

Stuck between War and Peace: What are the Prospects of a Peace Treaty between Armenia and Azerbaijan?

Soso Dzamukashvili*

For two and a half years, Armenia and Azerbaijan, with the involvement of other international actors, have been engaged in negotiations on signing a peace treaty. However, a deal that would be the basis for reconciliation between the two countries has not yet been reached yet. This article discusses major factors that impact the prospects of a peace treaty between Azerbaijan and Armenia. The article looks into not only the unresolved issues between the two countries, but the role of international actors as well. The article concludes that the process to sign a peace deal is significantly derailed by Russia, which is interested in keeping its military presence in the region by maintaining the status quo in the conflict-affected region of Azerbaijan. The complexity of inter-state border demarcation and delimitation, as well as different stances on unblocking transport and economic connections, have further undermined negotiations.

Key words: Azerbaijan, Armenia, Karabakh region, Russia, South Caucasus



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Introduction

In November 2020, Armenia and Azerbaijan, under the mediation of Russia, signed a Trilateral Statement that ended the 44-day-long Second Karabakh War. As a result, Azerbaijan liberated seven Armenia-occupied districts (Fuzuli, Jabrail, Zangilan, Gubadli, Lachin, Kalbajar, Aghdam), as well as the strategic city of Shusha. Russia, as the main broker of the ceasefire, deployed around 1,960 peacekeeping troops to the part of the Karabakh region where the ethnic Armenian population are residing, as well as along the road corridor passing through the Lachin district, which would remain a linking route between the ethnic Armenian-inhabited towns of the Karabakh region and Armenia.

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achieving a peace deal between the two countries has been elusive ever since the end of the war in 2020. Unresolved issues, such as border demarcation and delimitation, unblocking transport and economic connections, as well as Armenia’s insistence on defining a status for Karabakh Armenians, largely impede the consequent peace agreement. Frequent post-war border tensions between Baku and Yerevan have further marred the peace prospects. At the same time, Russia, the major mediator of peace talks, has only tried to maintain the status quo between Armenia

and Azerbaijan to guarantee the relevance of its military presence in the region. Hence, negotiations that have lasted for more than two years have not yet resulted in the signing of a peace deal.

A peace deal entangled in geopolitics

Talks between Armenia and Azerbaijan regarding the establishment of a sustainable peace environment began in a trilateral format a few months after the Trilateral Statement (November 10, 2020). In January 2021, the President of Russia, Vladimir Putin, hosted a round table for the two countries’ leaders in Moscow to discuss steps to stabilize the situation and achieve a sustainable peace.¹ At the meeting,

¹ Deutsche Welle, *Armenia-Azerbaijan: Putin urges ‘next steps’ after peace*, January 11,

Azerbaijan's President Ilham Aliyev urged his counterpart to begin working to reopen “transport arteries and strengthen regional stability and security”, mentioning that the Armenia–Azerbaijan conflict was already part of history.² The leaders made a decision to create a working group at the level of the deputy prime ministers of all three countries that would focus on establishing transport and economic links in the South Caucasus region connecting Azerbaijan and Armenia with each other, as well as the two countries with Russia.³ As Baku had shown its readiness to conclude a peace agreement with Yerevan, Russia organized two subsequent summits in the same year, in Moscow and Sochi.⁴ While trilateral meetings for the most part encompassed the opening of transportation routes and the establishment of a bilateral commission on the delimitation of the state border between Armenia and Azerbaijan, the question of signing a comprehensive peace treaty was somewhat set aside.

In March 2022, Azerbaijan reinitiated specific discussions regarding the peace treaty and announced five principles aimed at normalising relations with Armenia. The proposal could have been used as a basis for a bilateral peace agreement and should have paved the way for intensive, substantive and results-oriented negotiations. The document included the following points: *1. mutual recognition of respect for the sovereignty, territorial integrity, inviolability of internationally recognized borders and political independence of each other; 2. mutual confirmation of the absence of territorial claims against each other and acceptance of legally binding obligations not to raise such a claim in future; 3. obligation to refrain in their inter-State relations from undermining the security of each other, from threat or use of force*

2021, available at: <https://www.dw.com/en/armenia-azerbaijan-putin-urges-next-steps-after-peace/a-56194856> (Accessed: June 26, 2023)

