



CENTER OF ANALYSIS OF INTERNATIONAL RELATIONS
BEYNÖLXALQ MÜNASİBƏTLƏRİN TƏHLİLİ MƏRKƏZİ

OCTOBER-2024

BULLETIN

HIGHLIGHT OF THE FOREIGN POLICY OF REPUBLIC OF AZERBAIJAN

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I. Azerbaijan prepares for COP29 with an ambitious climate agenda

As Azerbaijan readies to host the United Nations Climate Change Conference (COP29) in Baku from November 11 to 22, preparations are underway to finalize the agenda for this landmark event. It will be the first time a COP conference is held in the region, a responsibility that Azerbaijan has embraced with initiatives targeting climate change, sustainable finance, and investment.

In October, Azerbaijan hosted a pre-COP event in Baku to set the stage for COP29 negotiations. The pre-COP discussions focused on key priorities like climate finance, especially the New Collective Quantified Climate Finance Goal (NCQG), climate adaptation, and supporting vulnerable communities through the Loss and Damage Response Fund. A side event co-hosted by the COP28, COP29, and COP30 presidencies highlighted the “TROIKA Roadmap to Mission 1.5,” a platform dedicated to international cooperation on climate action, showing Azerbaijan’s commitment to forging productive dialogues ahead of COP29.

The COP29 Presidency has outlined an ambitious “Action Agenda” to complement the formal conference agenda, aiming to catalyze action across sectors including energy, finance, agriculture, urban development, and the intersection of climate action and peace. Among these initiatives, the “Baku Initiative on Climate Finance, Investment, and Trade (BICFIT)” and the “Multisectoral Action Pathways (MAP) for Resilient and Healthy Cities” highlight Azerbaijan’s cross-sectoral approach to fostering resilient, sustainable communities.

A cornerstone of COP29’s agenda is the establishment of the Climate Finance Action Fund (CFAF), designed to attract voluntary contributions from fossil fuel-producing countries and companies to drive both public and private sector involvement in mitigation, adaptation, and research. This fund also includes special provisions for concessional and grant-based funding aimed at

addressing natural disasters in developing countries, positioning COP29 as a potential “finance COP” that will work to set a new global climate finance goal—the NCQG.

COP29 also aims to bridge climate action with peace initiatives. Azerbaijan’s call for a “COP Truce” modeled after the Olympic Truce underscores the nation’s commitment to peace and climate resilience. Additionally, Azerbaijan is leading a “Peace and Climate Initiative” that includes establishing a center of excellence to match vulnerable communities with resources, furthering global conflict prevention and peacebuilding efforts. A dedicated “Peace, Relief, and Recovery Day” on November 15 will address ways to support climate-vulnerable countries experiencing conflict and humanitarian crises, following a similar event held at COP28 in Dubai.

Hosting COP29 reflects Azerbaijan’s own commitment to green energy and climate resilience. The country has pledged to reduce greenhouse gas (GHG) emissions by 35% by 2030 and 40% by 2050, and has designated liberated territories as “net zero emission” zones. Azerbaijan is advancing renewable energy projects with major international companies, such as Masdar, ADNOC, and ACWA Power, with projects underway including solar and wind installations totaling 1GW in capacity, moving Azerbaijan closer to its goal of generating 30% of its electricity from renewable sources by 2030.

Azerbaijan’s partnership with the European Union further supports this green transition, especially through a recent Memorandum of Understanding on energy cooperation. Additionally, the Black Sea submarine cable project—linking Azerbaijan, Georgia, and eventually Central Asia with Europe—demonstrates Azerbaijan’s regional role in green energy and supports European green initiatives.

As Azerbaijan finalizes preparations, COP29 in Baku is positioned to be a defining moment for global climate action. By blending priorities in finance, resilience, and peace, Azerbaijan is set to drive impactful initiatives and foster meaningful

collaboration on a global stage. As world leaders and climate experts gather in Baku, the conference aims to set new precedents in climate action, from advancing green energy to establishing a peace-oriented approach that addresses the climate challenges of today and tomorrow.

