

# BAKU DIALOGUES

POLICY PERSPECTIVES ON THE SILK ROAD REGION

Vol. 5 | No. 1 | Fall 2021

## Coming to Terms with the New Afghanistan

**Stronger Together in the Greater Caspian Region**

Richard E. Hoagland

**Afghanistan and South-Central Asia Connectivity**

Edward Lemon

**Afghanistan's Place on the Silk Road**

James J. Coyle

## Landmines & Arms Control in the New Caucasus

**Post-Conflict Confidence-Building and Arms Control**

Stuart Maslen

**Setting Standards for Clearing Landmines**

David Hewitson

## Geopolitics of Post-Conflict Karabakh

**End of the War, But No Peace**

Anar Valiyev

**Karabakh and Georgia's Regional Positioning**

Victor Kipiani

## Iran and the South Caucasus

**The Fifth Element**

Jahangir Arasli

**Iran and Azerbaijan After the Second Karabakh War**

Vali Kaleji

**The Challenges of Identity Politics in Iran**

Ramin Jabbarli



# Iran and Azerbaijan After the Second Karabakh War

*Vali Kaleji*

The Republic of Azerbaijan is the Islamic Republic of Iran's important and influential neighbor: deep historical, cultural, religious, and ethno-linguistic ties have led to the formation of deep and wide-ranging relations between the two countries. The four northwestern provinces of Iran (i.e., Gilan, Ardabil, East Azerbaijan, and West Azerbaijan) have common geographical borders with both the main part of Azerbaijan and its exclave, the Nakhchivan Autonomous Republic; they also have deep and close commonalities based on Islam and Shiism, as well as sharing the Azerbaijani culture and language. All this has provided the ground for closeness between the citizens of the regions on both sides of the border.

Moreover, the valuable capacities and opportunities for Iran and Azerbaijan in developing bilateral

social and cultural relations are also clearly indicated in the significant increase of Iranian tourists visiting Azerbaijan; but also the no-visa requirement for Iranian citizens traveling to Nakhchivan; the presence of Azerbaijani citizens in Iran, especially in the majority ethnic-Azerbaijani provinces in northwestern Iran and the religious cities of Qom and Mashhad; the launching of the Nakhchivan-Tabriz-Tehran-Mashhad passenger train route; and the development of healthcare and wellness tourism facilities geared towards Azerbaijani citizens in cities such as Tabriz.

Although the outbreak of COVID-19 and the resulting travel restrictions imposed by both Tehran and Baku have had a negative impact on this trend over the last two years, it is expected that people-to-people contact between the two countries will return to

*Vali Kaleji is a Senior Researcher at both the Center for Strategic Studies (CSS) and The Institute for Iran-Eurasia Studies (IRAS) in Tehran. He holds a PhD in Regional Studies (Central Asia and the South Caucasus) from the University of Tehran.*

previous levels when the pandemic is brought under control.

In the political field, cooperation and consultations between the two countries in recent years have entered a new and qualitatively different phase. For instance, Iran's former president, Hassan Rouhani, met more than ten times in bilateral and multilateral fora with his Azerbaijani counterpart, Ilham Aliyev—unprecedented in the history of the diplomatic relations between the two countries. In addition to developing the bilateral relationship, during the Rouhani Baku and Tehran were able to establish new forms of multilateral cooperation, namely the Iran-Azerbaijan-Russia and Iran-Azerbaijan-Turkey trilateral mechanisms.

Moreover, economic and trade cooperation between Iran and Azerbaijan has entered a new phase. The trade turnover between Azerbaijan and Iran amounted to \$339.1 million in 2020. Of the total turnover, the export of Azerbaijani products to Iran amounted to \$38.4 million, while import from Iran

totaled \$300.6 million. Moreover, trade turnover between the two countries amounted to \$134.1 million during the first four months of 2021. At present, Azerbaijan is Iran's first economic partner in the South Caucasus, and more than 51 percent of Iran's trade volume with the region is allocated to Azerbaijan.

More than 1,600 Iranian companies have been registered in Azerbaijan. Joint border markets have been established; together, the two countries are developing the Aras Free Trade Zone and the Mako Free Trade Zone; the capacity of border terminals has been increased at Bilesvar, Astara and Poldasht; a joint venture automobile production company involving Iran Khodro has built the Khazar Car Factory in the Nefchala industrial park; and the two countries are closely cooperating in Nakhchivan,

*In addition to developing the bilateral relationship, during the Rouhani Baku and Tehran were able to establish new forms of multilateral cooperation, namely the Iran-Azerbaijan-Russia and Iran-Azerbaijan-Turkey trilateral mechanisms.*

especially in the areas of transit and gas swapping. Electricity exchanges between Iran and Azerbaijan take place at six border points; cooperation between the two countries is moving forward in the construction and completion of the Khoda Afarin

and Qiz Qala-e-Si' hydroelectricity dams and the construction of power plants near the Aras River border-line in the Iranian town of Marazad and Azerbaijan's Ordubad; and Tehran and Baku are working on various customs, banking, insurance, and visa facilities. All these are important infrastructure measures that have helped to advance economic and trade relations between the two countries.