2 Huseynof, V., “Trilateral Summit of Armenian, Azerbaijani and Russian Leaders”, The Jamestown Foundation, January 12, 2022, available at: <https://jamestown.org/program/trilateral-summit-of-armenian-azerbaijani-and-russian-leaders/> (Accessed: June 26, 2023)

3 Radio Free Europe, *Putin Hosts Trilateral Meeting With Armenia, Azerbaijan Leaders*, January 11, 2021, available at: <https://www.rferl.org/a/russia-putin-armenia-azerbaijan-karabakh-talks/31041118.html> (Accessed: June 26, 2023)

4 Dzamukashvili, S., “The Sochi Summit: A Small but Successful Step Toward Reconciliation Between Armenia and Azerbaijan”, *International Conflict Resolution Center*, December 1, 2021, available at: <https://icrcenter.org/the-sochi-summit-a-small-but-successful-step-toward-reconciliation-between-armenia-and-azerbaijan/> (Accessed: June 26, 2023)

*both against political independence and territorial integrity, and in any other manner inconsistent with the Purposes of the UN Charter; 4. delimitation and demarcation of the state border, and establishment of the diplomatic relations; 5. unblocking transportation and other communications, building other communications as appropriate, and establishing cooperation in other fields of mutual interest.*⁵

As the submission of the proposal of Azerbaijan to Armenia took place shortly before the two leaders' meeting in Brussels on April 6, 2022, the initiative on the peace treaty was taken by European Council President Charles Michel, who hosted two subsequent meetings in May and August 2022.⁶

The US stepped into the process in September 2022, bringing the foreign ministers of Armenia and Azerbaijan to New York, and the Secretary of the Security Council of Armenia and the Foreign Policy Aide to Azerbaijan's president to the White House.⁷ As a result of the EU- and the US-mediation efforts, the sides agreed on the mutual recognition of territorial integrity as per the Alma-Ata declaration of 1991, and Armenia agreed the deployment of an EU civilian observer mission to its borders, while Azerbaijan agreed to cooperate with this mission "as far as it is concerned".⁸

The US proposed signing an Armenia–Azerbaijan peace treaty by the end of 2022. According to the Secretary of Armenia's Security Council, Armen Grigoryan, Armenia and Azerbaijan agreed to sign a peace agreement and finish the border delimitation process by the

5 Azertag, *Foreign Ministry: Azerbaijan has announced basic principles proposed for establishment of relations with Armenia*, March 14, 2022, available at: https://azertag.az/en/xeber/Foreign_Ministry_Azerbaijan_has_announced_basic_principles_proposed_for_establishment_of_relations_with_Armenia-2052467 (Accessed: June 26, 2023)

6 Radio Free Europe, *Armenia, Azerbaijan Make Progress Toward Peace Deal*, April 7, 2022, available at: <https://www.rferl.org/a/pashinian-aliyev-eu-peace-talks/31789826.html> (Accessed: June 26, 2023)

7 Deutsche Welle, *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> (Accessed: June 26, 2023)

8 Council of the European Union, "Statement following quadrilateral meeting between President Aliyev, Prime Minister Pashinyan, President Macron and President Michel, 6 October 2022", October 7, 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: June 26, 2023)

end of 2022 during the meeting in September 2022 in the White House.⁹ Even though Armenia's Prime Minister Nikol Pashinyan expressed the readiness of Armenia to sign a peace treaty with Azerbaijan and to launch peace talks,¹⁰ shortly after a meeting on the sidelines of the European Political Community held on October 6 in Prague, he soon demanded France's involvement in peace talks. Azerbaijan ruled this out as France's President Emanuel Macron had backed Armenia in his statements during and after the Second Karabakh War, as well as during the former conflict with Azerbaijan in general.¹¹

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In the meantime, in response to the increasing involvement of the EU and US in the reconciliation processes between Armenia and Azerbaijan, Russia, the principal mediator of the original conflict, signalled its annoyance in regard to the West's interference in this process and also strongly criticised the announcement of the EU's new monitoring mission in Armenia for a two-year term to monitor border areas.¹² On October 31, 2022, the Kremlin hosted the leaders of Armenia and Azerbaijan in Sochi for the first such gathering since the last Moscow-mediated summit in November 2021.¹³ Russian President Vladimir Putin proposed his version of a peace treaty between Armenia and Azerbaijan which was set to postpone the issue of the "status