II. Azerbaijan to host COP29 amid efforts for peace with Armenia

From November 11 to 22, 2024, Azerbaijan will host the 29th United Nations Framework Climate Change Conference (UNFCCC COP29) in Baku. This global summit is expected to bring together up to 100,000 participants, including heads of state and government officials from over 180 countries. In a move to emphasize the summit's role in fostering peace, Azerbaijan has proposed a global truce during the event, urging warring nations to cease hostilities one week before, during, and one week after the conference. "Azerbaijan continues and will exert additional efforts to make COP yet another success story with regard to peace and to make COP29 a COP of peace alongside the climate action issue," said Hikmet Hajiyev, Assistant of the President of the Republic of Azerbaijan and Head of Foreign Policy Affairs Department of the Presidential Administration.

The idea of peace is deeply intertwined with Azerbaijan's hosting of COP29. In a historic show of unity, Armenia, Azerbaijan's neighbor and recent adversary, supported Azerbaijan's bid to host the conference in December 2023. This support was part of a wider agreement between the two countries, which included provisions for the exchange of prisoners detained since the end of the 2020 Karabakh War. This breakthrough was hailed by several nations, including the United States and the European Union (EU), as a positive step toward peace and regional stability.

Yet, in the year since that historic agreement, progress toward a comprehensive peace treaty has stalled. Despite efforts, Azerbaijan and Armenia have yet to resolve outstanding issues that continue to hamper a lasting accord. Armenia

recently proposed a peace treaty draft with 13 agreed-upon articles, omitting unresolved provisions. President Aliyev criticized this as "primitive" and "inadequate," emphasizing that a complete treaty requires consensus on all outstanding points.

One of the central sticking points is Armenia's constitution, which references its Declaration of Independence—a document that claims the Karabakh region, internationally recognized as part of Azerbaijan, as part of Armenia. This long-standing issue has fueled conflict for over three decades, with Armenia seeking to control Karabakh due to its Armenian population. Although Azerbaijan regained control over Karabakh following the 2020 Second Karabakh War, tensions remain, and Azerbaijan views Armenia's constitutional stance as a basis for renewed conflict. Armenian Prime Minister Nikol Pashinyan has acknowledged the need to amend the constitution for lasting peace, though this process may not conclude until 2027. Meanwhile, both nations have discussed signing an interim agreement during COP29 as a foundation for neighborly relations and ongoing negotiations toward a full peace treaty.

Several complex issues still stand in the way of a complete resolution between Azerbaijan and Armenia. Among these are disagreements over regional transport links, the return of refugees, and reparations for damages in Azerbaijan's formerly occupied territories. While refugee returns and reparations are largely bilateral concerns, the transportation issue has wider geopolitical implications, involving Russia, Iran, and Western countries. The question of re-establishing regional transport corridors thus extends beyond Baku-Yerevan relations, impacting broader regional stability and influence.

Azerbaijan is also seeking reparations for the extensive damage in Karabakh and surrounding areas, which were devastated during Armenia's occupation. The destruction included homes, schools, hospitals, historical landmarks, and mosques, leaving entire communities in ruins.

Armenian political figures, including former prosecutor general Gevork Kostanyan, have acknowledged that Armenia may be liable to pay reparations, with damages estimated to exceed \$50 billion.

Another sensitive issue is the return of refugees. Azerbaijan expects Armenia to allow the repatriation of approximately 300,000 Azerbaijanis who were expelled from Armenia in the late 1980s. The EU has similarly called on Azerbaijan to support the return of Armenians to Karabakh, where they voluntarily left in September 2023 following Azerbaijan's anti-terror operations against separatist forces in the area. Independent observers, including the UN fact-finding mission, reported no evidence of violence against civilians following the ceasefire, and Prime Minister Pashinyan assured Karabakh Armenians that there was "no direct threat to the civilian population."

In October 2023, Azerbaijan invited Armenians to apply for Azerbaijani citizenship and return to Karabakh. However, many Karabakh Armenians have insisted on international security guarantees, a demand that conflicts with Azerbaijan's sovereignty. Meanwhile, Armenia has dismissed discussions on allowing Azerbaijani refugees to return, citing national security concerns.

