

BULLETIN

HIGHLIGHT OF THE FOREIGN POLICY OF REPUBLIC OF AZERBAIJAN

Table of contents

- I. **Meloni's Baku visit signals a new phase in Italy-Azerbaijan strategic relations**
2
- II. **Azerbaijan showcases Karabakh reconstruction at WUF13**
3
- III. **OTS pushes digital integration as the next stage of Middle Corridor development**
6
- IV. **Azerbaijan and EU continue to deepen institutional engagement through broader strategic cooperation**
7
- V. **Azerbaijan and Georgia lock in long-term energy and transport cooperation**
8

I. **Meloni's Baku visit signals a new phase in Italy-Azerbaijan strategic relations**

Italian Prime Minister Giorgia Meloni's visit to Baku on May 4 marked more than a routine diplomatic engagement. Coming directly after her participation in the European Political Community summit in Yerevan, the visit sent a clear political signal regarding Italy's intention to deepen relations with Azerbaijan at a time when the South Caucasus is gaining renewed strategic importance for Europe. The visit was the first by an Italian prime minister to Azerbaijan in thirteen years and resulted in a broad package of agreements spanning energy, defense, infrastructure, education, and investment. Both sides framed the relationship as a long-term strategic partnership rather than a narrowly transactional arrangement. President Ilham Aliyev emphasized the symbolic significance of Meloni's itinerary, while the Italian prime minister described Italy's partnership with Azerbaijan as a relationship intended to endure for decades.

The foundations of this partnership have been built gradually over the past decade. A strategic partnership declaration was signed in 2014 and subsequently upgraded during President Ilham Aliyev's state visit to Rome in 2020 through the Joint Declaration on Strengthening the Multidimensional Strategic Partnership. Since then, bilateral ties have expanded beyond energy into education, investment, and technological cooperation. The opening of the Italy-Azerbaijan University in Baku, inaugurated during Italian President Sergio Mattarella's 2025 visit, reflects growing efforts to institutionalize people-to-people links and cultivate long-term cooperation between the two societies.

Economic cooperation remains a central pillar of the relationship. Italy is Azerbaijan's largest trading partner, while Azerbaijani investments in Italy have reached several billion dollars through the State Oil Fund of Azerbaijan (SOFAZ). Italian companies have also become increasingly active in

reconstruction projects in the Karabakh and East Zangezur regions, where they have already implemented twenty-three projects. Investment flows increasingly move in both directions. SOFAZ currently maintains approximately \$3 billion in Italian assets. This portfolio expanded further in 2025 through the acquisition of a 49 percent stake in a 402-megawatt Italian solar energy portfolio, illustrating how bilateral economic relations are evolving beyond traditional hydrocarbon cooperation and increasingly encompassing renewable energy investments. The recent acquisition of Italiana Petroli by SOCAR further demonstrates the growing integration of the two economies and suggests that Azerbaijani investments in Italy are becoming increasingly diversified and strategic.

Energy continues to occupy a privileged position within the bilateral agenda. Azerbaijan supplied approximately 9.5 billion cubic meters of natural gas to Italy in 2025, accounting for around 15 percent of Italian consumption. Since 2022, Azerbaijani gas has become a critical component of Italy's energy diversification strategy. Both governments have expressed support for expanding the capacity of the Trans-Adriatic Pipeline (TAP), which serves as the final segment of the Southern Gas Corridor connecting Caspian resources to European markets.

The strategic significance of this cooperation has become even more apparent amid growing instability in the Middle East. Concerns over disruptions to maritime energy routes, particularly through the Strait of Hormuz, have increased the value of alternative supply corridors. In this context, Azerbaijan's role as a reliable supplier and transit hub has become increasingly important for both Italy and the broader European energy market.

Defense cooperation emerged as another notable theme of the visit. While military ties have previously centered on Azerbaijan's acquisition of Leonardo M-346 aircraft, discussions in Baku indicated a desire to expand cooperation into new areas, including aerospace, maritime security,

critical infrastructure protection, and advanced defense technologies. Both sides also agreed to establish more structured mechanisms for political consultation, transforming bilateral engagement into a more permanent framework for strategic coordination.