In this regard, the project of connecting the Qazvin-Rasht-Astara railway in Iran to the railway network of Azerbaijan, which is being implemented within the framework of the International North-South Transport Corridor (INSTC), represents one of the major transit and economic opportunities for Iran. Azerbaijan is integral to the success of the main rail route that will run from Russia to India. The Iran-Azerbaijan-Russia trilateral mechanism could become a factor in providing Iran with a connection to the Eurasian Economic Union (EEU). And Azerbaijan can play a role in helping Iranian ports in the Persian Gulf and the Oman Sea connect to Georgian ports on the Black Sea coast. A significant jump in trade volume with Azerbaijan and the whole of the South Caucasus could result from such and similar endeavors and initiatives.

Almost all the sections of the INSTC are already operational. The Astara-Astara railway (connecting the Iranian and Azerbaijani cities that share a name and straddle the border between the two countries) was officially inaugurated in a ceremony held in late March 2018, followed a year later by the inauguration of the Rasht-Qazvin railway. One section remains unbuilt, however: the 130-km long stretch from Astara to Rasht, which is located on the southern shore of the Caspian Sea and is adjacent to the Iranian border with the Republic of Azerbaijan. Work on this section has encountered financial problems and is tied to a successful conclusion of Iran's nuclear talks with the Biden Administration and the lifting of economic sanctions illegally imposed during the era of Donald Trump's presidency.

Also, cooperation between Tehran and Baku on issues related to the Caspian Sea has developed significantly in recent years—a positive change in comparison with the cold and sometimes tense atmosphere of the 1990s. The participation of the two countries in signing the Convention on the Legal Regime of the Caspian Sea (2018); cooperation in the exploration, extraction, and production of hydrocarbons from Caspian Sea; the participation of Naftiran Intertrade

Company limited (NICO) in the development of the Shah Deniz gas field; joint cooperation regarding Caspian environmental issues; and the establishment of trade relations between the Port of Baku and the Iranian ports of Astara, Bandar Anzali, Amirabad, Nowshahr, and the Bandar Turkeman represent some of the fruits of this cooperation between the two countries in the context of the Caspian in recent years.

Lastly, the quality of relations between Tehran and Baku has increased significantly in recent years in the field of security and defense. Important examples include: cooperation between the border forces of the two countries on the land, along the Aras river, and in the Caspian Sea; the joint fight against drug trafficking and the illegal smuggling of goods but also working together to combat extremism and terrorism.

In this regard, Azerbaijan's navy made its first-ever visit to Iran in mid-October 2017, signaling the warming of ties between the formerly wary neighbors and Baku's growing desire to increase military cooperation with Tehran. Less than a fortnight later, Baku hosted the first meeting of the Azerbaijani and Iranian Joint Working Group on Military Cooperation, led by Azerbaijani Defense Minister

Zakir Hasanov and Iranian Deputy Minister of Defense Hojatollah Ghoreishi. Since then, Iranian Defense Minister Brigadier General Amir Hatami has visited Baku and, for the first time after Azerbaijan regained its independence, Iran's Chief of General Staff of the Armed Forces Mohammad Bagheri visited Baku in January 2019 and met with President Aliyev.

The sum total of developments in various socio-cultural, political, economic, and security-defense spheres—some of which occurred for the first time after the collapse of the Soviet Union and the establishment of Republic of Azerbaijan—clearly shows that relations between Tehran and Baku have entered a new and qualitatively different phase.

Both sides ought to endeavor not only to maintain this trend but strengthen it in the time ahead. The recent appointment of a new government in Iran in the wake of June 2021 presidential election opens new horizons in this regard.

### *The Larger Context*

Geographically, Iran holds a special position along the southern periphery of the South Caucasus. Alone among the region's

three major neighbors (Iran, Russia, Turkey), Iran shares a border with liberated regions adjacent to Karabakh, including Zangilan, Jabrayil, and Fuzuli. Therefore, no country was in closer proximity to the conflict zone: the Second Karabakh War temporarily undermined the security of Iran's northwestern border, particularly affecting the provinces of Ardabil and Eastern Azerbaijan.

These borders were considered safe by Tehran after the 1994 ceasefire that ended the First Karabakh War: Iran mainly felt threatened along its borders with Afghanistan and Iraq. However, once the Second Karabakh War broke out, several rockets and mortar shells inadvertently landed inside Iran, especially in the village of Khoda Afarin, located near the border with Armenia in our Eastern Azerbaijan Province. This put Tehran in a precarious position vis-à-vis the two belligerents to its north, as Iran sought to remain neutral whilst maintaining its principled position regarding the sovereignty and territorial integrity of states in a conflict that was directly affecting its own security.

Iran did, however, quickly take steps to safeguard its exposed provinces. For the first time since 1994, the regular Iranian Armed Forces, along with units from the Islamic

Revolutionary Guards Corps (IRGC), deployed to the country's northwest during the Second Karabakh War in order to patrol the state borders it shares with Azerbaijan and Armenia. In fact, this operation represented an effort on the part of Tehran to prevent any further changes in the geopolitics of the region or shifts in internationally recognized borders.