Since 2020, Armenia's government has verbally acknowledged Azerbaijan's sovereignty over Karabakh, yet it has never addressed the consequences of the decades-long occupation. Nearly one million Azerbaijanis were displaced, entire communities were destroyed through scorched earth tactics, and natural resources were plundered. Anyone visiting the liberated areas today can see the extensive devastation left behind. Armenia has yet to issue an apology for these actions, a fact Azerbaijanis see as essential to any genuine reconciliation.

"Today... peace between Armenia and Azerbaijan is not only possible but within reach," Armenian Prime Minister Nikol Pashinyan declared optimistically at the 79th United Nations General Assembly session on September 26. Armenian

officials presented Azerbaijan as the primary barrier to peace, claiming that Baku is resisting a peace agreement by employing "delaying tactics and unreasonable demands." But for many Azerbaijanis, hearing Armenian leaders speak about peace is deeply perplexing, as it contrasts starkly with Armenia's actions over decades.

Contrary to Armenian claims, Azerbaijan has always sought peace, but progress has been hampered by Armenia's longstanding refusal to comply with United Nations Security Council resolutions. Adopted in 1993, these resolutions demanded that Armenia withdraw its forces from Azerbaijan's Karabakh region and surrounding areas, which had been occupied during the First Karabakh War in 1992-1993.

Since then, Armenian leaders, including Pashinyan, have treated Karabakh as part of Armenia's historical territory, and the country's constitution even calls for the unification of Karabakh with Armenia. For decades, Armenia engaged in internationally mediated peace talks with little intention of genuine compromise, while attempting to gradually annex the occupied territories. This approach persisted until Azerbaijan's 2020 military operation, which ended Armenia's occupation of Karabakh and re-established Azerbaijan's control over its territory.

In March 2022, Azerbaijan extended a formal invitation for peace, proposing a treaty that would mutually recognize each country's territorial integrity. However, two key factors continue to prevent this proposal from advancing.

Firstly, despite Armenia's claims that Azerbaijan is delaying the process, it is Armenia that has frequently stalled negotiations. For example, Armenia recently took 70 days to respond to Azerbaijan's peace treaty proposal submitted on June 24, 2024, only replying on August 31. If Armenia is truly eager for peace, many Azerbaijanis question why these delays persist.

Secondly, a fundamental issue lies in Armenia's own constitution, which contains a territorial claim over Azerbaijan by referring to Armenia's

Declaration of Independence, a document that enshrines the goal of uniting Karabakh with Armenia. Azerbaijan has been consistent in its demand that Armenia must remove this clause before any peace treaty can be signed. "The Armenian people should constitutionally declare an end to their utopian claims of uniting Karabakh with Armenia," said Hikmet Hajiyev, Assistant of the President of the Republic of Azerbaijan and Head of Foreign Policy Affairs Department of the Presidential Administration.

This request is not new. As early as September 2021, even before the peace negotiations formally began, President Ilham Aliyev highlighted the importance of Armenia abandoning its territorial claims against both Azerbaijan and Türkiye.

In January of this year, Pashinyan seemed to recognize the importance of removing constitutional clauses that foster territorial disputes. He spoke about the need for a new Armenian constitution, noting, "Diplomatic documents often contain nuanced implications and warnings...highlighting the dangers of territorial disputes." Pashinyan suggested that a new constitution could provide Armenia with greater stability in an evolving geopolitical landscape.

However, Armenia's stance soon shifted. In a June 7 statement, Armenia's Foreign Ministry dismissed Azerbaijan's request to revise the constitution, labeling it an "interference in Armenia's internal affairs." Yet, when a country's constitution includes claims on a neighboring state's territory, it ceases to be purely an internal matter.

For decades, peace between Armenia and Azerbaijan has been possible, yet Armenia's refusal to withdraw from Azerbaijani territories and its failure to adhere to international law obstructed progress. While Armenia now seeks to present Azerbaijan as the roadblock to peace, the reality is that Armenia's constitutional claims and continued delays remain a primary obstacle.

Despite these challenges, there have been promising signs of progress in the past year. In a

significant development in April 2024, Armenia peacefully returned four Azerbaijani villages as part of the delimitation of their shared border, marking the first peaceful resolution of a territorial dispute between the two nations in recent history. This cooperation continued in August, when both countries agreed on regulations for their joint border commissions, a step toward clearer boundaries and potentially greater stability.

