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**The Future Offers of the Second Trilateral Meeting in
Brussels for the Region**

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Research Brief

For a continuation of the discussion on the situation in South Caucasus and deepening cooperation between the EU and both countries, on April 6 President of the European Council Charles Michel held a meeting with the President of Azerbaijan Ilham Aliyev and Prime Minister of Armenia Nikol Pashinyan where EU's commitment in overcoming tension and the peace-building process was further expressed. The EU reiterated the necessity to adhere to the provisions of 09/10 November 2020 trilateral statement. Furthermore, President Michel emphasized humanitarian issues including the issue of missing persons and remaining detainees. EU will continue to support confidence-building measures between both sides and play an active role in de-mining efforts by providing expert advice and financial assistance as well as assistance to the conflict-affected population, rehabilitation and reconstruction. The fruitful trilateral meeting made a turning point in the peace-building process and it was agreed to instruct Foreign Ministries to work on the preparation of a future peace treaty. In this vein, delimitation and demarcation issues took precedence within discussions with a decision to establish a Joint Border Commission in line with the Sochi Agreement by the end of April to delimit the state border. The leaders also touched upon the issues of communications and connectivity infrastructure between Azerbaijan and Armenia. President Michel commended the steps in building railways and encouraged to find mutually beneficial effective solutions for the restoration of road links that indicates EU's strong willingness to the development and security in the region.

The recent Brussel meeting is deemed to be a crucial step towards sustainable peace and security, and unblocking communications in the region. In practical terms, the trilateral meeting indicated unprecedented progress made in a way towards a peace agreement, notwithstanding the opposition and rival mindset in Armenia. By all accounts, the European Union once more reiterated its interest in a long-lasting peaceful situation in the region for the benefit of all people under the scenario of new realities. In particular, the statement shed a light on the importance of a sustainable peace deal with bilaterally signed a peace treaty. It should be noted that Azerbaijan prior to the meeting unilaterally disclosed 5 base principles for normalizing relations with Armenia which are enshrined as follows:

- Mutual recognition by states of sovereignty, territorial integrity, inviolability of their international borders and political independence of each other;

- Mutual confirmation of the absence of territorial claims of states to each other and the adoption of a legal obligation that such a claim will not be brought in the future;
- Refrain from threatening each other's security in interstate relations, use of threats and force against political independence and territorial integrity, as well as other circumstances that do not comply with the purposes of the UN Charter;
- Delimitation and demarcation of the state border, establishment of diplomatic relations;
- Opening transport and communications, building other relevant communications and establishing cooperation in other areas of mutual interest.

On the other hand, the importance of the meeting for regional economic perspectives can not be overlooked as the reestablishment of communications and connectivity infrastructure occupied a special place in discussions. Unblocking the communication lines is of crucial significance in providing a fertile ground for the rapid launching of Zangazur Corridor project that offers additional economic and geopolitical benefits for Azerbaijan as well as for the whole region. In addition, it is a stimulus for new investment in the liberated cities. In accordance with the Economic and Investment Planning Project, the EU intends to widen mutual economic relations with both sides by means of the economic advisory platform that will further enable in the near future to enhance and strengthen the scope of regional relations to other actors which is a crucial factor in lifting up the economic development as well as geopolitical relevance of the region.

Trade Turnover with EU in 2020

Azerbaijan	9 billion euro
Georgia	3.9 billion euro
Armenia	1.6 billion euro

Source: European Commission, 2021

Azerbaijan accounts for 62% of the EU's trade turnover with the South Caucasus. As clearly illustrated in the table, the EU is the largest trade partner of the region. In post-pandemic period, trade turnover between the EU and South Caucasus is expected to rise.

EU's Foreign Direct Investment 2019

Azerbaijan	2.6 billion euro	
Georgia	1.2 billion euro	
Armenia	1 billion euro	

Source: European Commission, 2021

As soon as mutual peace agreement is reached, the region's potential to turn into a single market can be realized. The opening of Zangazur corridor is a new opportunity for fast and shorter delivery of goods to Europe and Asia given the intercontinental location. Both Zangazur Corridor and Roadway envisaged in the memorandum of Understanding with Iran have a great capability of potential income source connecting the regional economies, thus accelerating the regional economic integration. Seemingly, the increasing role of Europe in the region is of particular importance for peace-building process and prosperity. Furthermore, rapid resolution of this conflict accelerates the process of Euro integration of South-Caucasus countries and can reduce the Russian influence in the region that is a win-win situation for all parties with no alternative.

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