9 The Armenian Weekly, *The Sochi Trilateral Summit: Implications for the Nagorno Karabakh conflict settlement process*, November 2, 2022, available at: <https://armenianweekly.com/2022/11/02/the-sochi-trilateral-summit-implications-for-the-nagorno-karabakh-conflict-settlement-process/> (Accessed: June 26, 2023)

10 Reuters, *Armenia says it agrees Karabakh peace talks with Azerbaijan, will discuss border*, April 6, 2022, available at: <https://www.reuters.com/world/armenia-says-it-has-agreed-peace-talks-with-azerbaijan-over-karabakh-2022-04-06/> (Accessed: June 26, 2023)

11 Aljazeera, *Azerbaijan cancels Armenia talks, rejects France's involvement*, November 25, 2022, available at: <https://www.aljazeera.com/news/2022/11/25/azerbaijan-cancels-armenia-talks-rejects-frances-involvement> (Accessed: June 26, 2023)

12 Ministerstvo inostrannykh del Rossiyskoy Federatsii, "O sozdaniy grazhdanskoj monitoringovoy missii Yevrosoyuza v prigranichnykh rayonakh Armenii", , January 26, 2023, available at: https://www.mid.ru/ru/foreign_policy/news/1849816/ (Accessed: June 26, 2023)

13 Huseynov, V., "The Sochi Summit Raised More Questions Than Answers", *Eurasia Daily Monitor*, *The Jamestown Foundation*, November 7, 2022, available at: <https://jamestown.org/program/the-sochi-summit-raised-more-questions-than-answers/> (Accessed: June 26, 2023)

As the US sought to become actively involved, Russia was concerned that the primary goal of the US was to utilize the Armenia–Azerbaijan peace agreement to prepare the ground for ending the Russian peacekeeping mission in the Karabakh region as a part of the US strategy.

for Karabakh Armenians” to the future. However, Azerbaijani sovereignty over the Karabakh region is a key issue and this element was part of the draft peace treaty mediated by the US. Armenia’s Prime Minister, Nikol Pashinyan, had made it clear that Yerevan was ready to recognize the Karabakh region as part of neighbouring Azerbaijan under certain conditions of guaranteeing the rights and security of ethnic Armenians living in that region.¹⁴ For Russia, a peace treaty achieved via Western mediation would reconfirm Azerbaijan’s sovereignty over the Karabakh

region and thus make the need for Russia’s peacekeeping mission, which is seen in Moscow as a guarantee of Russian leverage in the region, irrelevant.

As the US sought to become actively involved, Russia was concerned that the primary goal of the US was to utilize the Armenia–Azerbaijan peace agreement to prepare the ground for ending the Russian peacekeeping mission in the Karabakh region as a part of the US strategy. The Kremlin is concerned that, after the conclusion of a peace treaty, Azerbaijan may be unwilling to extend the mandate of the Russian peacekeepers beyond the initial five-year term ending in November 2025. Russia fears that the peace treaty might lead to the withdrawal of its troops from the Karabakh region and even its military base and border troops from Armenia itself, especially in the case of the normalization of relations between Armenia and Türkiye. Türkiye’s President, Recep Tayyip Erdoğan, has signalled Türkiye’s readiness to normalise relations with Armenia immediately after the conclusion of a peace treaty between Baku and Yerevan.¹⁵ Some political forces and civil activists in Armenia have started demanding the withdrawal of the Russian military base from Armenia. They argue that Armenia should leave the Collective Security Treaty Organization (CSTO), especially

14 The Armenian Weekly, *The Sochi Trilateral Summit: Implications for the Nagorno Karabakh conflict settlement process*, November 2, 2022, available at: <https://armenianweekly.com/2022/11/02/the-sochi-trilateral-summit-implications-for-the-nagorno-karabakh-conflict-settlement-process/> (Accessed: June 26, 2023)

15 Dzamukashvili, S., “Three decades on, Armenia and Turkey edge slowly towards rapprochement”, *Emerging Europe*, September 16, 2021, available at: <https://emerging-europe.com/news/three-decades-on-armenia-and-turkey-edge-slowly-towards-rapprochement/> (Accessed: June 26, 2023)

after clashes between Armenia and Azerbaijan in May 2022, when the CSTO refused to defend Armenia in what Yerevan claims were a series of incursions by Azerbaijan.¹⁶

