

Azerbaijan and the Eastern Partnership initiative:

The past and the future

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Azerbaijan, along with Armenia, Georgia, Ukraine, Moldova and Belarus, joined the European Union's Eastern Partnership (EaP) initiative in 2009, marking a new page in bilateral relations with EU. Fifteen years have passed since the initiative was launched, which gives us enough time to evaluate the performance of this program. This article will focus on the past achievements within the EaP and attempt to give a forecast of its future, including bilateral EU-Azerbaijan relations.

Expectations in Azerbaijan

The early years of Azerbaijan's independence were marked by clear Euro-Atlantic aspirations. By 2009, however, disappointment with the West's position on the Karabakh conflict and the occupation of Azerbaijani lands had led the general public and the central government in the country to look for a more balanced and multi-vectoral foreign policy. To add to that, the Russia-Georgia war in 2008 had sent signals to the neighboring countries that potential membership in the EU may lead to serious threats to the security and sovereignty of these aspiring countries.

Thus, Azerbaijan refrained from open aspirations to join the EU and focused on continued partnership with the EU in energy and connectivity, economic modernization and technology partnerships – and, generally, development of mutually beneficial cooperation projects. Deeper relation with the EU was considered in Azerbaijan as an attempt to balance other foreign policy actors in the region – such as Russia, Iran, and China – and attract more investments and know-how to grow the economy. It was a careful foreign policy strategy that needed to factor in avoiding damaging the interests of the other powerful neighbors.

At the same time, membership in the Eastern Partnership initiative would give Azerbaijan another important multilateral platform to promote its foreign policy, seek support for the liberation of its lands and the restoration of its territorial integrity, develop common projects with other participating countries and engage in wider discussions about regional security. Overall, small countries like Azerbaijan must utilize multilateral frameworks in order to promote their foreign policy agenda and seek new alliances for the sake of strengthening security, independence and sovereignty. In addition to the Eastern Partnership, Azerbaijan has also initiated other multilateral platforms, such as GUAM and the Organization of Turkic States. It has also successfully chaired the Non-Alignment Movement, the UN Security Council and other organizations.

Challenges with the Eastern Partnership initiative

It is important to observe that the Eastern Partnership includes six countries of the former Soviet Union, each with varying degrees of economic power, integration with the EU, and political liberalization. This has made it challenging to develop a common or one-size-fits-all approach.

Azerbaijan, with its rich natural resources, presented to the EU a unique opportunity to enhance its energy security. The development of mega-regional projects in oil and gas transport infrastructure had already deepened cooperation between Azerbaijan and the EU. In this respect, Azerbaijan was different from the other five countries, which lacked oil and gas resources. Related to its resource abundance, Azerbaijan had significant government revenues and was less responsive to directives and instructions from the EU with regard to broad market reforms and changes in legislation. On this issue, Azerbaijan was putting its national interests and its domestic market protection above the requirements and pressures from the EU.

Looking back at the early years of the Eastern Partnership initiative, one can observe that this program raised the hopes and expectations of many in Ukraine, Georgia, and Moldova that their countries would soon become members of the EU. Azerbaijan came from a different viewpoint and never wanted to go down this route in its cooperation with the EU: it rather preferred to focus only on economic and modernization projects. In many ways, one can say that Azerbaijan wanted to avoid causing geopolitical or military confrontation in its broad strategic choices, and this included managing some populist and risky tendencies among some political circles at home that had other aspirations for the country's approach to the EU. At the same time, Azerbaijan continued to be a reliable partner to the EU for energy security, transport and connectivity, and a special actor in the global fight against terrorism and extremism. While the Eastern Partnership program was an attempt by the EU to give "carrots" to the post-Soviet republics, and encourage them to follow the path of political and economic reforms that meet EU standards, the reality is that the EaP was never about EU membership. The initiative was both vague and concrete at the same time. It was a cooperation format that stood between full EU membership and no EU membership.

Successful bilateral track

Despite the challenges and shortcomings of the Eastern Partnership program, Azerbaijan and the EU have developed a strong bilateral partnership in the past decade. This relation has been multi-sectoral and passed through the test of turbulent times, including the Second Karabakh War and the successful liberation of the previously occupied Azerbaijani lands, the beginning of Ukraine-Russia tensions in 2014, and the full-scale war in Ukraine in 2022.

Front and centre of the bilateral cooperation has been energy security. Azerbaijan has successfully completed the construction of the Southern Gas Corridors and, since 2020, has been exporting natural gas from the Caspian coast to the Italian market as well as to a number of other European countries. Although the volume of Azerbaijani gas cannot replace the gas coming from

Russia, it has been a significant boost to the European energy security, especially in certain East European and South European countries.