Regional developments also featured prominently in the discussions. Meloni reiterated Italy's support for the Armenia-Azerbaijan normalization process and expressed optimism regarding the implementation of agreements reached in 2025. The visit additionally highlighted Azerbaijan's growing importance as a regional diplomatic and logistical hub. Following the escalation of conflict involving Iran, Italy temporarily relocated its diplomatic operations from Tehran to Baku and relied on Azerbaijan's assistance during the evacuation of Italian citizens.

The timing of the visit was particularly significant given the deterioration of relations between Azerbaijan and the European Parliament. Meloni's visit underscored an important distinction increasingly visible in European policy toward Azerbaijan: tensions with certain European institutions have not prevented key member states from pursuing pragmatic bilateral engagement with Baku. Ultimately, the significance of the Baku summit lies not merely in the agreements signed but in the institutional mechanisms created. The expansion of energy cooperation, the emergence of defense-industrial collaboration, the growth of bilateral investment, and the establishment of regular political coordination collectively indicate that Italy-Azerbaijan relations are entering a new phase.

For Italy, Azerbaijan has become a critical partner in ensuring energy security and strengthening European connectivity with the Caspian region. For Azerbaijan, Italy serves as its most influential and reliable interlocutor within the European Union. As geopolitical competition intensifies across Europe's eastern and southern peripheries, the Rome-Baku partnership is increasingly likely to play a larger role in shaping regional economic and strategic dynamics.

II. Azerbaijan showcases Karabakh reconstruction at WUF13

More than 45,000 participants from 182 countries gathered in Baku between May 17 and 22 for the 13th Session of the United Nations World Urban Forum (WUF13), making it one of the largest urban development gatherings ever held. Held under the theme "Housing the World: Safe and Resilient Cities and Communities," WUF13 provided Azerbaijan with an opportunity to place the reconstruction of Karabakh and Eastern Zangazur at the center of a global conversation about urban recovery, housing, resilience, and the return of displaced populations. As President Ilham Aliyev noted during the opening ceremony, the forum became the largest international event hosted by Azerbaijan since COP29 in 2024. The choice of Baku as host city carried particular symbolism. Azerbaijan is simultaneously rebuilding territories devastated during nearly three decades of occupation while attempting to facilitate the return of hundreds of thousands of displaced citizens. In this context, President Ilham Aliyev's declaration of 2026 as the "Year of Urban Planning and Architecture" reflects a broader effort to transform reconstruction into a national development project. The scale of destruction inherited by Azerbaijan in the formerly occupied territories remains difficult to comprehend. Nine Azerbaijani cities were almost completely destroyed. Referring to the city of Aghdam during the WUF13 address, President Ilham Aliyev recalled how international visitors had compared it to Hiroshima.

"They called it the 'Hiroshima of the Caucasus,' because this city just did not exist. It was totally leveled to the ground, and unlike Hiroshima, it was done not in one day as a result of an atomic bomb, but it was done during 30 years of occupation, when the buildings, historical buildings, public buildings, and houses were just dismantled and completely destroyed," President Ilham Aliyev stated. Beyond the destruction of infrastructure, the occupation displaced up to one million Azerbaijanis, creating one of Europe's largest

refugee and internally displaced person crises since the Second World War.

Since the end of the 2020 war, Azerbaijan has launched an ambitious reconstruction campaign. Between 2021 and 2025, more than 23 billion manats (approximately \$13.5 billion) were allocated for rebuilding the liberated territories. An additional 3.7 billion manats (\$2.2 billion) is planned for 2026, bringing the total public investment commitment to more than 26 billion manats, or roughly \$15.3 billion.