Russia is satisfied with the current status quo as the Karabakh region is a *de jure* part of Azerbaijan but with the Russian peacekeeping contingent remaining therein. The best-case scenario for Russia is to extend this situation until 2025, ensuring the extension of the deployment of Russian peacekeepers for at least another five years. It is worthwhile to mention that this approach is in line with Armenian interests as well. The continuation of the current status quo is not ideal for Armenia, but after the loss in the Second Karabakh War in 2020, Armenia's options are limited; namely, it can either stop its 'Karabakh' agenda or keep the current status quo. For Baku, on the other hand, postponing the question of 'status' for Karabakh Armenians is not an option. A potential peace deal is crucial as it will guarantee Azerbaijan's territorial integrity as well as the security environment in the districts of the Karabakh region and adjacent districts, especially after Baku announced its reconstruction plan for the region and the resettlement of its internally displaced citizens back to their homes.¹⁷

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The year 2022 ended with another standoff between Azerbaijan and Armenia in the Karabakh region with the involvement of Russian peacekeeping forces. In early December, Azerbaijani officials from the Ministry of Economy, Ministry of Ecology and Natural Resources, and the state-owned mining company AzerGold CJSC were denied access by the Russian peacekeeping contingent to mining areas in the Karabakh region for carrying out on-site inspections of the Gizilbulag gold deposits and the Demirli copper–molybdenum deposits to evaluate potential risks to the environment.¹⁸

16 Radio Free Europe, *Opposition Groups Call For Armenia's Withdrawal From CSTO On Eve Of Yerevan Summit*, November 23, 2022, available at: <https://www.rferl.org/armenia-csto-protest-russia-azerbaijan/32144702.html> (Accessed: June 26, 2023)

17 Dzamukashvili, S, "Azerbaijan's Ambitious Reconstruction Plan for Nagorno Karabakh: Smart Yet Vague", *Forbes Georgia*, December 5, 2022, available at: <https://forbes.ge/en/azerbaijanis-mtiani-qharabaghis-aghdenis-ambitsiuri-gegma-tchkvianurithumtsa-bundovani/> (Accessed: June 26, 2023)

18 Ministry of Foreign Affairs of Azerbaijan, "Commentary of the Press Service Department of the Ministry of Foreign Affairs on the statement of the Ministry of Foreign

As a result, Azerbaijani environmental activists arranged a protest on the Shusha–Lachin road (the only link connecting Armenia with local Armenians living in the Karabakh region), where the Russian peacekeeping forces are deployed, accusing them of harbouring sympathies with the separatist regime in Khankendi. They demanded full access for Azerbaijani governmental institutions at every site in the Karabakh region to inspect the pollution Armenian companies have inflicted on the environment by illegally mining gold in this region.¹⁹

While the peacekeepers appeared uncertain of how to manage the protesters, they were under a harsh spotlight from both sides. Azerbaijanis at the protests said they were willing to let Armenians through, but the Russians were preventing it. Armenians, meanwhile, accused the peacekeepers of neglecting their mission, which is to ensure the security of the ethnic Armenian population in Karabakh region. Disappointed by the Russian peacekeepers' work, on the sidelines of a meeting of the Commonwealth of Independent States (CIS) in Saint Petersburg on 26 December, Nikol Pashinyan told Vladimir Putin that “it turns out the Lachin Corridor is not under the control of the Russian peacekeepers”, and called on Moscow either to seek a United Nations mandate for its mission in Karabakh or to open the door for a multinational peacekeeping contingent.²⁰ However, Armenia neglected the fact that any mission to be deployed to the territory of Azerbaijan would need the authorization of official Baku.

While both the Armenian and Azerbaijani sides were more critical of Russia's involvement in the reconciliation process, talks on a peace deal continued on May 14, 2023 in Brussels with the moderation of EU Council President Charles Michel who, after the meeting, commented that the leaders of Armenia and Azerbaijan “share a common willingness for the South Caucasus at peace”, describing their exchanges as “frank,

Affairs of Armenia dated December 13, 2022”, December 13, 2022, available at: <https://www.mfa.gov.az/en/news/no58222> (Accessed: June 26, 2023)

19 Kucera, J., “Russian peacekeepers in Karabakh under harsh spotlight”, *Eurasianet*, December 15, 2022, available at: <https://eurasianet.org/russian-peacekeepers-in-karabakh-under-harsh-spotlight> (Accessed: June 26, 2023)

