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Policy Brief

**New September Conflict between Armenia and Azerbaijan: Are
hopes lost for a peace treaty?**

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Notwithstanding the ongoing negotiations between Armenia and Azerbaijan with the involvement of international mediators amid peace-building process, recurring tensions reflect the fragility of the process indicating repercussions in a way towards the realization of economic projects. Respective steps for normalization have continued following the trilateral meetings in Brussels as well as in Russia with some decisions adopted, however, no tangible results have been achieved, yet. The peace process should be based on concrete measures without wasting further time.

Delays and the non-implementation of the agreements could lead to new conflicts. The course of the developments, in particular following the 13 September clashes, in the post-war peace process between Armenia and Azerbaijan give signals of possible failure of the efforts. The situation in the region at the moment remarkably shows war-related signs. It is therefore urgent for the international community to take all possible measures to ensure the implementation of the ceasefire.

The conflict which recently flared up once more indicated the fragility of the situation and negotiations held on the path towards peace treaty. The signed treaty reflects the provision of ceasefire for a certain period which can be concluded either with a permanent and sustainable peace deal or with a treaty. To boost the region's economic potential, unblocking communications and establishment of the transport infrastructure and connectivity is of crucial significance for all sides and for the region on the whole. The determination of Azerbaijan which is bolstered by its actions in building connectivity infrastructure in a shorter period reverse the ones of Armenia. Refusal of the opening of Zangazur corridor and replacement of it with a cross-country highway again breeds the grounds for conflict and depletes the region from various opportunities that may be generated by the Zangazur corridor.

Zangazur corridor is being distinguished with numerous perspectives to be taken into account. The restoration of the corridor will lead to faster development of the liberated regions of Azerbaijan including the tourism industry there thanks to the inter-wined location. In economic terms, it can enable to implement railway and transportation projects with the neighbourhood being an integral part of the cross-continental logistics channel that can generate additional revenues to the economies of the countries involved contributing to the enlargement of the North-South and East-West transport line including the South-West.

On the other hand, the blocking of the corridor by Armenia wards off economic opportunities for regional countries as well which can act as a shorter cross point for Iran, Turkey, Russia to export their goods and services at affordable rate improving the diversification of the

economy. Furthermore, substitution of the Corridor with a highway may shrink continental transport infrastructure weakening the potential robustness of transport infrastructure.

In terms of energy, potential conflict may deprive Azerbaijan from a number of opportunities from exporting energy to the investments in the renewable energy in liberated territories to utilize the available capacity. To a large extent, the solution of the conflict could be strongly beneficial for the Armenian economy which remained and still remains in blockade for three decades. Armenia has certainly huge economic and transport potential due to central geographical location that can translate into huge financial benefits.

Massive development of the region stipulates the need for a faster regional economic integration that needs to be underpinned by joint actions and strong commitment of all sides. The necessity to regionally and economically integrate the countries is in the interest of many parties from the east to the west. Currently, the hopes of the both sides are pinned on the purposeful intervention of the European Union to reach a solution of the conflict providing a permanent security on the verge of the continent.

As long as a peace treaty is not reached, tensions are likely to occur along the borderline that will certainly generate unavoidably detrimental consequences to the development and integration of the region. In this vein, Europe should intensify its participation in conflict solution and hold frequent meetings to solve the feud in a timely manner. The one and only way to the development of the region is based on mutually signed comprehensive peace treaty that must be based on the mutual recognition of territorial integrity and inviolability of the borders.

Under the scenario of the recent international developments and geopolitical tensions, currently there is a possibility that mutual consensus can be reached through a collective commitment to sign a peace treaty which is highly likely can bring to the region sustainable peace deal and to the implementation of different projects envisaged in 10 November and subsequent agreements. Such a collective commitment can be a significant milestone in stepping up the preparedness of the region towards integration.

External actors should strengthen their activities towards the conclusion of a peace agreement. This is very important for the security and economic development of the Caucasus. Currently, the existing regional and world order provides conditions for signing a peace agreement. But if this is not done in the near future, then the region will not be able to get rid of conflicts for many more years.

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