Politically, as the only immediate neighbor to the South Caucasus that had maintained diplomatic relations with its three states, Iran tried to reduce tensions and end the war more rapidly. In this regard, Iran's then president, Hassan Rouhani, held separate telephone conversations with his counterparts in Azerbaijan, Armenia, Turkey, and Russia. Iran's main response to the conflict was a regional diplomatic tour led by Deputy Foreign Minister for Political Affairs Seyed Abbas Araqchi to Baku, Moscow, Yerevan, and Ankara in late October 2021. As Iran's Special Envoy for the Settlement of the Karabakh Conflict, Araqchi presented Iran's initiative to resolve this conflict and achieve lasting peace between Armenia and Azerbaijan.

In parallel with these diplomatic efforts, senior Iranian officials clearly emphasized the need for the

return of the occupied territories to the rule of Azerbaijan. An Iranian government spokesman, Ali Rabiei, on 6 October 2020 noted that "Iran holds a very clear position on the need to observe and recognize the territorial integrity of the Republic of Azerbaijan, and it has repeatedly emphasized this legitimate right within the framework of international law and UN resolutions." Indeed, Ali Akbar Velayati, the advisor to Iran's Supreme Leader on international affairs who had previously served as Foreign Minister and in that capacity as a mediator during the period of the First Karabakh War, stated on the same day in a newspaper interview that "we call on Armenia to return those occupied parts to the Republic of Azerbaijan. More than one million Azerbaijanis have been displaced after the occupation of those areas and must return home soon."

Finally, Supreme Leader Ayatollah Ali Khamenei himself remarked in a live broadcast on 3 November 2020 that "the war between Iran's two neighboring countries is a bitter issue which has to speedily come to an end." He further noted that "all the territories of Azerbaijan occupied by Armenia must be liberated and all these territories must be returned to Azerbaijan," adding that the security of the Armenian nationals too should be guaranteed.

He further stressed that the international borders should be respected and that terrorists should never think of approaching Iranian borders because, if they do so, they will be dealt-with strongly. In response to this position, Azerbaijan's Foreign Ministry issued the following statement: "we highly appreciate the statement made by the Supreme Leader of the Islamic Republic of Iran Ayatollah Sayyid Ali Khamenei on the Armenia-Azerbaijan conflict and the support given to the territorial integrity of Azerbaijan."

Clearly, statements such as these brought Tehran and Baku closer during the Second Karabakh War. Therefore, it can be said that the relations between Iran and Azerbaijan have entered a new phase in its wake. Against this background, a number of important issues have been taken up, eight of which will be examined in the sections that follow.

### *Basic Position*

The first issue we can discuss concerns Iran's position in the Second Karabakh War, which represents a continuation of Tehran's position during the First Karabakh War. This is not how

some observers and analysts chose to portray the situation. During the Second Karabakh War, such people wrongly asserted that Iran's position on the return of Karabakh and surrounding areas to the sovereignty of Azerbaijan was new and different from Tehran's previous position. On the contrary,

Iran's position in this regard was in line with the position taken from the period of the First Karabakh War onwards. From the beginning of the Karabakh crisis in the early 1990s, the Iranian government has recognized the region then known as Nagorno-Karabakh and the regions surrounding it as integral parts of the Republic of Azerbaijan. Over the past three decades, this position never changed. In essence, Iran's opposition to ethnic secessionist dynamics is one of the fundamental factors in Iran's foreign policy in the South Caucasus. Iranian society is comprised of various ethnic groups and, therefore, Iran opposes any ethno-political dynamic that is separatist.

---

*From the beginning of the Karabakh crisis in the early 1990s, the Iranian government has recognized the region then known as Nagorno-Karabakh and the regions surrounding it as integral parts of the Republic of Azerbaijan. Over the past three decades, this position never changed.*

---

Iran never recognized the self-declared independence of Karabakh, Abkhazia, or South Ossetia despite the good and close relationship that exists between Iran and Armenia, on the one hand, and Iran and the Russian Federation, on the other hand. Over the past decades, this Iranian approach to ethnic

dynamics and separatism has been consistent and has been observed, for example, in Chechnya, Dagestan, and in Iraqi Kurdistan. For a better understanding of this position, it is sufficient to compare Iran's position with Syria's, which has recognized the independence of Abkhazia and South Ossetia, as well as Russia's annexation of Crimea. But despite the close relations between Iran and Syria, Iran has its own logic and approach in the field of foreign policy—especially in the field of ethnic and territorial separatism—and this issue is one of the red lines of Iran's foreign policy.

In addition, regarding the Karabakh conflict, Iran's foreign policy encompasses other principles as well, some of the

most important of which are: non-recognition of the so-called 'Republic of Artsakh' and other political developments in the Karabakh region including elections and referenda; a balanced approach and the maintenance of relations with both Armenia and Azerbaijan; opposing the use of force to resolve the Karabakh crisis; maintaining the rights and security of the Armenians of Karabakh in peace talks and plans; opposing the interference of trans-regional powers in the resolution of the Karabakh crisis; opposing the stationing of international peacekeeping forces along the Iranian border; being ready to mediate the process of peace- and dispute-resolution upon a request from the governments of Azerbaijan and Armenia; and no change in internationally recognized borders of sovereign states.

We have already cited the Supreme Leader's 3 November 2020 statement, pronounced on the auspicious occasion of the birth anniversary of the Prophet Mohammad (PBUH). The point to emphasize is that not all of the positions enunciated on that day were new; rather, they have been on Iran's foreign policy agenda since the early 1990s. Therefore, Iran's position during the Second Karabakh War was not at all new and different from its past position.

