



DECEMBER-2020

ANALYSIS

NEW GEOPOLITICAL REALITY IN THE SOUTH CAUCASUS: "SIX-PARTY PLATFORM"

"Six-Party Platform"

The settlement of the Armenia-Azerbaijan Nagorno-Karabakh conflict and de-occupation of Azerbaijani territories have changed the geopolitical alignment in the region and opened up new opportunities for the development of cooperation between the countries. The existence of the conflict made the region unstable and sometimes stopped investors from making risky investments. However, already today, it is possible to predict an increase in the rates of economic development and investment activity. The need to develop a new format of cooperation in the region, or rather, the elimination of barriers to trade, creation of joint ventures, development of the digital economy, transport and tourism, increase in humanitarian contacts, are in the interests of all states.

Azerbaijan and Turkey have already embarked on a new agenda, starting with the erasure of the border. According to the agreement from December 10, 2020, reached on mutual visa exemption, the citizens will be able to travel to each other's country using identity cards and stay without a visa for 90 days. On December 15 in Ankara, the Ministry of Energy of the Republic of Azerbaijan and the Ministry of Energy and Natural Resources of the Republic of Turkey signed a Memorandum of Understanding on Natural Gas Supply from Turkish Igdir to Nakhchivan¹. However, as noted by both leaders, President of Azerbaijan Ilham Aliyev and President of Turkey Recep Tayyip Erdogan, there are real prospects for the implementation of more global projects. Here, in particular, they talked about a "Six-party Platform" in the South Caucasus, which may include Russia, Turkey, Azerbaijan, Iran, Georgia and, possibly, Armenia, if the leadership of this country changes its mind and decides to recognize new realities. Taking into account the difficult internal political situation in Armenia, the project is being also called the "Platform 5 + 1", if at the first stages cooperation will be developed without Armenia.

¹https://www.president.gov.ge/en/News/Article/sakartvelosprezidenti_meatemotsvevisparlamentispirvelisxdomisgaxsna

This initiative involves the opening of borders, the construction of new transport, economic, and logistics links. The creation of such an organization would have a stabilizing character not only for the Caucasus, but also for the Middle and Near East.

Why is it beneficial for Georgia?

Georgia has stated that it will not become part of the initiative until Russia recognizes its territorial integrity. Georgian Deputy Foreign Minister Lasha Darsalia said in an interview to the Georgian First Channel that Georgia's participation in any joint formats is impossible until Russia "fulfills its international obligations."²

However, Georgian President Salome Zurbashvili, speaking on December 11 at the first plenary session of the Georgian Parliament elected in autumn, called for the creation of a new regional format - the "Caucasian Peace Platform". "We need a new approach in the Caucasus, taking into consideration our neighbors and the new realities, Georgia needs to reclaim its historic role as the engine and unifier of the Caucasus," the President said.³ She also added that this initiative will strengthen the potential of this region to play the role of a transport, communication and energy hub. "Tbilisi should claim back its place, as the center of Caucasian identity and Caucasology. If we do not start this, many other candidates will appear for the same role."

The political balancing between the South and the West can bring more tangible benefits to Georgia than an unequivocal rejection of all proposals. In addition, the growing interest of many countries in the operation of the "Baku-Tbilisi-Kars" railway for transporting goods along the route Japan-Russia-Azerbaijan-Georgia-Turkey-Europe may become a signal for the adoption of a positive decision by official Tbilisi.

In addition, Russia is already actively using "Baku-Tbilisi-Kars" to transport its goods to Turkey and further to Europe. So why should not Georgia expand the format of cooperation that already exists, while becoming a member of a new large regional platform, which, as the President of Georgia herself said, "will bring together countries of the Caucasus, external actors and international organizations"?

Why is it beneficial for Iran?

Iran has long ceased to fight against the wall of American sanctions, missing other opportunities. Democratic presidential nominee Joe Biden has pledged to return to talks with Iran on a nuclear deal after his inauguration. However, this may take a lot of time, and besides, what the United States may offer to Iran is still a big question.

² <https://1tv.ge/news/lasha-darsalia-rusetis-mier-saertashoriso-valdebulebebis-shesrulebis-gareshe-raime-formatshiertoblivi-monawileoba-warmoudegenelia/>

³ https://www.president.gov.ge/en/News/Article/sakartvelosprezidenti_meatemotsvevisparlamentispirvelisxdomisgaxsna

The need to become a part of such an initiative is dictated by the instability of the modern world order. It is promising for Iran to enter into a new regional alliance, on equal terms with other countries, new investments and access to Asian markets. Iran already has experience of cooperation within the framework of 3-party alliances "Azerbaijan - Russia - Iran" and "Turkey - Russia - Iran". Finally, the "Six-party Platform" implies the establishment of a stable and secure development of the region.

Even during the active phase of hostilities in Karabakh, Iran came up with an initiative for a peaceful settlement of the conflict, emphasizing the importance of restoring the territorial integrity of Azerbaijan. Iran's interest is understandable because normalization of relations between Azerbaijan and Armenia will also affect Iranian transit interests. The creation of a common platform promises Iran with multilateral contracts and transport opportunities.