20 Gavin, G., “Armenians turn fire toward Russia as Nagorno-Karabakh blockade enters third week”, *Eurasianet*, December 29, 2022, available at: <https://eurasianet.org/armenians-turn-fire-toward-russia-as-nagorno-karabakh-blockade-enters-third-week> (Accessed: June 26, 2023)

open and result oriented”. The leaders have also agreed to continue to meet trilaterally in Brussels as frequently as necessary to address ongoing developments on the ground and standing agenda items of the Brussels meetings.²¹ In the meantime, on 22 May, Armenia’s Prime Minister, Nikol Pashinyan, stated that Armenia is ready to recognize the Karabakh region as part of neighbouring Azerbaijan under certain conditions, a compromise that could help end a decades-old animosity and revive an impoverished region.²²

Subsequently, on June 1, 2023, at the second summit of the European Political Community, Ilham Aliyev and Nikol Pashinyan were joined by EU Council President Charles Michel, France’s President Emmanuel Macron, and Germany’s Chancellor Olaf Scholz. While the meeting focused on a peace deal, as well as the restoration of transport links between the two South Caucasus nations and the delimitation of their long border, it is unclear whether the Armenian and Azerbaijani leaders narrowed their differences on any of these issues. Nevertheless, the next meeting was planned to take place in Brussels on July 21, 2023.²³ President Michel also expressed his intention to invite the leaders of Armenia, Azerbaijan, France, and Germany to meet for a second time on the margins of the next summit of the European Political Community in Granada in October 2023.²⁴ The EU’s active involvement and the statement of Pashinyan on the readiness to recognise Karabakh region as part of Azerbaijan might indicate that talks on the signing of a peace deal are developing successfully.

21 Reuters, *Leaders of Armenia, Azerbaijan to meet May 14 in Brussels -EU*, May 8, 2023, available at: <https://www.reuters.com/world/leaders-armenia-azerbaijan-meet-may-14-brussels-eu-2023-05-08/> (Accessed: June 26, 2023)

22 Radio Free Europe, *Pashinian Says Armenia Is Ready To Recognize Nagorno-Karabakh As Part Of Azerbaijan Under Certain Conditions*, May 22, 2022, available at: <https://www.rferl.org/a/armenia-pashinian-recognize-karabakh-azerbaijani-territory/32422965.html> (Accessed: June 26, 2023)

23 The Armenian Mirror Spectator, *Armenian Prime Minister Nikol Pashinyan and Azerbaijani President Ilham Aliyev met on Thursday, June 1, for the third time in less than three weeks for fresh peace talks mediated by the European Union*, June 8, 2022, available at: <https://mirrorspectator.com/2023/06/08/eu-hosts-another-aliyev-pashinyan-meeting/> (Accessed: June 26, 2023)

24 Council of the European Union, “Press Statement on Armenia and Azerbaijan”, Council of the European Union, May 8, 2023, available at: <https://www.consilium.europa.eu/en/press/press-releases/2023/05/08/press-statement-on-armenia-and-azerbaijan/> (Accessed: June 26, 2023)

Border demarcation

After the Second Karabakh War and the subsequent Trilateral Statement concluded on November 10, 2020, Azerbaijan restored control over its inter-state border with Armenia which had been uncontrolled for the almost 30 years of occupation by Armenia. According to the statement, Armenia was required to return control over seven districts – Fuzuli, Jabrail, Zangilan, Gubadli, Lachin, Kalbajar, and Aghdam – to Azerbaijan. The further Trilateral Statement signed by the leaders of Azerbaijan, Armenia, and Russia on 26 November 2021 related to

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the issue of border demarcation. Russia proposed setting up an Armenia–Azerbaijan joint commission on the delimitation and demarcation of borders with Russian facilitation to undertake a delicate process of border demarcation, using Soviet-era maps and GPS technology.²⁵

The Soviet-era borders, which had not been designed as international borders, had never been properly demarcated. Hence, Armenia and Azerbaijan, for their entire history as independent states, have never had

fully agreed upon the borders between them, and the November 10, 2020 statement gave no indication as to how the border should be drawn or to what standard.²⁶ In the absence of any official border agreement, the best reference data the border working group has come from Soviet topographical maps from the 1970s. The topographic nature of these maps means that they are more oriented towards precisely representing landscape rather than administrative boundaries, which sometimes appear as broken lines for the sake of illustration of topographical features.²⁷