Addressing forum participants, President Ilham Aliyev highlighted the unprecedented pace of reconstruction. “I can, of course, bring a lot of figures, but I will mention only two — the lengths of the tunnels which we are building now. In five years, 70 kilometers have already been built, with five more to be built; 435 bridges have been built out of 500. So this was done along with power stations, along with water supply, water storage facilities, houses, schools, hospitals, three international airports, railroads — and this was done only in five years.” President Ilham Aliyev added that reconstruction represented not only an economic undertaking but also a moral responsibility. “This is how the owners of the land behave, unlike those who come only to demolish, to destroy, and to bring suffering.” The reconstruction effort has extended far beyond roads and buildings. More than 240,000 hectares have been cleared of mines and unexploded ordnance. Nineteen schools and Karabakh University have begun operating. Industrial parks have been established in Aghdam and Jabrayil, while high-speed internet infrastructure now serves dozens of newly restored settlements.

At the same time, Azerbaijan has sought to integrate sustainability into reconstruction planning. Karabakh and Eastern Zangazur have been designated as a green energy zone, with renewable energy projects and hydroelectric power stations being developed across the region. During the special WUF13 session titled “Housing at the Center of Global Coalitions,” Hikmet Hajiyev, Assistant to the President of Azerbaijan and Head

of the Foreign Policy Affairs Department of the Presidential Administration, explained that Azerbaijan deliberately chose to develop its own post-conflict reconstruction model. “We tried to study international experience during the reconstruction of the liberated territories. To be honest, we could not find a model fully suitable for Azerbaijan. We respect the post-conflict experience of the UN and other international organizations, but we were not satisfied with the speed of the process. The instruction of Azerbaijan’s leadership was to carry out the work on time. Because Azerbaijani refugees and internally displaced persons had lived for 30 years with the dream of returning to their homes. The territories were liberated within a short period, and in the reconstruction process we adopted quality, dignity, and safety as the main principles.”

The emphasis on speed has produced tangible outcomes. To date, approximately 86,000 Azerbaijanis have returned to Karabakh and Eastern Zangazur. Government plans envision the eventual resettlement of 1.1 million people across the region.

The human and historical dimensions of reconstruction were also highlighted during the panel discussion “Revival and Urbicide,” organized by the Center of Analysis of International Relations (AIR Center) on the sidelines of WUF13. The session brought together government and state officials, ambassadors accredited to Azerbaijan, and specialists from leading universities and companies, creating a multidisciplinary platform for examining urbicide, post-conflict urban reconstruction, and Azerbaijan’s own recovery experience. By situating the Karabakh case within a wider scholarly and legal conversation, the panel made a distinct thematic contribution to WUF13, linking the forum’s global housing and resilience agenda to the question of how cities are deliberately destroyed and subsequently revived.

Dr. Farid Shafiyev, Chairman of the Board of the AIR Center, used the discussion to call for broader international recognition of urbicide within the frameworks of international law and security. He

defined the concept as the deliberate destruction of cities and human settlements in wartime, the erasure of their socio-cultural identity, and the elimination of the conditions necessary for displaced populations to return. While urbicide was first studied as an urban-planning phenomenon, Dr. Shafiyev noted that later research, informed by such examples as the Balkan wars, the siege of Sarajevo, and more recent cases such as Mariupol and Aleppo, has come to treat it as a defining element of contemporary armed conflict. The Karabakh case is distinct in that destruction was carried out systematically after active hostilities had ended, with the aim not merely of levelling cities but of preventing the return of the Azerbaijani population and erasing the region's cultural memory and historical identity. Citing the 2005 OSCE Fact-Finding Mission report, Dr. Shafiyev recalled that districts including Aghdam, Jabrayil, Fuzuli, and Zangilan were entirely destroyed and that settlements were stripped even of their building materials, while areas such as Lachin and Kalbajar, strategically important for Armenia, became the focus of settlement policies. Urbicide is not just incidental collateral damage, it is a deliberate governance strategy pursued for political and ideological ends, in which the destruction of urban space serves to impose new forms of control and power.

Vahid Hajiyeu, Special Representative of the President in Jabrayil, Gubadli and Zangilan districts, argued that the destruction witnessed in the occupied territories should be understood as a deliberate assault on urban life itself. "This devastation was not merely the demolition of buildings; it represented the deliberate eradication of urban life — urbicide. The occupation also triggered widespread environmental degradation and the systematic destruction of cultural heritage. Furthermore, these territories remain heavily contaminated with landmines, posing one of the most severe challenges we currently confront." He further noted that the future Zangezur corridor could become a critical logistics route linking East-West and North-South transportation networks,

creating new opportunities for trade, tourism, and regional economic integration.