For example, when Iran's Chief of General Staff of the Armed Forces Mohammad Bagheri visited Baku in January 2019 (as noted above), he clearly mentioned that "Iran considers Karabakh to be Azerbaijani territory and supports the territorial integrity of Azerbaijan. Changing borders by force is unacceptable, and Iran always stands by the [Azerbaijani] side on this issue." This position by Iran's top military commander two years before the onset of the Second Karabakh War clearly shows that Iran's stance in support of the return of the occupied territories to the sovereignty of the Republic of Azerbaijan during the Second Karabakh War was not new.

### *Borders*

The second issue we can discuss revolves around the question of borders and border changes: de facto versus de jure, the completion of the demarcation of the border between Iran and Azerbaijan, and related issues.

Iran's northwestern border with the main part of Azerbaijan and its exclave, the Nakhchivan Autonomous Republic, is 750 km long, of which about 132 km had been controlled by Armenian forces

prior to the Second Karabakh War. Azerbaijan's successful re-taking of the provinces of Fuzuli, Jabrayil, and Zangilan during the Second Karabakh War transformed the understanding of the status of this 132 km section of Iran's border from de facto to de jure. This important geopolitical change has had positive implications for Tehran and Baku. For instance, a border with a de facto entity has been replaced with a de jure state, namely the Republic of Azerbaijan.

Prior to the Second Karabakh War, Iran bordered on a grey zone region mainly populated by Armenians (which had been due to conflict-induced population shifts) and run by a political regime loyal to Yerevan whose territory was recognized internationally as being a part of Azerbaijan. Therefore, as a result of the Second Karabakh War, the 750 km border between Iran and Azerbaijan was fully recognized and with the deployment of the border forces of Azerbaijan in the 132 km border strip and the transfer of the border outpost in the Khoda Afarin region to within the borders of Iran, the common border came under the official control of the two countries, after three decades of a grey zone situation.

### *Dams and Power Plants*

The third issue we can discuss centers on the construction of the Khoda Afarin and Qiz Qala-e-Si' dams on the common border of the Aras river. The Khoda Afarin Dam is an earth-fill embankment dam on the Aras River straddling the international border between Iran and Azerbaijan. It is located 8 km west of Khomarlu in Iran's East Azerbaijan province and 14 km southwest of Soltanli in the Jabrayil District of Azerbaijan. Construction of the dam began in 2008 with Iranian financial support, but at that time the Jabrayil District was under the de facto control of Armenian forces. Therefore, in addition to coordinating construction with the Armenian forces, the Iranian government obtained permission from the Azerbaijani government to build this dam and its hydroelectric power plant, and the resulting document was approved by the Iranian parliament (the Islamic Consultative Assembly), which shows that Iran recognized this district as being a part of Azerbaijani sovereignty.

Iran also established a border outpost in the Jabrayil District adjacent to the Khoda Afarin

Dam in coordination with the Azerbaijani government to secure the Khoda Afarin Dam and its power plant. But in practice, due to the conditions prevailing in the region, the construction process of the dam was very slow and prior to the start of the Second Karabakh War, the Khoda Afarin Dam and its power plant could not be put into operation. In fact, the area's de facto control by Armenian forces prevented Iran from actually exploiting this facility. This issue naturally had a negative impact on the construction and completion of the Qiz Qala-e-Si' Dam, which is located 12 km downstream of the Khoda Afarin Dam.

But after the Second Karabakh War and the stabilization and normalization of the border regime along the aforementioned 132 km stretch of the border between Iran and Azerbaijan, an opportunity to complete the Khoda Afarin and Qiz Qala-e-Si' dams, along with their power plants, arose. Shortly after the Second Karabakh War came to an end, Iranian and Azerbaijani representatives of the Joint Technical Commission on the Khoda-Afarin Dam held a meeting in the Azerbaijani exclave of Nakhchivan in mid-December 2020 to discuss the joint operation of these

hydropower plants. The two countries agreed to install a 100-megawatt turbine on the Iranian side and a 100-megawatt turbine on the Azerbaijani side at the Khoda Afarin Dam. Indeed, with the deployment of the border forces of Azerbaijan in Jabrayil, the Iranian border outpost in the Khoda Afarin region was transferred to the Iranian side of the Aras river.

Thus, the Qiz Qala-e-Si' Dam was officially opened by Iran's energy minister, Reza Ardakanian, in mid-May 2021. He then left for the Aras Dam by helicopter, 30 km northwest of the city of Jolfa, to participate in a ceremony marking the fiftieth anniversary of the joint operation of the Aras and Mil-Mugan dams built along the Aras River. The ceremony also included the participation of Sabuhi Mammadov, Prime Minister of the Nakhchivan Autonomous Republic, and Mohammad Reza Pour Mohammadi, Governor of Eastern Azerbaijan. Arbakanian's Azerbaijani colleague, Parviz Shahbazov, also attended and underlined that the "Khudaferin and Giz Galasi HPPs, with a total installed capacity of 200 MW and 80 MW, respectively, will be built soon. As a result, we will be able to produce 716 million kilowatt-hours of electricity per year."