At the same time, the borderline was never physically demarcated, and

25 Dzumukashvili, S. and Clayton, A., “A New Frontier: Understanding the Context of the Armenia-Azerbaijan Border Demarcation Process”, *Conflict Resolution Center*, January 19, 2022, available at: <https://icrcenter.org/a-new-frontier-understanding-the-context-of-the-armenia-azerbaijan-border-demarcation-process/> (Accessed: June 26, 2023)

26 Broers, L., “New Armenian-Azerbaijani border crisis unfolds”, *Chatham House*, May 27, 2021, available at: <https://www.chathamhouse.org/2021/05/new-armenian-azerbaijani-border-crisis-unfolds> (Accessed: June 26, 2023)

27 McGlynn, E., “Perspectives | On the Armenia-Azerbaijan border, the map is not the territory”, *Eurasianet*, March 2021, available at: <https://eurasianet.org/perspectives-on-the-armenia-azerbaijan-border-the-map-is-not-the-territory> (Accessed: June 26, 2023)

in many areas lines of actual control do not correspond to the *de jure* border. Over the past 30 years, optimal geographic positions taken by both sides have essentially been ‘borderized’ through the construction of defensive infrastructure and fortifications.²⁸

While both Baku and Yerevan agree that the demarcation of borders is a dire necessity, they are not on the same page with regard to the technicalities. To address this issue, Baku and Yerevan agreed at the April 6, 2022 summit in Brussels to create a Joint Border Commission to delimit the border between Armenia and Azerbaijan and ensure a stable security situation along and in the vicinity of the borderline.²⁹ The first meeting between the newly established Border Commissions of Azerbaijan and Armenia took place on May 24, 2022, after the meeting of the two countries’ leaders on May 22, 2022 in Brussels. Deputy Prime Minister of Azerbaijan Shahin Mustafayev, who chairs the commission, and his counterpart from Armenia, Deputy Prime Minister Mher Grigoryan, met on the interstate border and reaffirmed their readiness to work on delimitation and other issues in line with the ultimate goals of the commissions.³⁰

Navigating through dated maps would constitute a challenge even for states friendly with each other. Despite some tangible results, tensions between Armenia and Azerbaijan over the border have remained, including military clashes such as those in September 2022.

Moreover, Azerbaijan has three enclaves within Armenia (which Armenia refuses to hand over), which include five villages in the Kazakh District, namely Baghanis-Ayrum, Ashagi Askipara (Nerkin Voskepar), Yukhari Askipara (Verin Voskepar), Barkhudarly, and Sofulu; and one village of Nakhchivan Autonomous Republic (of Azerbaijan), Kyarki (Tigranashen). The only Armenian enclave within the territory of Azerbaijan is ‘Artsvashen’ (in Azerbaijan the village is

28 Broers, L., *op.cit.*

29 Mehdiyev, M., “Azerbaijan, Armenia Agree to Start Delimitation and Demarcation of State Borders”, *Caspian News*, April 8, 2022, available at: <https://caspiannews.com/news-detail/azerbaijan-armenia-agree-to-start-delimitation-and-demarcation-of-state-borders-2022-4-8-0/> (Accessed: June 26, 2023)

30 Mammadli, N., “Azerbaijani, Armenian Border Delimitation Commissions Hold First Meeting”, *Caspian News*, May 24, 2022, available at: <https://caspiannews.com/news-detail/azerbaijani-armenian-border-delimitation-commissions-hold-first-meeting-2022-5-24-2/> (Accessed: June 26, 2023)

called Bashkend).³¹ These settlements were ceded to Armenia as a result of hostilities in the 1990s, during the First Karabakh War. Following that war, each side absorbed the exclaves that were surrounded by their territory, with serious implications for their respective populations.³² There is no agreement on how to proceed with enclaves, which further complicates the issue of border demarcation.

