



Institute for Peace Support and Conflict Management  
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# POST NAGORNO-KARABAKH: REALIGNMENT IN THE SOUTH CAUCASUS

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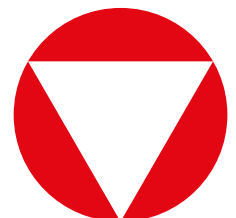
*In September 2023, Azerbaijan restored its territorial integrity by force in a two-day military operation against Nagorno-Karabakh under the disguise of an 'anti-terror-operation'. Over 100,000 Karabakh Armenians fled from their homes. Baku is now in a favourable position for future peace talks. Armenia is ready to sign a peace deal, but wants to secure its independence and is turning to the EU as a new partner. Hence, the question arises, when a peace deal may be reached and what future role the EU could and would play in the South Caucasus.*

In a coordinated strike against the 'Republic of Arzach (Nagorno-Karabakh)' on 19 and 20 September 2023, Azerbaijan restored control over its entire territory by force. Baku justified this attack as an 'anti-terror-operation' against terrorist acts of Nagorno-Karabakh, as six Azerbaijanis, two civilians and four soldiers, were killed in two mine explosions on 19 September. According to international law experts, however, such a full-fledged military response can be regarded as contentious.

On the Nagorno-Karabakh side, 223 soldiers and 25 civilians were killed. Azerbaijan lost 192 soldiers and one civilian. Around 1,000 people were injured on both sides. Fearing genocide by Azerbaijani troops, more than 100,000 Karabakh Armenians fled their homes. Baku constantly assures them of the right and possibility to return, although, from a present point of view, this is not a realistic option. The 'Republic of Arzach' capitulated after several days of negotiations with Baku. On 28 September 2023, its 'President' Samvel Shahramanyan declared that all

of 'Arzach's' institutions will be dissolved after 31 December 2023. However, he revoked the decree on 22 December and announced that the institutions will continue to operate from the territory of the Republic of Armenia from 1 January 2024. The Armenian government, led by Prime Minister Nikol Pashinyan, regards these actions as a threat to the current peace process with Azerbaijan. It should be noted that the Republic of Armenia does not recognize these institutions as the 'government-in-exile' of Nagorno-Karabakh.

Following the seizure of Nagorno-Karabakh, the only road connecting the territory to Armenia was shut for approximately nine months, starting in mid-December 2022. Only the Russian 'peacekeeping' troops and the International Committee of the Red Cross were allowed to pass. In the spring of 2023, Azerbaijan opened a checkpoint managed by border guards along the road to Nagorno-Karabakh. However, in the summer, they refused to



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Note: This article represents exclusively the opinion of the author.

allow several humanitarian aid convoys to enter Nagorno-Karabakh, aggravating the lack of essential goods such as groceries and medical supplies. The gas supply to the region was also frequently disrupted, leading to planned power outages.

### **A faulty ceasefire**

The current situation results from the 44-day war in the fall of 2020. The Trilateral Statement by the President of Azerbaijan, Ilham Aliyev, the Prime Minister of Armenia, Nikol Pashinyan, and the President of Russia, Vladimir Putin, on 9 November 2020 ended the hostilities on the following day. Russia deployed a 1,960-soldier-strong 'peacekeeping force' to monitor the ceasefire agreement. Further points included, *inter alia*, a road connection between Armenia and Nagorno-Karabakh monitored by the Russian 'peacekeepers' (the so-called Lachin Corridor). Azerbaijan guaranteed "the security of persons, vehicles and cargo moving along the Lachin Corridor in both directions". In return, Armenia agreed to open transport connections between Azerbaijan and its western exclave Nakhchivan and guaranteed unobstructed movement there. However, the Statement deliberately did not address the future status of Nagorno-Karabakh or minority rights for Karabakh Armenians.