Thus, one of the valuable opportunities for Tehran and Baku after the Second Karabakh War has consisted of increasing cooperation in the construction and completion of the Khoda Afarin and Qiz Qala-e-Si' dams and their power plants, which can contribute to the prosperity of rural and agricultural areas on both sides of the Aras River.

## Railways

The fourth issue we can discuss revolves around the potential to revive a part of the Soviet-era railway network, thus strengthening Iran's transport connection with the Caucasus and beyond after decades of lost opportunities resulting from the outcome of the First Karabakh War.

During the 1930s and 1940s, the Soviet Union built a railway connection between Baku and Nakhchivan through Armenia's Meghri region, running parallel to Iran's border. The Iranian railway

connected in the Julfa District of Nakhchivan through the city of Jolfa in Iran's East Azerbaijan Province. In 1990 and 1991, the volume of cargo exchanges through the Jolfa border crossing amounted to 2.69 and 2.37 million tons, respectively, amounting to over 10 percent of Iran's imports. After the First Karabakh War, the regions of Fuzuli, Jabrayil, and Zangilan bordering on Iranian came under Armenian de facto control and the railway connection between Nakhchivan and mainland Azerbaijan was severed. While the northern railways from Armenia to Georgia and Azerbaijan to Russia continued to operate, Iran's railway connection with the Caucasus was cut due to the outcome of the First Karabakh War and cargo exchanges across this border dropped sharply.

---

*While the northern railways from Armenia to Georgia and Azerbaijan to Russia continued to operate, Iran's railway connection with the Caucasus was cut due to the outcome of the First Karabakh War and cargo exchanges across this border dropped sharply.*

---

Earlier, I had mentioned the Astara-Rasht-Qazvin railway in the context of the INSTC—a major transit and economic opportunity for Iran—and I also indicated the reasons why

one section remains incomplete. One of the terms of the tripartite agreement (Article 9) that ended the Second Karabakh War holds out the possibility for Iran to become reconnected to the southern railway network in the South Caucasus after three decades: “All economic and transport connections in the region shall be unblocked”—to quote from the document. The most direct interpretation of this sentence has understandably raised our expectations that after three decades, the deadlocks created in the region's transportation system, especially those involving railways, will be removed.

A revival of these Soviet-era railway lines would provide Iran with two new rail routes, both originating in Jolfa and Nakhchivan's Julfa District. The first route (south-north) is the Jolfa railway connection to Nakhchivan that then proceeds on to Yerevan and Tbilisi. The second route (west-east) runs from Jolfa to Nakhchivan and then crosses the southern borders of Armenia and then mainland Azerbaijan before proceeding to Baku and from there onward to Russia. At Julfa, the railway route divides into three branches: south to Jolfa in Iran, west

and north to Yerevan, and east along Armenia's southern border towards Azerbaijan.

For this reason, in the wake of the tripartite agreement, Tehran quickly articulated its support for the Nakhchivan connection. Iran's then-foreign minister, Mohammad Javad Zarif, stated that “the re-opening of the Julfa-Nakhchivan railway line is necessary for Iran's access to neighboring countries and the Eurasian market.” In order to pursue the plan to revive the Soviet-era railway, Iran's Transport and Urban Development Minister Mohammad Eslami and the Managing Director of Iran Railways, Saeed Rasouli, visited Yerevan in late May 2021 and Nakhchivan as well as Baku in June 2021. Iranian officials emphasized that existing infrastructure can potentially join Nakhchivan to the rest of Azerbaijan Republic, while the Tabriz-Nakhchivan railway could be revived and extended to Tbilisi. They also raised the possibility of constructing a railway from Nakhchivan to Kars in Turkey.

In practice, however, the realization of the rail projects is fraught with many difficulties. A substantial challenge is the

difference in how Yerevan and Baku interpret the aforementioned Article 9 of the tripartite agreement. Here we can reproduce it in full:

All economic and transport connections in the region shall be unblocked. The Republic of Armenia shall guarantee the security of transport connections between the western regions of the Republic of Azerbaijan and the Nakhchivan Autonomous Republic in order to arrange unobstructed movement of persons, vehicles and cargo in both directions. The Border Guard Service of the Russian Federal Security Service shall be responsible for overseeing the transport connections.

As agreed by the Parties, new transport links shall be built to connect the Nakhchivan Autonomous Republic and the western regions of Azerbaijan.

While the Azerbaijani side believes the document gives it the right to establish an overland transit corridor linking mainland Azerbaijan with its Nakhchivan exclave via Armenia's southern Syunik province (what Azerbaijan refers to as the "Zangezur corridor"), the Armenian side emphasizes that, in the agreement, the term "corridor," used four times in other parts of the tripartite agreement, refers only to Lachin. Until both parties find a way to clear

up the ambiguity found in Article 9, the full-on implementation of any further region-wide plans—including those put forth by Iran and Turkey—is unlikely.