Unblocking economic and transport links

Unblocking and restoring transport connections, specifically, a route from Azerbaijan to its Nakhchivan Autonomous Republic (AR) via Armenia, was outlined in the 10 November 2020 Trilateral Statement. Restoring connections in the region would provide both Azerbaijan

According to Azerbaijan, Armenia used the road to illegally transfer “manpower, ammunition, mines, and other military equipment from Armenia to the Armenian armed formations on the territory of Azerbaijan”, violating the tripartite statement of November 10, 2020.

and Armenia with economic and trade opportunities, ending the latter’s three-decade-long isolation. Therefore, on January 11, 2021, during a summit in Moscow hosted by Russian President Vladimir Putin, Azerbaijan’s President Ilham Aliyev and Armenia’s Prime Minister Nikol Pashinyan agreed on a statement³³ on establishing a tripartite working group jointly chaired by the deputy prime ministers of the three countries to oversee the “unblocking of all economic and transport links” in the region.³⁴

Nevertheless, the work of the group so far has been intangible. While the statement outlines the necessity to create new transportation and communications links connecting Azerbaijan with its Nakhchivan AR via Armenia, the Armenian side has insisted that no term such as ‘corridor’ is mentioned in the Trilateral Statement and

31 De Waal, T., “Unfinished Business in the Armenia-Azerbaijan Conflict”, *Carnegie Europe*, February 11, 2021, available at: <https://carnegieeurope.eu/2021/02/11/unfinished-business-in-armenia-azerbaijan-conflict-pub-83844> (Accessed: June 26, 2023)

32 Jam News, *Enclaves - islands of the Armenian-Azerbaijani confrontation*, Jam News, 2022, available at: <https://www.youtube.com/watch?v=27wpgGFhgqU> (Accessed: June 26, 2023)

33 President.az, *Statement by President of the Republic of Azerbaijan, Prime Minister of the Republic of Armenia and President of the Russian Federation*, January 11, 2021, available at: <https://president.az/en/articles/view/50070> (Accessed: June 26, 2023)

34 Radio Free Europe, *Putin Hosts Trilateral Meeting With Armenia, Azerbaijan Leaders*, January 11, 2021, available at: <https://www.rferl.org/a/russia-putin-armenia-azerbaijan-karabakh-talks/31041118.html> (Accessed: June 26, 2023)

has insisted it has to install customs and other checkpoints, demanding uncontrolled passage along the Lachin road between Armenia and the Karabakh region.³⁵

According to Azerbaijan, Armenia used the road to illegally transfer “manpower, ammunition, mines, and other military equipment from Armenia to the Armenian armed formations on the territory of Azerbaijan”, violating the tripartite statement of November 10, 2020.³⁶ Baku decided to establish a border checkpoint at the entrance to the Lachin–Khankendi road on the border with Armenia on 23 April, claiming that this assured that there would not be any obstacles to movement along the corridor for Armenians living in the Karabakh region.³⁷ In May 2023, President Ilham Aliyev called on the Armenian separatists in the Karabakh region to “obey the laws of Azerbaijan instead of seeking a so-called independence“. However, the separatist regime comprising Karabakh Armenians rejected his offer,³⁸ which makes the situation more complex. The Armenian troops and the separatist regime present in Khankendi undermine the prospects for a peace process in the region.

Furthermore, there have been fears in Yerevan that by opening a ‘corridor’ the country would lose its jurisdiction over its southern border, its only outlet to Iran.³⁹ The idea of the Zangezur Corridor has alarmed Iran as well, which appears to fear the cutoff of its border with

35 Armenpress, *Wording of so-called corridor unacceptable for us – Armenian PM*, June 14, 2022, available at: <https://armenpress.am/eng/news/1085904/tur> (Accessed: June 26, 2023)

36 Mfa.gov.az, “No:221/23, Commentary on the statement of the Ministry of Foreign Affairs of Armenia dated April 23 on the establishment of the border checkpoint by Azerbaijan at the starting point of the Lachin-Khankandi road”, April 24, 2023, Available at: <https://mfa.gov.az/en/news/no22123> (accessed: May 23, 2023).

37 International Crisis Group, *New Troubles in Nagorno-Karabakh: Understanding the Lachin Corridor Crisis*, May 22, 2023, available at: <https://www.crisisgroup.org/europe-central-asia/caucasus/nagorno-karabakh-conflict/new-troubles-nagorno-karabakh-understanding-lachin-corridor-crisis> (Accessed: June 26, 2023)

38 Caspian News, *President Aliyev Tells Separatists in Karabakh Region to Obey Azerbaijani Laws*, May 31, 2023, available at: <https://caspiannews.com/news-detail/president-aliyev-tells-separatists-in-karabakh-region-to-obey-azerbaijani-laws-2023-5-31-0/> (Accessed: June 26, 2023)