The issue of a transport corridor between Azerbaijan and Nakhchivan through the Southern Armenian province of Syunik along the border with Iran, known as the 'Zangezur Corridor', has significantly impeded the peace process as well. Baku's growing discontent with the sluggish talks on unblocking the 'Corridor' might have contributed to the blockade of Nagorno-Karabakh since December 2022. Armenia sees the 'Zangezur Corridor' as a threat to its sovereignty and fears Azerbaijan's creeping annexation of the Syunik province. In addition, at least since its rift with Moscow, Armenia has been reluctant to allow the Russian Border Guard Service to control movements along the corridor, as provided in the Trilateral Statement.

Moreover, border demarcation has been the most significant issue, leading to violent clashes between the armed forces of Baku and Yerevan. In 2021, Azerbaijan occupied several square kilometres of the territory of the Republic of Armenia. In September 2022, heavy fighting broke out in several places along the Armenian-Azerbaijani border, causing over 200 deaths on both sides. Armenia did not receive military assistance from its ally Russia or the Collective Security Treaty Organisation (CSTO). According to Yerevan, Azerbaijan has been occupying approximately 215 square kilometres of the territory of the Republic of Armenia. Both parties have been unable to agree on which Soviet maps to use for the demarcation process so far. Armenia demands the withdrawal of Azerbaijani forces from the occupied territories. Since last fall, Baku has been demanding the return of three village-sized exclaves in Armenia and eight villages along the border, which have been occupied by Armenia since the war in the early 1990s. Since then, Azerbaijan has been occupying a slightly smaller official Armenian exclave.

### **Geopolitics of the peace process**

The clear loser of the 44-day war against Nagorno-Karabakh in 2020 – besides Armenia – was the West and its ambitions for a peaceful conflict resolution within the framework of the OSCE. The OSCE Minsk Group, which has been dealing with the conflict over Nagorno-Karabakh since the 1990s, has become de-facto irrelevant despite not being formally dissolved yet. The relevant structures connected to it within the OSCE, such as the High-Level Planning Group, have been extended into 2024. Instead of Western (liberal) conflict resolution models, new initiatives like the Russian-backed 3+3 format should govern the future cooperation between the regional powers Russia, Turkey and Iran and the South Caucasus republics Armenia, Azerbaijan and Georgia. However, Tbilisi is still boycotting the 3+3 format due to Georgia's conflicts with Russia and the breaka-

way territories in Abkhazia and Tskhinvali region/South Ossetia. Armenia and Azerbaijan have followed a more independent approach in their foreign policies since 2020. Armenia is particularly trying to diversify its partnerships, such as with India, as an alternative to Russia, Yerevan's primary supplier of military equipment.

Russia's attack on Ukraine marked a turning point in the South Caucasus. The region has become of even greater strategic importance to Russia as a transit region to Iran. Through Armenia, despite the troubled Russo-Armenian relations, many Western sanctions are likely being bypassed through re-exporting goods (e.g. Armenia's exports to Russia tripled in 2022). Azerbaijan will likely purchase Russian gas, as Baku needs to supply its domestic markets, freeing up its gas production to double its exports to the EU by 2027, as agreed with the European Commission.

The war in Ukraine, however, has weakened Moscow's position, too. Since the spring of 2022, the EU has played a more active part in the Armenian-Azerbaijani peace process alongside the United States of America and the Russian Federation. Brussels, in particular, established itself as a new platform for dialogue between the Prime Minister of Armenia, Nikol Pashinyan, and the President of Azerbaijan, Ilham Aliyev. Some diplomatic success was achieved, like the mutual recognition of the territorial integrities of Armenia (29,800 km<sup>2</sup>) and Azerbaijan (86,600 km<sup>2</sup>) as of 1991. After Azerbaijan's invasion of Nagorno-Karabakh in September 2023 and the harsh reaction from Brussels and European member states, Baku has become more sceptic towards the EU. Azerbaijan then started to push for a bilateral resolution of its conflict with Armenia without foreign mediation, mainly through the EU (more specifically France) and the USA, as Baku's ally Turkey was not allowed to participate in relevant negotiations. The first outcome of this bilateral approach was an agreement on a prisoner exchange and Baku's support for the Armenian can-

didacy for Eastern European Group COP Bureau membership on the one hand. In return, Yerevan, on the other hand, endorsed Azerbaijan's bid to host the COP-29 climate conference in 2024.