These developments, alongside the spirit of collaboration shown by Armenia in supporting Azerbaijan's COP29 bid, offer hope for future dialogue and cooperation. An interim agreement signed during COP29 could further build trust between the two nations, potentially setting the stage for a comprehensive peace treaty in the coming years.

As Azerbaijan prepares to host COP29, its commitment to fostering a peaceful atmosphere through a proposed global truce is a reminder of the broader peace agenda that this summit represents. The conference offers an opportunity not only to address global climate challenges but also to advance the fragile peace process between Azerbaijan and Armenia. While the path to lasting reconciliation remains complex, with obstacles such as constitutional disputes, reparations, and refugee resettlement, the progress made over the past year suggests a foundation upon which both nations can build.

A successful COP29 could underscore Azerbaijan's role as a mediator and peacemaker in the region, potentially marking the beginning of a more stable era in the South Caucasus. As Armenia and Azerbaijan continue their difficult negotiations, the eyes of the world will be on Baku this November, hoping that COP29 becomes a landmark not only in climate action but also in the pursuit of regional peace and stability.

III. Türkiye hosts the third ministerial meeting of the '3+3' regional platform

On October 18, Türkiye hosted the third ministerial meeting of the 3+3 regional cooperation platform in Istanbul. The platform, which envisions Armenia,

Azerbaijan, and Georgia cooperating with Türkiye, Iran, and Russia, again met without Georgia's participation. This meeting occurred amid a tense regional environment influenced by the Russia-Ukraine conflict, heightened Iran-Israel tensions, Georgia's pivotal upcoming elections, and the ongoing challenges in the Armenia-Azerbaijan peace process.

Although the meeting produced no major new agreements, its occurrence and the unified messages from the participants underscored a shared commitment among the regional powers to maintain the geopolitical framework established in the South Caucasus after the 2020 Second Karabakh War. Türkiye's Foreign Minister, Hakan Fidan, highlighted this stance, emphasizing a regional ownership approach to South Caucasus issues. "We believe that the states of the region know the regional problems best and are capable of solving them," Fidan stated. This vision of regional solutions to regional problems aligns well with the interests of Russia and Iran, who oppose Western involvement in the South Caucasus.

Azerbaijan also finds value in this approach, particularly given its concerns over Armenia's military buildup with support from France and India. The supply of arms to Armenia has heightened Azerbaijan's apprehensions about potential revanchist efforts, especially as the Armenian opposition continues to promote the idea of reclaiming territories lost to Azerbaijan in recent years. Relations between Azerbaijan and France have further deteriorated since France's decision to provide weapons to Armenia in 2023, and Azerbaijan's concerns have expanded to include the European Union and the United States, which have coordinated military support for Armenia through the European Peace Facility.

In Baku's view, Western involvement in Armenia's defense represents a double standard, as the EU did not extend similar support to Azerbaijan during the period of Armenian occupation. Azerbaijan has openly criticized this Western policy as fostering "geopolitical dividing lines" in the region. Baku also opposes the U.S. proposal to open the Zangezur

corridor without Russian participation, interpreting it as a move aimed at diminishing Central Asia's reliance on Russia and China.

Meanwhile, Georgia's recent actions suggest a growing rift with its Western allies. This divide originated with Western backlash over Georgia's "foreign agent" law, which Tbilisi perceived as undue interference in its domestic affairs. The upcoming Georgian elections are expected to shape the country's future foreign policy orientation, and if the current government remains in power, Georgia may expand its involvement in regional platforms like the 3+3 group.

Armenia's position, however, remains complex. While Armenia's trade with Russia has surged to \$16 billion—an almost eightfold increase since the onset of the Russia-Ukraine war—its relations with Moscow remain fraught with tension and disputes. Nonetheless, Armenia's growing ties with Russia, along with its isolation within the 3+3 framework, complicate its prospects as a Western ally in the region. For the West, Armenia represents a potential foothold in the South Caucasus security landscape, but its limited resources and geographic constraints hinder its ability to play a central role.

The evolving dynamics in the South Caucasus seem increasingly favorable for advancing the 3+3 initiative. While Russia, Iran, and Türkiye do not see eye-to-eye on all regional issues—demonstrated by recent differences over the Zangezur corridor—they are unified in their desire to limit Western influence in the South Caucasus. This shared goal strengthens the likelihood of these three powers coordinating their efforts to maintain regional stability on their terms.