The main question remains whether Armenia will ultimately agree to join the proposed effort to expand intra-regional economic ties, including the revival of Soviet-era connections that traverse the southern borders of the Caucasus. If this problem is overcome, a significant part of the Soviet-era railway will need major reconstruction. I visited Aghdam in April 2021 and witnessed the condition of the railway network in that area, which is unusable and needs to be completely replaced. I strongly believe that reviving the Soviet-era railroads in the South Caucasus could help regional convergence dynamics whilst achieving its full connectivity potential. In fact, such a revival could play a similar role in reconciling Armenia and Azerbaijan as did the European Coal and Steel Community with respect to France and Germany in the 1950s.

### 3+3

The fifth issue we can discuss concerns Iran's role in the proposed 3+3 regional format for the South Caucasus; a similar

proposal was elaborated by the Turkish president during his visit to Baku to attend the Victory Day parade in December 2020. Ankara's vision of the Six-Country Regional Cooperation Platform would bring together Iran, Russia, and Turkey together with Armenia, Azerbaijan, and Georgia. Iran's proposal, which involves the same states, also aims to serve as a new post-war regional integration platform. During a late-January 2021 meeting between Zarif and Aliyev in Baku, Azerbaijan's president welcomed Iran's interest in the proposal for a six-way regional cooperation platform, saying that "the initiative would benefit peace and [advance the] common interests of the region's countries." Indeed, a few days later, during the Russian leg of the same regional diplomatic tour, Zarif emphasized in Moscow that "we are looking to form a six-party cooperation union in the region, and this is the most important goal of this regional trip."

Iran boasts some key strengths and opportunities for pursuing the 3+3 Regional Cooperation Format in the South Caucasus. Iran is geographically the only state that borders Armenia, the main part of Azerbaijan, and the latter's Nakhchivan exclave. The borders between Armenia and Azerbaijan being closed, Iran has for decades

served as the sole transportation route between Nakhchivan and mainland Azerbaijan. Iranian participation is also crucial for reviving the Soviet-era railway network, as discussed above. Thus, the 3+3 initiative, if carried out successfully, would provide Iran with two new rail routes.

Indeed, as also noted above, Iran is the only country that has regular diplomatic relations with all three South Caucasus states: Armenia, Azerbaijan, and Georgia. Aside from the closed border between Armenia and Azerbaijan, Armenian-Turkish relations have been severed since 1993 whilst relations between Georgia and Russia have been strained since 2008. Therefore, only Iran would be in a leading position to host a high-level 3+3 meeting. Furthermore, Iran sits astride two important trans-continental transportation corridors. The INSTC, which crosses Iran, Azerbaijan, and Russia, has at its center the Rasht-Astara railway line, as discussed above. Additionally, the Persian Gulf-Black Sea Transit Corridor links up Armenia, Bulgaria, Georgia, Greece, and Iran. Therefore, Tehran's 3+3 cooperation plan for the South Caucasus could result in the combining of these two important and strategic transit corridors.



In addition to the substantial challenge centered on dissonant interpretations of Article 9 of the tripartite agreement, Georgia's opposition to the 3+3 format represents another one. Tbilisi's official position is that it will not take part in any regional body with Russia unless Moscow ends its occupation of Abkhazia and South Ossetia. In addition, Tbilisi is concerned that the northern trans-regional route passing through Azerbaijan, Georgia, and Turkey (first and foremost, the Baku-Tbilisi-Kars railroad) would be marginalized as a result of the revival of Soviet-era road and rail corridors to the south. Despite all these problems and challenges, I believe that the Caucasus region, analogous to post-World War II western Europe, can overcome these conditions and move towards greater regional cooperation by focusing on communication corridors and rail networks.

### *Demining*

The sixth issue we can discuss concerns Iran's participation in demining Azerbaijan's liberated territories. My visit to Aghdam and other areas in April 2021 allowed me to see firsthand the extent of the minefields. Iran experienced similar conditions in the context of the eight-year war with Iraq in which

five of our provinces in the west and south had been heavily mined by Baghdad. Many soldiers and civilians were killed or wounded by landmines during and after that war, and it took years for those areas to be demined.

It comes as no surprise that Azerbaijan has indicated that before starting reconstruction, clearing the liberated territories from mines and unexploded ordnance is a priority. "It will take up to 13 years for the complete demining of all Azerbaijani lands liberated from the Armenian occupation in Karabakh," said Gazanfar Ahmadov, director of the National Agency for Mine Action in Azerbaijan (ANAMA). For this reason, Aliyev in early February 2021 described Azerbaijan's mine clearance operations in the territories recently liberated from Armenian occupation as being "a priority task," adding that "this should be done in such a way that no accidents occur after the work is completed."

In such circumstances, the demining specialists of the Iranian Armed Forces, based on their extensive demining experience acquired in the context of the Iran-Iraq war, have a very good capacity to participate in demining the liberated areas along with the demining groups of Azerbaijan,

Russia, and Turkey (and perhaps others). The Ministry of Defense and Support of the Armed Forces of Iran as well as companies subordinate to the ministry have indicated their readiness to take part in this process.

Based on the principles of humanism, these companies are ready to clean up part of these territories free of charge, and the rest on a contractual basis, as Iranian Ambassador to Azerbaijan Seyyed Abbas Mousavi has noted. The fact is that the extent of the demined areas is such that without the participation of various countries, including Iran, one cannot expect demining to be completed in the near future, which will certainly affect negatively the process and speed of reconstruction of the liberated areas.