39 Mgdesyan, A., “Attacks on Armenia highlight ongoing disputes over “corridor” for Azerbaijan”, *Eurasianet*, September 2022, available at: <https://eurasianet.org/attacks-on-armenia-highlight-ongoing-disputes-over-corridor-for-azerbaijan> (Accessed: June 26, 2023)

Armenia, which plays an essential role in Tehran's economy, providing it with a transport corridor to the Black Sea and on to Europe.⁴⁰ Iran's supreme leader Ayatollah Ali Khamenei has criticized the plan, which might have given Armenia more confidence to push back against the 'Zangezur Corridor'.⁴¹

In 2022, Armenia's Prime Minister, Nikol Pashinyan, announced that Armenia is ready to provide a road to Azerbaijan. The mention of 'proposals' referred to a draft decision that Armenia's National Security Service published on 18 August proposing the establishment of three new, much longer border crossings at the village of Sotk on the border of Azerbaijan's Kelbajar district, at Karahunj on the border of Azerbaijan's Gubadli district, and at Yeraskh on the border of Azerbaijan's Nakhchivan AR.⁴² All the proposed passages are longer than that Azerbaijan proposed (the 45-km long passage in the south along the Armenia–Iran border), and the Azerbaijani Ministry of Foreign Affairs, did not welcome Armenia's proposal, calling it an unrealistic option to avoid obligations.⁴³ While that proposal could, in theory, meet one of the key conditions of the 2020 trilateral statement, Armenia has not yet discussed how it is going to guarantee security across these transport links.

Conclusion

For more than two years, Armenia and Azerbaijan, along with other international actors, have been engaged in talks concerning building sustainable peace. While concluding a peace deal is crucial

40 Dzumakashvili, S., "The 3+3 Regional Cooperation and Georgia: What is at Stake?", Georgian Foundation for Strategic and International Studies, 2022, available at: <https://gfsis.org.ge/files/library/opinion-papers/175-expert-opinion-eng.pdf> (Accessed: June 26, 2023)

41 Kucera, J., "Iran-Azerbaijan infowar heats up again", *Eurasianet*, September 2, 2022, available at: <https://eurasianet.org/iran-azerbaijan-infowar-heats-up-again> (Accessed: June 26, 2023)

42 Ministry of Justice of the Republic of Armenia, "Additional Supplements to the Resolution N 2011 of May 12, 703 of the Government of Armenia", Ministry of Justice of the Republic of Armenia, May 12, 2022, available at: <https://www.e-draft.am/en/projects/4661/about> (Accessed: June 26, 2023)

43 Azertag, *Armenia should stop making false excuses to evade its obligations regarding the Zangezur Corridor* (translation from Azerbaijani), , October 17, 2022, available at: https://azertag.az/xeber/XIN_Ermenistan_Zengezur_dehlizi_ile_bagli_ohdeliklerinden_yayinmaq_uchun_saxta_behanelere_son_qoymalidir-2336810 (Accessed: June 26, 2023)

for reconciliation, Russia's geopolitical interest in maintaining the status quo in the region has significantly derailed the reconciliation process. Moscow has acted as a spoiler rather than a peace broker as its influence in the region largely depends on maintaining the status quo in the Karabakh region, which rules out the possibility of signing a peace deal between Baku and Yerevan. To move forward, the two sides have already reached the mutual recognition of territorial integrity that should be the basis for signing a peace deal.

While concluding a peace deal is crucial for reconciliation, Russia's geopolitical interest in maintaining the status quo in the region has significantly derailed the reconciliation process.

The complexity of inter-state border demarcation and delimitation creates major difficulties and has even led to a series of armed clashes that have further prolonged negotiations. The Soviet-era borders, which had not been designed as an international border, had never been properly demarcated. Hence, Armenia and Azerbaijan, for their entire history as independent states, have never had fully agreed upon borders between them, and the Trilateral Statement (November 10, 2020) gave no indication as to how the border should be drawn or to what standard. At the same time, varied stances regarding how to create and restore transport and economic links have undermined prospects of sustainable peace.

The emergence of the EU and US in the reconciliation process has not led to any significant changes, and clashes between Yerevan and Baku may be expected in the near future. However, it is worth highlighting that the EU is still actively engaged in providing round tables to both sides. There are some ongoing efforts that signal that the differences between Armenia and Azerbaijan in their talks may be becoming narrower, and the two sides might be one step closer to concluding a deal.