor presents some complexities due to the need to cross the Caspian Sea and the inclusion of more transit countries. Nevertheless, given the need to avoid Russia, the EU has little choice but to prioritize the stability of the South Caucasus region, which is critical for the viability of the Middle Corridor as an alternative trade route.

The transport time for goods between China and Europe has significantly decreased due to the construction of the Baku-Tbilisi-Kars railway, the further development of Kazakhstan's railroad system, and the modernization of ports such as Alat (Azerbaijan), Aktau, Kuryk (Kazakhstan), and Turkmenbashi (Turkmenistan) located in the Caspian Sea region. In March 2022, Georgia, Azerbaijan, Türkiye, and Kazakhstan produced a quadrilateral statement on the need to develop the Trans-Caspian International Corridor.<sup>28</sup> Maersk has started a new train service along the Middle Corridor and Nurminen Logistics started running a container train from China to Central Europe through the trans-Caspian route on May 10, 2022. In June 2022, China's National Development and Reform Commission stated that work on the China-Kyrgyzstan-Uzbekistan railway project would start in the near future.<sup>29</sup> Although the Middle Corridor is a viable alternative trade route for the EU, it is still in development, and infrastructure is being built at a slow pace. Furthermore, it remains to be seen how invested the EU will be in the Middle Corridor when the war in Ukraine ends and the Northern Route becomes available again.

Despite these challenges, the Middle Corridor is currently an important trade route for the EU, and therefore the EU should invest in its development. To make this possible, stability in the Caucasus region is essential, which explains the EU's efforts to negotiate peace between Armenia and Azerbaijan. The risk of renewed hostilities poses a threat to the security of the transport infrastructure that is being developed for the Middle Corridor. Therefore, the EU's peace efforts between Armenia and Azerbaijan are important for the Middle Corridor project because a stable South Caucasus region is necessary for the success of the project.

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<sup>28</sup> Avdaliani and Devonshire-Ellis, *op. cit.*

<sup>29</sup> Ibid.

### ***Challenges and prospects for a peace agreement***

Despite repeated diplomatic efforts, the EU has encountered several challenges in its negotiation track between Armenia and Azerbaijan. The first challenge pertains to the definition of a peace agreement, specifically with regard to what ‘peace’ means for Azerbaijan and Armenia. By examining both governments’ statements, it is evident that they are not yet on the same page. For Azerbaijan, peace entails recognition of its territorial integrity, withdrawal of remnants of Armenia’s military forces from areas (in the Karabakh region) that are under the temporary control of Russia’s peacekeeping forces, and further negotiations between local Armenian residents in the Karabakh region and the Azerbaijani government for their reintegration without the involvement of third parties.<sup>30</sup> Conversely, for Armenia, peace means securing international guarantees for the rights and security of the ethnic Armenians living in the Karabakh region, an international (i.e. not solely Russian) peacekeeping presence in the Karabakh region, and the creation of a demilitarized zone<sup>31</sup>, which is deemed by official Baku as interference in the internal affairs of Azerbaijan.

Considering the past two years, it can be said that official Baku is the one pushing for the signing of a peace agreement, while Yerevan has consistently attempted to delay any decision in the expectation of securing more favourable terms in the future. According to Huseyn Mahmudov, head of the International Military Cooperation Department at the Ministry of Defense of Azerbaijan, “*The main purpose of the Armenian side’s regular shelling of Azerbaijan Army positions is to delay the signing of a peace treaty.*”<sup>32</sup> The progress towards a peace agreement has

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30 Report.az, *Hikmat Hajiyev: Armenia doesn’t want to sign peace treaty, trying to gain time*, March 13, 2023, available at: <https://report.az/en/foreign-politics/hikmat-hajiyev-armenia-doesn-t-want-to-sign-peace-treaty-trying-to-gain-time/> (accessed June 24, 2023)

31 Bunatian, H., “Pashinian Points To Lingering Differences Between Armenia, Azerbaijan After U.S.-Sponsored Peace Talks”, *Radio Free Europe Radio Liberty*, May 6, 2023, Available at: <https://www.rferl.org/a/pashinian-interview-armenia-azerbaijan-peace-talks/32398806.html> (accessed: June 24, 2023)