### *Joint Center*

The seventh issue we can discuss concerns Iran's possible presence and participation in the Joint Center for Monitoring the Ceasefire in Karabakh, currently staffed by Russian and Turkish personnel. Notwithstanding the fact that unlike Russia and Turkey, Iran borders the liberated territories of Zangilan, Jabrayil, and Fuzuli—and thus was directly affected

by the Second Karabakh War—unfortunately Iran does not participate in Joint Center's work.

The fact is that one cannot ignore the security concerns of a country whose villages and border areas were hit with the bullets and rockets of the war. There is no doubt that the presence of representatives of the Iranian Armed Forces in the Joint Center could contribute to peace, stability, and security in the region. Iran, like Russia, has diplomatic relations with Armenia, and these relations surely could be put to use in taking effective steps to manage the sensitive post-war situation. Therefore, I believe this issue belongs on the agenda of the talks taking place between the leaders of Azerbaijan, Armenia, and the Russian Federation.

### *Reconstruction*

The eighth and final issue we can discuss revolves around Iranian participation in the reconstruction of the liberated territories. Azerbaijan has already begun to implement large-scale development and reconstruction projects in the liberated territories, and the Azerbaijani government has announced the allocation of an initial \$1.3 billion to that end. In this regard, high-ranking officials

of Azerbaijan, including the president, have invited friendly countries, including Iran, to take part in reconstruction efforts. One comparative advantage is Iran's geographic proximity. Another is the lower cost of labor as well as construction equipment and material. A third is the high capability and capacity of Iranian companies. A fourth is cultural: the ethnic, linguistic, and religious closeness between the citizens of Iran that live in the areas bordering Azerbaijan.

And a fifth is, of course, the nature of our bilateral relationship: during his visit to Tehran in December 2020, Azerbaijan's Deputy Prime Minister Shahin Mustafayev hailed Iran as a friendly country and a brotherly neighbor of Azerbaijan, saying Azerbaijan holds strategic relations with the Islamic Republic. During the visit, Mustafayev met with the Head of the Iranian Presidential Administration Mahmoud Vaezi, Energy Minister Reza Ardakanian, and Defense and Armed Forces Support Minister Amir Hatami. Mustafayev again visited Tehran in May 2021, with Vaezi noting that "today, with the will of the presidents of the two countries relations have reached to a strategic level at all areas." For his part, Mustafayev underlined that the "level of relations between the two countries have reached the highest level in the recent years and the

political will of the presidents of the two countries have been very effective in this endeavor."

Still, despite all this, there is a feeling and perception in Iran that reconstruction opportunities are greater for companies from countries like Turkey, Russia, Pakistan, Italy, and Israel: in practice, Iranian companies have not yet been able to establish a foothold in the process of reconstruction of the liberated areas.

Some critics and experts in Iran argue that, compared with contracts concluded between the Azerbaijani government and Turkish and Italian companies for the construction of roads, airports, and other infrastructure, no specific and significant contracts have been awarded to Iranian companies. Therefore, in order to reverse this trend, it is necessary for the two countries—especially within the framework of their joint economic commission—to take practical and tangible steps towards the award of contracts to Iranian companies.

### *Concerns and Ambiguities*

Notwithstanding all the opportunities for the strategic advancement of relations between the two countries in the

wake of the Second Karabakh War, there are concerns and ambiguities inside Iran regarding the present situation in the South Caucasus. We should not turn a blind eye to these concerns and talk only about the development of capacities and the deepening of cooperation between the two countries. Concerns and misunderstandings should not be allowed to accumulate, lest they cast a shadow on recent efforts. Here we can speak of four such concerns and ambiguities from the Iranian perspective.

The first concern is the possibility of the resumption of war between Armenia and Azerbaijan—whether in the theater encompassing the zone of operation of the Russian peacekeepers, the liberated areas, or the sliver of Armenian territory between Nakhchivan and the main part of the Republic of Azerbaijan. As noted above, neither Georgia, Russia, nor Turkey directly borders these regions; but Iran does. Just as the Second Karabakh War directly affected Iran's northwestern areas, so would the resumption of hostilities. Therefore, it is clear that Iran neither supports nor welcomes any war or conflict in the region between its two northern neighbors.

The Iranian second concern centers on the question of establishing what Baku calls the Zangezur corridor. The prevailing perception in Iran is that this corridor would cut the land border between Iran and Armenia. Some commentaries, coupled with the publication of various maps in press outlets based in Azerbaijan and Turkey regarding the corridor route and potential placement of pipelines or energy transmission lines, completely ignore the weight of the border between Iran and Armenia. This has understandably caused various types of concerns and ambiguities in Iran, especially among academic elites and media centers.

In April 2021 I participated in a conference hosted by ADA University under the slogan "New Vision for South Caucasus: Post-Conflict Development and Cooperation." I heard President Aliyev underline that "Azerbaijan, Turkey, Russia, and Iran share the same approach to regional cooperation. The main area of concentration now is transportation, because it's a situation which is called 'win-win.' Everybody wins from that." I then availed myself of the opportunity to ask the president a question about the aforementioned ambiguity directly, and he

explicitly stressed that the establishment of a corridor between Nakhchivan and the main part of Azerbaijan would pose no threat to the Iranian-Armenian border. However, it seems that with the continuation of these discussions in Iranian media and the country's analytical space, this issue should still be addressed by Azerbaijan's officials, media, and experts.

