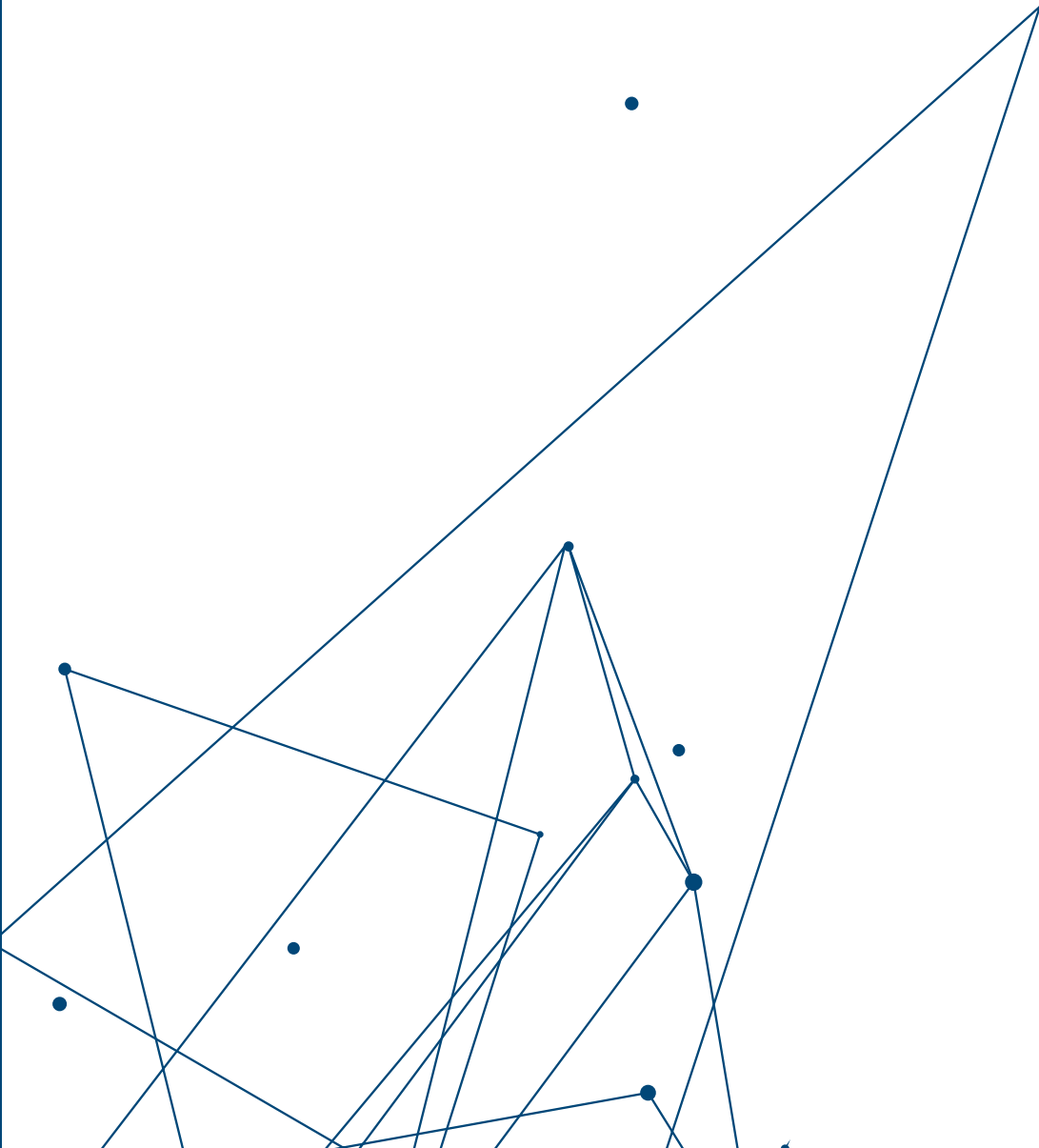


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Turkey in the South Caucasus: Implications for the EU

Ragıp Soylu



Ankara sees cooperation with the European Union as crucial for stabilising the South Caucasus, developing infrastructure for the Middle Corridor, and resolving frozen conflicts. However, Turkey prefers to keep its distance rather than fully engaging with Brussels, given the EU's perception of Ankara as a rival rather than a partner. This mindset excludes Turkey from EU policy discussions, preventing it from contributing its own assessments and priorities, and further deepens distrust and antagonism.

This paper is part of a series of CATS Network Papers that aim to assess Turkey's South Caucasus policy from the perspective of different actors.