As the region's geopolitical landscape shifts, the 3+3 platform may play a pivotal role in shaping South Caucasus security and policy, providing a collaborative framework for local and regional powers while curbing outside intervention. This approach of "regional ownership" holds the potential to redefine the South Caucasus geopolitical order, even as each nation navigates its own complex relationships with external actors.

IV. Azerbaijan's strategic shift to the Organization of Turkic States

The 2020 Second Karabakh War between Armenia and Azerbaijan shifted dynamics in the South Caucasus. The war ended Armenia's occupation of Azerbaijani territories, opening avenues for regional cooperation, which had been limited since the Soviet period. Two potential platforms emerged that could unite Armenia, Azerbaijan, and Georgia: a trilateral cooperation forum for the South Caucasian republics and the "3+3" regional initiative, including Russia, Iran, and Türkiye alongside the three South Caucasus nations.

Azerbaijan showed interest in both initiatives, unlike prior Western- or Russia-led platforms. A first meeting of South Caucasian leaders in Tbilisi in October 2023 marked a step towards cooperation, though substantial progress has yet to materialize. Meanwhile, the 3+3 format showed some momentum, with a meeting in Tehran that sparked hope for a cooperative security framework in the region, despite Georgia's absence. Azerbaijan's approach within this format aims to balance Russia and Iran's influence by involving Türkiye.

However, regional developments since October 2023 have added complexities. Armenia's pivot towards the West amid strained ties with Russia, and Georgia's reluctance to join Russia-involved initiatives, underscore emerging regional divisions. From Azerbaijan's perspective, these shifts introduce potential geopolitical fault lines that could challenge the stability of the 3+3 framework. Consequently, Azerbaijan is compelled to navigate these divisions carefully, resisting alignment with any single bloc and reinforcing its commitment to non-alignment.

Since joining the Non-Aligned Movement (NAM) in 2011, Azerbaijan has consistently promoted non-participation in military blocs, emphasizing a multi-vector approach due to its geographical position. Azerbaijan's strategy avoids entrenching itself with one power bloc, opting instead for measured alliances. In June 2021, Azerbaijan signed the Shusha Declaration with Türkiye, establishing a

mutual defense pact. In contrast, a February 2022 agreement with Russia focused more on reassurance than concrete commitments, showcasing Baku's careful balancing act. Recent developments, such as Russia's April 2024 withdrawal of peacekeepers from Karabakh, raised speculation that Azerbaijan might join the EAEU. However, President Aliyev clarified that Baku remains open to EAEU membership only if economic benefits justify it, underlining Azerbaijan's independent path.

Azerbaijan's policy does not exclude engagement with the West. Its partnership with Europe in energy security highlights this. In July 2022, a strategic energy partnership was signed with the EU, praised by European Commission President Ursula von der Leyen as vital for reducing Europe's dependency on single energy sources. Azerbaijan has also been a key partner in NATO's operations, underscored by Secretary General Jens Stoltenberg's visit to Baku in March 2024. These relationships underscore Azerbaijan's interest in maintaining cooperation with both Western and Eastern powers, reflecting its cautious approach amid increasing regional tensions.

In November 2023, U.S. official James O'Brien highlighted concerns about Russia and Iran's role in the region's security, implying that Azerbaijan and Armenia could consider alternative alliances. Additionally, a meeting in April 2024 between Armenian Prime Minister Nikol Pashinyan and EU and U.S. leaders stirred concerns in Baku. Excluding Azerbaijan, this meeting underscored Armenia's pivot towards the West, further complicating regional dynamics.

Amid these pressures, Azerbaijan's engagement with the OTS offers a stabilizing option. As a regional organization, the OTS aligns with Azerbaijan's commitment to a balanced foreign policy, allowing it to remain engaged with neighboring powers without committing to the Western or Russian blocs. In this context, the OTS offers a practical solution for Azerbaijan to maintain its neutrality and bolster regional resilience.