Following the start of the war in Ukraine, Azerbaijan and the EU reached an agreement to double the export volume of Azerbaijani natural gas into EU in the next seven years. This was a very strong statement by Azerbaijan considering the political pressures from the Russian capital. Azerbaijan has thus proved itself as a reliable energy partner at times of hardships and strong political pressures. In the future, Azerbaijan can potentially serve as a transit country for Turkmen gas into European markets.

To achieve the goal of doubling the volume of Azerbaijani gas export to the EU, significant investments are needed in the production and transportation capabilities of Azerbaijan. It also requires long-term consumer commitments from European buyers. The EU seems to be struggling to bring together two competing and mutually exclusive interests: to diversify its gas supplies from Russia into other countries in the periphery of the EU (thus decreasing dependency on Russia) and to please the interests of the green parties and green movements by de-investing into gas/oil projects.

Azerbaijan has also another successful cooperation project with the EU: the development and rapid strengthening of the East-West transport corridor. The completion of the Baku-Tbilisi-Kars railway project and the ongoing expansion of the new Alat port in Baku have helped to foster the East-West transport corridor in the past decade. China's One Belt One Road has also linked with the East-West Corridor. Since the beginning of the Russia-Ukraine war, and the subsequent sanctions on the Russian railway, the expanded usage of the East-West corridor via the Caspian Sea basin (now more popularly termed "The Middle Corridor" in order to show the linkage with the Chinese project) has become useful and vital for the interests of the EU, for Azerbaijan as a transit country, and for Central Asia and China. Currently, Azerbaijan is investing to further upgrade the new railway and in other regional transport projects, such as the North-South transport corridor.

In the last decade, the EU has helped Azerbaijan in many sectors of the economy, especially in the area of modernization, reforms, upgrade of infrastructure, transfer of knowledge, technology and know-how. This is especially important for Azerbaijan because the country is struggling to diversify its economy, develop the non-oil sector, reduce the dependence of the state budget and national exports on oil and gas resources, and manage the risks for the devaluation of the national currency, as happened twice in 2015. The EU's role in this process in critical areas such as agriculture, rural development, education, health care, tourism, environmental protection and others has been very helpful.

Finally, the EU and Azerbaijan have been engaged in the development of a new document on strategic bilateral cooperation. The existing framework for the cooperation has become outdated. Intensive discussions between the two sides have been held in the past several years with both sides claiming that almost 90% of the document has been agreed. Final touches are needed in order to finalize the document. Several critical disagreements still exist between the

parties, including the insistence of the EU on Azerbaijan to regulate the market, allow the free entrance of European companies, eradicate national subsidies in certain sectors of the economy, and take actions against monopolies in the country. The Azerbaijani position on these issues has been that the reforms have to be gradual and not hurt critical sectors of local production, putting jobs at risk and creating unfavorable conditions for the local infant industries to compete with the mature EU producers and exporters.

The relations between Azerbaijan and the EU after the Karabakh war

The second Karabakh war and the subsequent liberation of Azerbaijan's previously occupied lands have created both opportunities and risks for the EU-Azerbaijan relations. It should be noted that EU is interested in a stable South Caucasus for several reasons: this is primarily related to the region serving as a reliable energy supplier to European markets. Thus, the EU does not want to lose this source of energy because of the regional and ethnic conflicts. The transport and connectivity function of the Caucasus region has become especially important for the EU due to the conflict with Russia. Finally, a strong Armenian lobby and diaspora in European capitals have pushed the EU to get actively involved in the resolution of the regional conflict.

Following the 2020 war, the EU has become actively engaged in peace talks between Azerbaijan and Armenia. The former President of the European Council, Charles Michel, has hosted numerous meetings between Azerbaijani and Armenian leaders, and has managed to broker several successful "mini" agreements between them, including – for the first time ever – official recognition of the territorial integrity of Azerbaijan by the Armenian leadership. The EU's active role in mediation has been complemented by humanitarian assistance to the region, engagement in mine-cleaning actions, and an increase in economic and financial projects. This positive role by the EU leadership has somewhat overshadowed the previously active role by France, in its capacity as the co-chair of the former Minsk group of OSCE.

While the role of the leadership has been quite positive in bringing peace to the region and active engagement between Azerbaijan and the EU, other European actors have severely damaged both bilateral relations between the EU and Azerbaijan as well as between certain member states and Azerbaijan. This primarily concerns the President of France and the political leadership of several other European countries, which have chosen to blame Azerbaijan and support Armenia in the 2020 war in Karabakh. This biased approach has ruined the image of France as an impartial mediator and brought French-Azerbaijan relations to the low bottom. Positions of Belgium, Greece, Cyprus and Luxemburg have also been somewhat accusatory in recent years. France continues to wage a full-scale diplomatic war against Azerbaijan, including in such multilateral platforms as the UN and at Francophonie summits.

Other EU bodies and actors, such as the European Parliament and the High Commissioner for Foreign Policy have also expressed anti-Azerbaijani statements. This is especially disappointing in light of Azerbaijan's strong support to the EU's energy needs as well as humanitarian aid by Azerbaijan sent to Ukraine.