The breadth of participation reinforced the panel's comparative ambition. Alongside Azerbaijani officials, contributions came from international specialists including Deen Sharp of the London School of Economics and Alexandre Hedjazi of the University of Geneva's Urban Futures Lab, together with representatives of the State Committee on Urban Planning and Architecture and practitioners working on integrated urban solutions and cultural heritage. The discussions ranged across urbicide as an instrument of warfare, landmine contamination and long-term uninhabitability, climate-adaptive and green reconstruction, community-centred planning and social cohesion, and the development of smart cities, renewable-energy zones, and digital infrastructure across Karabakh and the surrounding regions. Framed in these terms, Azerbaijan's reconstruction was presented not only as a national recovery effort but as a case study with lessons for post-conflict urban planning more broadly.

Beyond the reconstruction statistics and infrastructure projects, WUF13 marked an important moment in Azerbaijan's effort to internationalize its post-conflict recovery experience. By hosting one of the largest editions of the World Urban Forum in the event's history, Azerbaijan transformed its domestic reconstruction campaign into a globally visible case study of urban recovery after conflict. In an interview with Euronews on the sidelines of the forum, President Ilham Aliyev summarized this ambition succinctly: "I believe that by now we have developed a unique experience in building cities and villages from scratch." At WUF13, that experience was presented not merely as a national achievement, but as a contribution to the global discussion on how societies rebuild after war, restore communities, and create new urban spaces where destruction once prevailed.

III. OTS pushes digital integration as the next stage of Middle Corridor development

At the informal summit of the Organization of Turkic States (OTS) held in Turkistan, Kazakhstan, on May 15, the leaders of member states approved a series of measures aimed at deepening digital integration across the Turkic world. While the summit was formally dedicated to “Artificial Intelligence and Digital Development,” one of its most significant outcomes concerned the future of Eurasian connectivity. The Turkistan Declaration endorsed the full-scale implementation of the e-Permit system and supported the integration of National Single Window mechanisms, including e-Permit, e-CMR and e-government platforms among member states.

Over the past several years, the Middle Corridor has emerged as one of the principal East-West connectivity routes linking China, Central Asia, the Caspian region, the South Caucasus, Türkiye and Europe. Growing geopolitical uncertainty, disruptions to traditional transit routes, and efforts by governments and businesses to diversify supply chains have increased international interest in the Trans-Caspian route. Yet the long-term success of the corridor will depend on more than investments in ports, railways, roads and logistics terminals. Increasingly, its competitiveness will be determined by the speed, transparency and predictability of cargo movement across borders.

As a result, digitalization is emerging as the next phase in the corridor's development. Delays associated with customs procedures, transport permits, cargo documentation and border controls could impose significant costs on transit operations. Even where modern infrastructure exists, inefficient administrative procedures can undermine overall corridor performance. Reducing these bottlenecks requires not only physical connectivity but also the development of a common digital ecosystem capable of facilitating seamless information exchange among participating countries.

The measures endorsed in Turkistan are designed to address precisely these challenges. The e-Permit system enables the electronic issuance and verification of transport permits, reducing paperwork and administrative delays. The e-CMR system replaces traditional paper consignment notes with digital documentation, while integrated National Single Window mechanisms allow customs authorities, transport agencies and border services to exchange information through interoperable platforms. Together, these instruments can simplify documentation requirements, improve cargo visibility, facilitate real-time information exchange and accelerate border-crossing procedures along the Middle Corridor.

For Azerbaijan, these developments are particularly significant. Azerbaijan occupies a central position within the Middle Corridor, connecting the eastern and western shores of the Caspian Sea through the Port of Baku and its rail and road infrastructure. However, Azerbaijan's strategic importance increasingly extends beyond geography. Its role is becoming defined by its ability to integrate maritime, rail, road, customs and digital systems into a more cohesive transit architecture linking Central Asia with the South Caucasus, Türkiye and Europe.