It is also important to remember the unused significant economic potential of Nagorno-Karabakh and seven adjacent regions of Azerbaijan. The presence of Russian peacekeepers in Karabakh, and the functioning of the Russian-Turkish monitoring center in Agdam, can become a good basis for strengthening 3-party relations and implementing new transport and logistics projects in the liberated territories of Azerbaijan. The construction of a new road to the city of Shusha is already in full swing. Two Turkish and one local companies are involved in the process. On December 18, Italy and Azerbaijan signed an agreement on cooperation within the framework of the creation of the energy infrastructure of Karabakh. The interest of international companies will only grow since the region has all the prospects to become a new center of economic communications.

It is important to remember that the trilateral statement of November 10 also implies the opening of transport links between the western regions of the Republic of Azerbaijan and the Nakhchivan Autonomous Republic through the territory of Armenia. The Turkish Ministry of Transport has already announced its intention to build a railway to the Nakhchivan Autonomous Republic.

Will Armenia become a part of a major project?

Official Yerevan was suspicious of the initiative of Turkey and Azerbaijan; however, an unequivocal refusal has not yet been voiced. At the same time, the proposal to become part of a global regional project should be seriously considered by the Armenian government, as this may be the last chance to break through the economic blockade and start building relations with neighbors. Azerbaijan, Turkey and even Russia will not offer twice.

Today, the Armenian authorities have not fully come to terms with the new reality, and some radical circles are still eager for revenge. The problem is that every politician in this country seeks to gain more power, regardless of the needs of the people. However, it is obvious that the future of this country depends on the decisions taken today. "Six-party Platform " or "Platform 5 + 1" can open a new page in the Armenian-Turkish and Armenian-Azerbaijani relations, due to the absence of which Armenia is in an economic blockade.

It is likely that there are reasonable people in Yerevan who understand this. The head of the permanent parliamentary commission on economic issues, deputy of the ruling My Step Faction, Babken Tunyan, said "Armenia has been a member of the Black Sea Economic Cooperation Organization for many years, comprising 12 countries, including Turkey, Azerbaijan, Georgia, Ukraine, Russia and other countries. Armenia should give priority to its interests."⁴

Of course, initially Armenia should demonstrate its readiness to admit defeat and officially declare that Karabakh is Azerbaijan. Yerevan will have to make a difficult choice: the development of the country or an attempt at military revenge and blockade for many years.

Azerbaijan and Russia - building up economic cooperation

Regardless of whether this initiative is implemented or not, Azerbaijan and Russia have already started a serious dialogue on building up economic cooperation, which has decreased under the influence of the spread of coronavirus infection. According to official data, trade between the Republic of Azerbaijan and the Russian Federation decreased by 5% in the first 10 months of 2020, compared to 2019 for the same period, and amounted to \$ 2,194.92. However, this figure is higher than for the same period in 2018.

On December 8, the first business forum "Azerbaijan-Russia: Economic Diplomacy and Partnership Strategy" took place between the representatives from both sides, in offline and online format, where new business future was discussed. The participants stressed that for a long time, trade, economic and humanitarian ties between Russia and Azerbaijan have been of partnership and mutually beneficial nature and are developing successfully. The countries are focused on the development of large logistics projects in the region, technology development and production. Recently, the Ministry of Economy of Azerbaijan and the Ministry of Economy of the Russian Federation signed a draft "road map" on cooperation in the field of innovative development and digital economy.

Today it is important to assess the potential and adopt an action plan to increase exports of fruits and vegetables, the most promising agricultural products, and study joint ventures in Azerbaijan. There are real prospects for this. The Ministry of Economy of Azerbaijan and the Ministry of Economy of the Russian Federation signed a project - roadmaps in the field of digital economy.

On December 11, between the specialists of the two countries, a discussion was held on the supply of products of plant origin from Azerbaijan to Russia. The parties are studying the possibilities of applying the principle of regionalization in the supply of fruit and vegetable products. Earlier, the Rosselkhoznadzor suspended the import of tomatoes and apples from

⁴ <https://newsarmenia.am/news/economy/glava-parlamentskoy-komissii-po-ekonomike-prokommentiroval-vozmozhnost-uchastiya-armenii-v-predlozhe/>

Azerbaijan to Russia due to the detection of dangerous pests in agricultural products. However, since December 16, the Rosselkhoznadzor has allowed the import of tomatoes grown by Agroterm LLC in the Khizi region of Azerbaijan into Russia. Azerbaijan remains the leader among suppliers of tomatoes to Russia (38% in the total import volume for 2020).

Conclusion

As it became clear from the above, today "Six-party Platform" or "Platform 5+1" is of great importance not only for Azerbaijan and Turkey, but also for the region and beyond. The leaders of Azerbaijan and Turkey are determined to unblock all communications in order to create a transparent and sustainable system of cooperation. For Armenia itself, such a prospect is practically a step into a new world and access to a large economic market. This initiative has the prospect of being implemented, but this requires efforts and real interest on the part of each participating country.

Anastasia Lavrina, Leading Eurasian political analyst

The views expressed in the writings belong to the authors and do not necessarily reflect the editorial policy of the AIR Center