32 Rehimov, R. “Armenia aims to delay signing of peace treaty: Azerbaijani Defense Ministry”, *Anadolu Agency*, September 13, 2022, available at: <https://www.aa.com.tr/en/politics/armenia-aims-to-delay-signing-of-peace-treaty-azerbaijani-defense-ministry/2683841> (accessed: June 24, 2023)

slowed down because Yerevan believes that the West and Russia may pressure Azerbaijan and offer Armenia a favourable peace deal once the conflict in Ukraine comes to an end. While waiting for the West, Armenia is looking for new external partners, namely Iran and India, against Azerbaijan. On April 20, Armenia hosted the first trilateral consultations with Iran and India in Yerevan. The meetings involved deputies and assistants in the foreign ministries of the three countries, specifically focusing on “economic issues and regional communication channels.”<sup>33</sup> The sides agreed to continue further consultations in the trilateral format.<sup>34</sup>

The second challenge is the lack of a united EU stance. Some EU member states’ divergent interests and priorities<sup>35</sup> have led to different opinions and approaches towards the peace process, making it difficult for the EU to influence the situation. For example, France, which has a significant Armenian diaspora population, has been a vocal advocate for Armenia and has taken a more pro-Armenian approach towards the peace process.<sup>36</sup> Disagreements over the participation of France’s President Emmanuel Macron led to a scheduled EU-led quadrilateral meeting in Brussels on December 7, 2022 being cancelled.<sup>37</sup> The chances of reaching a peace agreement decreased after Nikol Pashinyan insisted on France’s inclusion in the negotiations, while Azerbaijan was strongly opposed to this request due to France’s perceived biased stance (favouring Armenia’s position) on issues related to the dispute between Armenia and Azerbaijan. In line with this, a delegation from France’s Armed Forces Ministry was dispatched to Armenia with the objective

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33 Kucera, J., “Armenia hosts first trilateral meeting with Iranian and Indian officials”, *Eurasianet*, April 21, 2023, available at: <https://eurasianet.org/armenia-hosts-first-trilateral-meeting-with-iranian-and-indian-officials> (accessed: April 27, 2023)

34 Ibid.

35 France24, *Armenian diaspora pitches in as Nagorno-Karabakh truce crumbles*, October 27, 2020, available at: <https://www.france24.com/en/asia-pacific/20201027-armenian-diaspora-pitches-in-as-nagorno-karabakh-truce-crumbles> (accessed: June 24, 2023)

36 Huseynov, V., “Opinion: What does French support for Armenia mean for the future of Armenian-Azerbaijani relations?”, *KarabakhSpace.eu*, June 2, 2021, available at: <https://karabakhspace.comspace.eu/opinion/opinion-what-does-french-support-armenia-mean-future-armenian-azerbaijani-relations> (accessed: June 24, 2023)

37 Reuters, *Azerbaijan cancels Armenia talks, says Macron cannot take part*, November 25, 2022, available at: <https://www.reuters.com/world/planned-brussels-meeting-between-armenia-azerbaijan-leaders-scrapped-interfax-2022-11-25/> (accessed: June 24, 2023)

of investigating potential avenues for military collaboration. This move raises concerns as it potentially contradicts the European Union's stance on peaceful approaches. Additionally, France's Foreign Minister, Catherine Colonna, disclosed during her recent visit to Armenia that a military mission will be established at the Embassy of France in Armenia. This development has the potential to foster a greater level of bilateral cooperation in the field of defence.<sup>38</sup>

The third challenge is the role of external powers, specifically Iran and Russia. Moscow has sought to maintain its influence in the region and has used its peacekeeping involvement in the Karabakh region as a means of exerting leverage over the parties. In the same vein, Moscow has started its own mediation efforts for peace between Armenia and Azerbaijan.

Although Iran has not explicitly stated that it does not want a peace deal between Armenia and Azerbaijan, such a deal could potentially impact Iran's economic dominance in Armenia and its transit links in the Caspian Sea region. As stated earlier, the peace negotiations between the parties involve the establishment of connectivity and the reopening

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of transport links between Armenia and Azerbaijan. Azerbaijan also prefers the opening of the Zangazur corridor, which is part of a strategic transportation route that extends from Azerbaijan's capital city of Baku to Türkiye's Kars province, passing through Armenia. Consequently, Iran's position as the primary transit route between Azerbaijan and the Nakhchivan Autonomous Republic (a landlocked territory of Azerbaijan) will be diminished. Similarly, Iran will no longer maintain its pivotal role in connecting Türkiye and Central Asia, as a significant portion of Türkiye's trade with Central Asia depends on truck transit through Iran.<sup>39</sup>