The digitalization agenda also reflects a broader shift in the nature of connectivity itself. Traditionally, the Middle Corridor has been viewed primarily as a transport route. Increasingly, however, policymakers are linking transport connectivity with data connectivity. The ability to exchange information rapidly across borders, support digital platforms and maintain secure high-speed communications networks is becoming an essential component of modern transit corridors.

The Digital Silk Way project represents an important component of this transformation. While the Middle Corridor facilitates the movement of goods, the Digital Silk Way seeks to facilitate the movement of data. Central to the project is the construction of a Trans-Caspian fiber-optic cable connecting Azerbaijan and Kazakhstan,

with future plans envisioning additional connections across the Caspian Sea. This would add a digital dimension to the broader Trans-Caspian route, creating a corridor that carries both freight and information between Asia and Europe.

President Ilham Aliyev highlighted this connection during the Turkistan summit, linking the Digital Silk Way, the Trans-Caspian fiber-optic cable, the Middle Corridor and digital transport mechanisms such as e-Permit as components of a broader connectivity strategy. President Ilham Aliyev noted that the Azerbaijan-Kazakhstan fiber-optic cable is expected to become operational in the near future, marking an important milestone in the development of regional digital infrastructure.

Taken together, these developments suggest that the Middle Corridor is entering a new stage of evolution. Earlier efforts focused primarily on building physical infrastructure. The current phase increasingly emphasizes interoperability, digitalization and data exchange. Tools such as e-Permit, e-CMR, e-TIR, integrated customs platforms, cargo-tracking systems and the Digital Silk Way are becoming critical components of Eurasian connectivity. Their successful implementation may prove as important as investments in ports, railways and highways in determining the corridor's future competitiveness.

The decisions adopted in Turkistan therefore point to a broader strategic trend. The future of the Middle Corridor will depend not only on physical infrastructure but also on whether participating states can create a shared digital environment for trade and transit. By promoting harmonized digital tools, reducing administrative barriers and facilitating cross-border data exchange, the Organization of Turkic States is positioning itself as an increasingly important platform for shaping the next phase of Trans-Caspian connectivity.

IV. Azerbaijan and EU continue to deepen institutional engagement through broader strategic cooperation

The seventh meeting of the EU-Azerbaijan Security Dialogue, held in Baku on May 20, marked a quiet but meaningful expansion in relations between Baku and Brussels. Despite a period in which ties with certain European institutions — above all the European Parliament — had cooled, the dialogue indicated that the institutional track of the relationship is being expanded alongside the bilateral engagement Azerbaijan has long maintained with individual member states. The two sides described their exchange as constructive and addressed the current state of relations as well as foreign and security policy questions of mutual interest.

The meeting followed a notable intensification of high-level contacts over the preceding months, including visits to Azerbaijan by European Council President António Costa and by High Representative and Commission Vice-President Kaja Kallas, both of whom held talks with President Ilham Aliyev. Read together, these contacts suggest that the EU's executive bodies are pursuing a more pragmatic line toward Baku than the confrontational and provocative tone that had emanated from the European Parliament, where resolutions and rhetoric had strained the atmosphere.

The distinction Baku draws between the European Parliament and the EU's executive institutions was again evident in early May, when Azerbaijan summoned EU Ambassador Marijana Kujundžić to the Ministry of Foreign Affairs and delivered a formal note of protest over a European Parliament resolution adopted on April 30. The Ministry of Foreign Affairs condemned the baseless and biased resolution pointing out that it distorted realities on the ground, interfered in Azerbaijan's internal affairs, and undermined both the regional normalization process and Azerbaijan-EU relations. On May 1, the Milli Majlis of the Republic of Azerbaijan adopted a resolution suspending

cooperation with the European Parliament "in all directions," ending its participation in the EU-Azerbaijan Parliamentary Cooperation Committee and initiating withdrawal from the Euronest Parliamentary Assembly.