### **Growth of the EU monitoring mission in Armenia**

Following the escalation along the Armenian-Azerbaijani border in September 2022, Armenia made a request for a European monitoring mission to be deployed along the border. Since the beginning of 2023, the civilian, unarmed CSPD mission, European Union Mission in Armenia (EUMA), has been observing the security situation along the Armenian borders with Azerbaijan and the exclave Nakhchivan. Additionally, they have been tasked with contributing to human security in the border regions of Armenia. EUMA reports to the EU institutions and acts as the eyes and ears of the European Union on the ground, delivering reliable information. The third task of EUMA is to facilitate confidence building between populations and, where possible, the authorities of the conflict parties. However, Baku's rejection of the mission does not allow for significant achievements in this area. Starting with 138 personnel, the EU decided to extend the mission to 209 people on 18 December 2023, thus making more daily patrols possible. Austria currently participates in EUMA with three personnel: two police officers and one officer of the Austrian Armed Forces. Given the latest decision by the EU, another officer will likely be deployed in the upcoming weeks.

### **Armenia's turn to the West and Azerbaijan's criticism**

Armenia has been attempting to forge closer relationships with new allies, particularly the EU and the USA, since 2022. Prime Minister Pashinyan has even expressed doubts about Russia's ability to provide security assurances for Armenia. Some Armenians from Karabakh feel betrayed by Russia, as the Russian peace-

keepers failed to prevent the takeover of Nagorno-Karabakh in September 2023. However, Armenia is not able to distance itself easily and quickly from Russia's sphere of influence. The country has strong ties with Russia and is economically dependent on it, particularly regarding the gas supply, nuclear power and technology. Additionally, it is likely that Moscow will not withdraw its military from Gyumri before the Status of Forces Agreement expires with Armenia in 2044.

Baku is hesitant about Armenia's recent shift towards the West. Azerbaijan views the EU as an extension of France's anti-Azerbaijan policies rather than a partner. They equate national measures such as France's military aid to Armenia with EU measures and interests. Baku even suspects French national interest behind the EU's decision to declare Georgia an official EU candidate, which they believe is an attempt to undermine good Georgian-Azerbaijani relations. As a result, the expulsion of some French diplomats in late December 2023 highlighted Baku's strained relationship with Europe.

## Conclusions

- After successfully reclaiming its territory, Baku has made strong efforts to achieve peace according to its preferences. It is important to note that the demarcation of borders and the issue of exclaves should not be decided with a focus on maximum gains. The exchange of territories is not necessarily a negative example for the post-Soviet region (e.g. in Central Asia).
- Armenia has some room for manoeuvre regarding the unblocking of the connection to Nakhchivan. Russia's interests, especially its wish to control the movement along this route, could

thwart a peace agreement between Yerevan and Baku.

- It is important to ensure that any treaty put forward is focused on achieving a lasting peace, with a particular emphasis on safeguarding human rights and rights of minorities. Despite the upcoming EU elections, it is crucial that the EU continues to provide a platform for dialogue and mediation.
- The EU and Austria should continue their efforts to reduce tensions, with Vienna being a potential location for further talks.
- The EU and its member states could assist Armenia in its reform efforts and support its new foreign policy initiatives. One key aspect of this assistance could be supporting the education of young civil servants. Additionally, developing a more competitive political landscape is crucial for improving Armenia's resilience, as there is currently no natural alternative to the ruling party and the nationalist opposition.
- A comprehensive 'South Caucasus strategy' is urgently needed to coordinate all EU measures and those of its member states. A common European approach is crucial if Brussels wants to become a geopolitical actor. This approach should view the South Caucasus as a region and consider the interests of neighbouring powers without being overly influenced by the national interests of specific EU members. However, to avoid any obstacles due to unique relations between certain EU members and conflicting parties in the South Caucasus, the EU could first publish its common interests as a 'non-paper'.

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