The Organization of Turkic States (OTS) presents a viable alternative for Azerbaijan. President Ilham Aliyev underscored Azerbaijan's commitment to the Turkic world through his endorsement of the OTS in February 2024. For Baku, the OTS represents a pragmatic path to enhance regional collaboration while steering clear of alignment with either the West or Russia. This choice aligns with Azerbaijan's balanced foreign policy, offering a means to reinforce regional stability amidst shifting alliances.

The OTS, consisting of Türkiye, Azerbaijan, Kazakhstan, Uzbekistan, and Kyrgyzstan, with Turkmenistan, Hungary, and the Turkish Republic of Northern Cyprus as observer states, provides a forum for Turkic countries to collaborate across multiple sectors. In the context of current geopolitical tensions, the OTS serves as a stabilizing framework for its members, helping them balance relations with both Russia and China while cautiously advancing integration in areas like economy, culture, and security.

Over the past year, the OTS has achieved considerable progress in institutionalizing several cooperative frameworks. Initiatives such as the Civil Protection Mechanism, the Turkic Judicial Training Network, the Turkic Investment Fund, and the Organization of Trade Unions have helped solidify the organization's presence and objectives. A key focus has been defense collaboration among member states, as evidenced by the OTS's November 2023 summit in Astana, where leaders committed to enhancing cooperation in defense industry and military matters. Member states are advancing joint initiatives in various sectors, including connectivity, energy, and security, and although security cooperation has largely taken place bilaterally, there is a growing appetite for broader regional collaboration.

A notable example of this trend is Kazakhstan's recent ratification of the Treaty on Allied Relations with Uzbekistan. This treaty, akin to the Shusha Declaration between Azerbaijan and Türkiye, strengthens bilateral defense relations while preventing either party from joining alliances that

might threaten the other. This evolving framework reflects a cautious but deliberate approach toward building a cohesive defense strategy within the Turkic region.

Azerbaijan is a strong proponent of defense integration within the OTS, with President Aliyev underscoring the importance of security collaboration in response to regional instability. At the Astana summit, he emphasized that defense potential is the foremost guarantee of security, advocating for further cooperation in security, defense, and the defense industry among OTS members.

Key steps in defense cooperation have already materialized, particularly through bilateral agreements. In 2022, Kazakhstan and Türkiye launched a strategic partnership to produce Turkish drones in Kazakhstan, marking the first instance of Turkish defense technology production outside Türkiye. This venture, along with the goal to transfer technical expertise to Kazakhstan, underscores a growing trend in defense collaboration. Turkish defense firms ASELSAN and ROKETSAN are also active in Azerbaijan, where production of components for Turkish fighter jets is underway. Azerbaijan recently added advanced Turkish Akinci drones to its military arsenal, highlighting the functional benefits of OTS defense partnerships.

Such defense ties, particularly the expansion of Turkish drone technology across the region, have played a critical role in recent conflicts, bolstering Azerbaijan and Kyrgyzstan's defense capabilities. In 2023, Uzbekistan became the latest Central Asian member to acquire Turkish drones, marking a significant step in the OTS's emergence as a regional security force. As Aliyev noted, defense cooperation within the OTS is an evolving process that will continue to grow as collective security becomes more normalized for member states.

While the OTS is advancing rapidly, challenges remain. Members must navigate their alliances with external powers, particularly Russia and China, both of whom might view a strengthened

OTS with caution. However, the clear trajectory of the OTS indicates that its role in shaping the security framework of the Turkic region will only intensify.

V. The Middle Corridor gains momentum amid growing global interest

On October 3, Ashgabat, Turkmenistan, hosted a high-profile meeting bringing together representatives from the European Union, Central Asian countries along the Trans-Caspian Transport Corridor (Middle Corridor), the South Caucasus states, Türkiye, and leading international financial institutions. The event marked a significant step for the Middle Corridor, resulting in the establishment of a Coordination Platform to streamline investment and development along this key route. This platform, according to the EU, will focus on boosting infrastructure projects, promoting the corridor, and coordinating investments in the South Caucasus and Türkiye, with the EU also announcing plans to launch a regional transport program in 2025. This initiative is intended to support infrastructure upgrades, digitalization, and the improvement of standards across the Middle Corridor countries.

The Middle Corridor is increasingly viewed as a strategic route for Central Asia to access European markets, especially as alternatives through Russia and Iran face political and logistical challenges. However, further development is still hampered by infrastructure and political obstacles that need to be addressed for the corridor to reach its full potential.