At the same time, the Security Dialogue effectively reaffirmed that the working relationship between Azerbaijan and the EU's principal institutions remains intact and is being actively cultivated. This highlights an important feature of Azerbaijan's current approach toward the EU. Despite increasingly sharp criticism of the European Parliament, Baku has continued to separate parliamentary disputes from its broader relationship with the European Union. Even as tensions rose over the April 30 resolution, cooperation with the European Commission and key EU member states continued to expand in areas such as energy security, transport connectivity, green energy development, and regional diplomacy. Political friction with the European Parliament whose resolutions carry limited practical consequences coexists alongside growing strategic engagement with Brussels and major European capitals, which possess the instruments necessary to advance cooperation in energy, trade, infrastructure, and regional security. Consequently, the periodic provocations from the European Parliament have not prevented the steady expansion of Azerbaijan's strategic relevance to the European Union.

This trajectory dovetails with the broader pattern visible elsewhere in Azerbaijan's European diplomacy during May, including Prime Minister Giorgia Meloni's visit to Baku earlier in the month. A consistent distinction is emerging in European policy toward Azerbaijan: disagreements at the level of certain institutions have not prevented either key member states or the EU's executive leadership from pursuing engagement grounded in energy security, connectivity, and regional stability. For Baku, the Security Dialogue offered a venue to consolidate this engagement and to signal that the relationship with Brussels is being placed on a more durable footing. For the EU, it reflected

a recognition of Azerbaijan's role in energy diversification and in the connectivity corridors linking the Caspian region to European markets.

V. Azerbaijan and Georgia lock in long-term energy and transport cooperation

On May 18, President Ilham Aliyev and Georgian Prime Minister Irakli Kobakhidze oversaw the signing in Baku of a comprehensive package of agreements spanning economics, energy, and connectivity. Kobakhidze had travelled to Azerbaijan to take part in the 13th session of the UN World Urban Forum, and the meeting came only a month after President Ilham Aliyev's state visit to Tbilisi, underscoring the intensity of high-level exchange between the two neighbours. Both leaders emphasized the strategic role of Azerbaijan and Georgia as a regional connectivity hub linking international markets, and framed the documents as a further deepening of an already close partnership.

The energy component was the most substantial. The package included intergovernmental agreements on the supply of natural gas to Georgia, on the continuation of transit arrangements for additional Azerbaijani gas headed to international markets, on the supply of electricity to Georgia, and on the transit of electricity through Georgian territory to Türkiye. According to official statements, the arrangements established long-term frameworks, including a multi-decade horizon for electricity supply and transit and the extension of the gas-purchase relationship. To put these intergovernmental agreements into effect, the relevant state-owned energy companies of both countries signed heads of terms setting out the key commercial parameters of the full contracts, which are to be concluded no later than October 15, 2026. In a related step, the State Oil Company of Azerbaijan (SOCAR), SOCAR Midstream Operations, and the Georgian Oil and Gas Corporation signed operating heads of terms governing the Georgian section of

the Western Route Export Pipeline, including the Supsa terminal and related infrastructure.

The transport dimension was equally consequential. The parties signed the protocol of the 41st meeting of the Coordination Council overseeing the Baku-Tbilisi-Kars railway, confirming the final acceptance and completion of modernization works on the Marabda-Kartsakhi section running to the border with Türkiye. The protocol also formalized the transfer of the relevant railway infrastructure to a joint venture established to manage the line, a step both governments underscored as strengthening regional connectivity. The two sides additionally agreed to resume daily passenger rail service on the Baku-Tbilisi-Baku route from May 26.

Taken together, the agreements reinforce Azerbaijan and Georgia's role as a shared energy and transit corridor linking the Caspian, Black Sea, Türkiye and wider international markets. For Georgia, the package secures long-term access to Azerbaijani gas and electricity and confirms its position as a transit state for energy flows reaching Türkiye and beyond. For Azerbaijan, it reinforces

Georgia's position as the principal western outlet for its energy exports and a critical segment of the Middle Corridor connecting the Caspian region with Türkiye and European markets.