It should be noted that not all members of the EU have taken anti-Azerbaijani positions. Some of them, such as Italy, Hungary, Slovakia, Romania, and Bulgaria have supported Azerbaijan in post-war reconstruction efforts and continued to engage with Azerbaijan in various energy and economic projects. Companies from Italy, Hungary, and Slovakia are now working in Karabakh as subcontractors of government-funded reconstruction projects. Azerbaijan has started supplying gas to a number of Balkan countries, including some EU members. At the same time, it should be noted that France's biased approach has been somewhat compensated by the more active engagement of Germany in the peace process. Germany tries to act in a more balanced way, supporting direct dialogue between Armenia and Azerbaijan. A number of other EU nations have been actively engaged with Azerbaijan in regards to the COP29 climate change issues.

A major new initiative connecting Azerbaijan with the EU in the past two years has been related to green energy and the green corridor. Azerbaijan has major capacities for producing solar and wind energy. This is now becoming a new large-scale international investment project in the country with export potential via the cable under the Black Sea. Feasibility studies are being undertaken with the participation of Georgia, Hungary and Romania. Azerbaijan can soon export not only clean electricity into EU markets, but can also reduce some of its own domestic gas consumption by using the same green renewable energy. This can help to bolster gas exports to Balkan countries.

Overall, post-Karabakh war realities have brought renewed and more active EU engagement in the South Caucasus. Unfortunately, some of this interest also comes with geopolitical competition and many in the EU view the region through the lense of competition with Russia. Support for Prime Minister Pashinian, and EU pressures on him to move away from Russia and join EU's orbit of influence, are part of this geopolitical competition. This political call also comes in partnership with military aid to Armenia. France, Greece and some other outside powers are sending more weapons to Armenia, thus igniting a new arms race in the region, further encouraging revanchist ideologies in Armenia and bringing new geopolitical confrontation. Similarly, France and others have sent military and para-military monitors to the Azerbaijan-Armenian border, thus further angering Azerbaijan and showing once again the biased approach to the Armenian-Azerbaijan conflict. It is hoped that all of these above-mentioned policies will not divide South Caucasus into new zones of influence and bring new Cold war borders in the region.

Future forecast

After 15 years of Eastern Partnership program, it is clear that the region is currently undergoing tectonic changes and awaits an unpredictable future. One can no longer talk about smooth integration of these six post-Soviet republics into the European Union. The differences between them which existed 15 years ago in terms of foreign policy and strategic orientation have widened further. Their stability, security and independence are currently going through a very difficult test, and new geopolitical borders are being redrawn in the region. It is not obvious that the sovereignty and the international borders of these countries will remain intact.

Azerbaijan seems to have correctly assessed these geopolitical risks and refrains from aligning its security with vague promises from the EU. It will continue to refrain from EU membership and other closer integration efforts with EU and NATO for the foreseeable future. Azerbaijan has built its security architecture with Turkiye, and also with the collective regional neighborhood arrangements, such as the 3+3, the Organization of Turkic States, the Organization of Islamic Cooperation, etc. Other and more risky initiatives such as GUAM will most likely decrease their visibility in the foreign policy of Azerbaijan. Azerbaijan has also applied for membership in BRICS and upgraded its status in the Shanghai Cooperation Organization.

At the same time, Azerbaijan will continue its cooperation with the EU in trade, connectivity, energy and transport, which can further increase the revenues for the national budget and increase geopolitical importance of Azerbaijan in wider greater Eurasia region. Closer economic ties are expected with Balkan and East European countries. The EU will be continued to rely upon by the Azerbaijani public and government as an important stakeholder for technology transfer, economic modernization, and the development of non-oil sectors, making Azerbaijan's internal development as sustainable and green as possible.

The fate of Ukraine will further determine the future of the Eastern Partnership program. It is most likely that the regional approach by the EU towards EaP countries will be archived and new creative mechanisms will be sought to work with them. In the South Caucasus, it remains to be seen if the EU will be able to successfully attract Georgia and Armenia into its sphere of geopolitical influence. Recent developments in Georgia show that EU positions in that country has been weakened. Azerbaijan will continue to be seen as an important yet not fully subordinate partner, which pursues its own regional ambitions and national interests. This will create further frustrations and frictions with pro-Armenian politicians and institutions in the EU, such as the European Parliament.

In these circumstances, the Eastern Partnership program will have to be changed and remodeled. More focus needs to be paid to the development of coherent and consistent policies of the EU in the South Caucasus, one in which the EU will not take sides in conflicts but rather equally involve and engage all three countries. EU members should stop military supplies to Armenia in order not to encourage new hostilities in the region. Finally, the EU must take more active role in the reconstruction of ruined areas of Karabakh.