The third concern from the Iranian perspective is the intensification of the activities of some pan-Turkic radical groups since the end of the Second Karabakh War, which understandably has raised unease inside Iran due to the possibility this could incite ethnic and separatist movements in the Azerbaijani populated regions of northwestern Iran. This is a sensitive subject, of course. But given the mutual respect that exists between Iran and Azerbaijan for each other's territorial integrity, coupled with Iran's support for the return of the Armenian-occupied territories to the rule of Azerbaijan prior to and during the Second Karabakh War, Tehran naturally expects Baku to address this matter.

More attention should be paid to the activities of some groups and those media outlets that are stimulating ethnic sentiments and separatism in the Azerbaijani-populated regions of northwestern Iran. Historical, cultural, religious, linguistic, and ethnic ties between these regions and the Republic of Azerbaijan are valuable assets that should not be allowed to become instrumentalized political tools of some groups and media, for this would cause discord and tension between Tehran and Baku.

Iran's fourth concern is the possible presence and participation of Israeli companies in the process of the reconstruction of the liberated areas near the Iranian border—that is to say, the regions of Fuzuli, Jabrayil, and Zangilan. Iran reasonable fears this could provide space and possibility for espionage and other security actions against Iran's national interests and security. Therefore, in the process of reconstruction of the liberated areas—especially in the areas adjacent to the Iranian border—it would be better for Baku to pay more

---

*The development of relations between the two countries has opponents both inside and outside the region.*

---

attention to this issue and the sensitivities of Tehran so that a “third factor” does not negatively affect the developing relations between the Islamic Republic of Iran and the Republic of Azerbaijan.

Even if these Iranian concerns and ambiguities are not true or exaggerated, they should still be taken into account: perceptions and misperceptions should also be addressed. In the framework of track-one diplomacy, these should be given more attention at the level of the officials of Azerbaijan. In this regard, the government and people of Iran should be assured that there are no concerns or threats regarding these four issues.

In the framework of track-two diplomacy—so at the non-governmental level, the media, and academic and study centers within Azerbaijan—the level of cooperation can be increased with counterparts in Iran to better address the latter's concerns. For example, for each of the four concerns and ambiguities, independent conferences and roundtables could be organized at which journalists, experts, and researchers from the two countries could exchange views and clear up misunderstandings.

Here it should be noted that the development of relations between the two countries has opponents both inside and outside the region.

### *Bilateral Ties, Regional Convergence*

Relations between the Islamic Republic of Iran and the Republic of Azerbaijan have been growing in recent years, particularly during Hassan Rouhani term in presidential office. Relations between the two countries in various political, economic, trade, social, cultural, security, and defense fields experienced significant growth that was not comparable to the situation before August 2013, when he came to power. Meanwhile, the Second Karabakh War, which ended with Azerbaijan's military victory, has provided new opportunities for the further development of relations between Tehran and Baku, some of the important aspects of which have been mentioned in this essay.

These opportunities are not limited to Iran and Azerbaijan, for in a regional context the scope is extendable to include Armenia, Georgia, Russia, and Turkey. This is the same opportunity that has been presented in the framework of Iran's 3+3 plan and Turkey's similar

proposal. The implementation of such a plan will both require and encourage a reduction of tensions and a lowering of the risk of a resumption of hostilities between Armenia and Azerbaijan, stabilizing the international border between the two countries, signing a mutual non-aggression treaty, and resolving disputes between Yerevan and Baku over the interpretation of Article 9 of the tripartite agreement. Undoubtedly, the starting point for cooperation between Armenia and Azerbaijan in the post-war period could be communication corridors, especially the revival of the Soviet-era railway lines in the South Caucasus region.

Iran can certainly contribute to a process of regional convergence in the South Caucasus. As I have already noted, Iran is the only neighboring country that has regular diplomatic relations with all three South Caucasus countries. And so, Iran is quite well-positioned to host a high-level meeting in a six-party (3+3) format. This should be seen as an advantageous capacity. I have no doubt that the hope and expectation of the nations concerned—including Iran, which has very close and historical ties with the South Caucasus—is the establishment of peace, stability, security, and development of the region. **BD**

[bakudialogues.ada.edu.az](http://bakudialogues.ada.edu.az)

# ADA UNIVERSITY INTERNATIONAL FELLOWSHIPS



International Fellowships are open to all international undergraduate and graduate applicants who have been admitted to one of ADA University's degree-granting schools.

- Incoming students eligible to receive a 100% tuition waiver for the first semester of their studies.
- Returning students who accumulate GPA of 2.50 or higher in undergraduate and GPA of 3.00 or higher in graduate programs receive a 100 % tuition waiver.

Check our website for program specific application requirements and deadlines.  
[ada.edu.az/admissions](http://ada.edu.az/admissions)

 ADAUniversity  ADA.University  ADA University  ADAUniversity

Ahmadbey Aghaoghlu str. 61, Baku, Azerbaijan | (+994 12) 437 32 35  
[admissions@ada.edu.az](mailto:admissions@ada.edu.az) | [ada.edu.az](http://ada.edu.az)