Overall, the EU's mediation efforts to contribute to the peace negotiations between Armenia and Azerbaijan are an important part of its broader

38 The Armenian Mirror-Spectator, *French Military Officials Visit Armenia*, November 3, 2022, available at: <https://mirrorspectator.com/2022/11/03/french-military-officials-visit-armenia/> (accessed: June 24, 2023)

39 Veliyev, C., "Iran's frustrations with the Zangazur corridor", *Eurasia Daily Monitor*, *The Jamestown Foundation*, September 23, 2022, available at: <https://jamestown.org/program/irans-frustrations-with-the-zangazur-corridor/> (accessed: May 14, 2023)

strategy to secure its political and economic interests and promote peace and stability in the South Caucasus region. One important factor is the region's growing energy, trade, and transportation importance, which has made it a key area of interest for major global powers such as China, Iran, Türkiye, and Russia. By successfully mediating the negotiations, the EU can increase its leverage in the region and secure positive outcomes that align with its interests. The conflict in Ukraine has made the South Caucasus region even more critical for all stakeholders, as it serves as a key transit route for trade, transportation, electricity, natural gas, and oil. If peace is achieved in the South Caucasus, the EU can help to ensure a stable and secure energy supply for its member states.

Based on the analyses above, this article makes three policy recommendations for the EU. First, the EU's stance against separatism is well established and has been successful in resolving similar issues within its own member states, including South Tyrol (Italy), Catalonia (Spain), Friesland (the Netherlands), and Corsica (France). Therefore, the EU's anti-separatist policy should also be applied to the peace process between Azerbaijan and Armenia, as it concerns Azerbaijan's territorial integrity. It would be counterproductive for EU politicians to promote policies abroad that contradict their own domestic policies. By maintaining a consistent stance against separatism, the EU can uphold its principles and promote stability and peace in the region.

Second, the EU needs to adopt a consistent policy in the Eastern Partnership region to avoid double standards. While the EU has shown support for Georgia's territorial integrity and reacted strongly to Russia's violation of Ukraine's sovereignty by imposing sanctions, it has shown only minimal concern for Azerbaijan's territorial integrity. This inconsistency undermines the credibility of the EU and needs to be addressed. The EU should ensure that its policies are applied consistently and impartially in the region. This will help to build trust and establish the EU as a reliable partner for all countries in the region, regardless of their political or economic importance.

To achieve peace in the Southern Caucasus, the EU could propose peacebuilding measures based on its own familiar and successful experience with resolving conflicts within the Union. By drawing lessons from the above-mentioned cases, where lasting peace was achieved, Armenia and Azerbaijan could learn a lot. The ways national

governments dealt with issues related to minorities, such as in Catalonia (Spain), the Basque region (Spain), and Friesland (the Netherlands), are good examples of successful dialogue-based approaches. Although each of these cases is unique, the manner in which governments addressed national tendencies has proven to be effective so far. Even though the (former) Armenia-Azerbaijan conflict has many differences at its core, the dialogue-centred approach is a promising starting point. The EU has a lot to offer in this regard, and these experiences should be an essential part of the EU's peace efforts in the South Caucasus.

Another way for the EU to stabilize the South Caucasus is by increasing its commitment to the region through financial investments, for example, for post-war reconstruction, demining, rehabilitation, and repatriation activities. Additionally, this can be achieved by investing in trade, infrastructure, and renewable energy production, which would not only boost the region's economy but also provide the EU with greater leverage over Armenia and Azerbaijan.

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Thirdly, to increase its effectiveness in the peace process, the EU should adopt a unified strategy. Although the EU uses soft diplomacy to persuade the parties involved, certain EU politicians and member states, such as France, may be giving Armenia false hopes of retaliation. For example, France's Armed Forces Ministry sent a delegation to Armenia to explore military cooperation opportunities, which may contradict the EU's peaceful approach. Furthermore, France's Foreign Minister, Catherine Colonna, during her latest visit to Armenia on April 28, 2023, announced the creation of a military mission at the Embassy of France in Armenia to deepen bilateral cooperation in the defence area.<sup>40</sup> A more coherent and united approach by the EU would strengthen its ability to bring stability to the South Caucasus region.

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40 The Armenian Mirror-Spectator, *French Military Officials Visit Armenia*, *op. cit.*