The launch of the Coordination Platform is just one of several advancements made in recent months. On September 19–20, the 8th International Silk Road Expo in Xi'an, China, announced that China Railway Container Transport Corporation would join a Middle Corridor joint venture, established by Kazakhstan, Azerbaijan, and Georgia in October 2023 at the Astana International Financial Center. This “one-stop-shop” service aims to streamline

cargo delivery, improve transport coordination, increase tariff transparency, and ensure consistency in delivery times. Experts see China's participation as a positive signal, with the expectation that more Chinese companies will utilize the route as its reliability improves.

Azerbaijan and Georgia are also advancing their infrastructure along the corridor. Georgia, for instance, is developing a dry port near Tbilisi, backed by a \$16 million investment from the United Arab Emirates. This facility, anticipated to open by late 2024, will connect to the Black Sea ports of Batumi and Poti, further expanding the region's logistics network. Meanwhile, Georgia and China signed a memorandum in September to enhance the Middle Corridor and attract additional cargo, with an emphasis on optimizing routes, improving transport services, and enhancing cooperation in customs and transport security.

In Azerbaijan, the Zangezur corridor remains a high-priority project. Construction of a highway is nearing completion, and over 57 percent of the railway from Horadiz to Aghbend on Azerbaijan's section of the corridor has been finished. Azerbaijan's railway representatives indicated that the Zangezur corridor could reduce transit times for goods traveling from China and Central Asia to Europe, avoiding the need for multimodal transfers across the Caspian Sea.

The renewed interest and investments in the Middle Corridor are fueled by a growing need for alternative transportation routes between Europe and Asia. The trans-Russia northern route faces disruptions due to sanctions on Russia, and the southern route through Iran is limited by geopolitical issues, making the Middle Corridor the only viable land-based option across Eurasia. Concerns over maritime instability have also intensified, with threats to Red Sea shipping posed by Houthi rebels and escalating tensions in the South China Sea.

Henrik Hololei, an advisor to the Directorate-General for International Partnerships of the European Commission, highlighted the importance

of the corridor, noting that European shipping companies have largely rerouted from the Suez Canal and Red Sea to the Cape of Good Hope, adding an average of 12 days to journeys. “This creates a situation where the Trans-Caspian transport corridor becomes highly relevant, and we can see that also in the statistics,” Hololei observed, citing the increased relevance of the corridor due to current logistics challenges.

As a result, traffic through the Middle Corridor has surged, with cargo volumes increasing fivefold from 2021 to 2023. During the first nine months of 2024 alone, cargo rose by 70 percent, reaching 3.4 million tons compared to the same period in 2023. Container transportation also saw a threefold increase during this time, with shipments from China rising by more than 20 times, underscoring the growing appeal of the Middle Corridor as an efficient trade route.

Despite the corridor’s growth, challenges remain that could impede its continued expansion. A potential trade dispute between China and the EU, stemming from the EU’s tariffs on China-made electric vehicles, could impact corridor usage, as could ongoing political tensions in the South Caucasus. Specifically, issues in EU-Azerbaijan relations, largely influenced by France’s friction with Azerbaijan, and Armenia’s reluctance to open the Zangezur corridor could create regional roadblocks.

Experts have also noted the need for improved predictability in transportation timelines, uniform standards for border crossings, and digitalized customs procedures. Consistent tariff structures are essential for the corridor’s long-term viability. Trade routes must be predictable, with clear timelines for delivery, and transit along the Middle Corridor currently lacks the reliability needed to attract a higher volume of traffic consistently. The

European Bank for Reconstruction and Development estimates that around \$20 billion is needed to modernize infrastructure across the corridor.

Recent developments reflect promising momentum for the Middle Corridor, including the establishment of the Coordination Platform, China’s increased involvement, and notable infrastructure progress in Azerbaijan and Georgia. However, achieving the corridor’s full potential will require continued investment, collaboration, and the resolution of political challenges. With the Middle Corridor emerging as a strategic alternative to traditional routes, its success will depend on maintaining momentum and enhancing regional cooperation to ensure that it remains a reliable and efficient pathway across Eurasia.