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Table of Contents

1.	Introduction	4
2.	Overview of Turkey's Bilateral Relations	6
2.1	Azerbaijan	6
2.2	Georgia	8
2.3	Armenia	9
3.	Economy and Connectivity	11
4.	Security and Military Cooperation	17
5.	Development and Sustainability Issues	19
6.	Turkey's South Caucasus Policy and its Impact on the EU	21
7.	Ankara's Expectations towards the EU and its Policy in the South Caucasus	24
7.1	Turkey Sees Partnership and Some Rivalry with the EU	26
7.2	Turkey is Cautious About the EU Member States Increasing Weapons Sales to the South Caucasus	28
7.3	Turkey and the EU's Global Gateway Programme	30
7.4	Turkey's View of the EU as an Actor in the Region	31
7.5	Turkey's View of EU and US Policy Goals in the Region	34
8.	Implications and Recommendations	37
8.1	Policy Recommendations	39
	Abbreviations	41

1.

Introduction

Turkish foreign policy since 2016 has taken a *realpolitik* turn, focusing on long-term benefits and cooperation with neighbouring countries to maximise Turkey's interests in the South Caucasus. One of the most significant manifestations of this policy was Ankara's role in assisting Azerbaijan's victory in the Second Karabakh War. After nearly a century of absence, Turkey sought to reassert its presence in the South Caucasus – if necessary, through hard power. Before 2020, the last serious deployment of Turkish troops in the Caucasus had been during the Russian Civil War, which resulted in brief independence for Armenia, Azerbaijan, and Georgia between spring 1918 and spring 1920. By returning to the region, Turkey signalled its intent to play a long-term strategic role in protecting its political and commercial interests beyond its immediate neighbourhood, into the Central Asian Turkic states. Ankara did not hesitate to deploy its own high-ranking military commander, armed drones, and proxy forces while also establishing a sophisticated military infrastructure to support Azerbaijan's victory.¹

Ankara's perception of its core interests in the region remains unchanged since the end of the Cold War, although its methods for pursuing them have evolved. Turkey was quick to recognise the independence of all three South Caucasus republics in 1991, realising the need for a strategic policy to counter Russian influence and open the region to Turkish political and commercial interests. Ankara's primary objectives in the region are to support political stability and territorial integrity while expanding Turkey's economic footprint. This includes increasing exports and investments, and securing infrastructure projects for Turkish construction companies (in Georgia and Azerbaijan, and potentially in Armenia in the near future).

Another key priority for Turkey is establishing and maintaining vital energy and trade corridors, such as the Baku–Tbilisi–Ceyhan (BTC) pipeline, the Southern Gas Corridor, and railway routes. Turkey seeks to position itself as an energy and trade gateway to Europe and an energy hub capable of setting benchmark gas prices. To this end, Ankara is keen to participate in projects like the Middle Corridor and China's Belt and Road Initiative. It ought therefore to be positively disposed to China's recent offer

¹ Ragıp Soylu, "Why Turkey returned to the Caucasus after a hundred years", *Middle East Eye* (online), 11 December 2020, <https://www.middleeasteye.net/news/turkey-azerbaijan-armenia-caucasus-return-why> (accessed 29 February 2024).

to “synergize high-quality Belt and Road cooperation with the European Union’s Global Gateway strategy”.²

More importantly, the ultimate strategic aim is to leverage the South Caucasus as a land bridge between Turkey and the Turkic Central Asian states, in order to strengthen ties through the Organisation of Turkic States.

Ankara also sees cooperation with the European Union as crucial for stabilising the South Caucasus, developing infrastructure for the Middle Corridor, and resolving frozen conflicts. However, Turkey prefers to keep its distance rather than fully engaging with Brussels, given the EU’s perception of Ankara as a rival rather than a partner. This mindset excludes Turkey from EU policy discussions, preventing it from contributing its own assessments and priorities, and further deepens distrust and antagonism.

While Ankara does not seek to antagonise Russia or Iran, it aims to counterbalance and limit their influence in the region. At the same time, Turkey looks for opportunities to collaborate with Moscow and Tehran on mutually beneficial solutions, particularly when its national interests are at stake. The lack of coordination between Turkey and the European Union also pushes Ankara toward ad hoc cooperation with Russia and Iran to address urgent regional challenges. In the past, these included the Astana talks on Syria, strategic energy cooperation on gas, and broader engagement between Turkey and Russia during the Second Karabakh War, in which both sides worked together to obtain a ceasefire.

² Ministry of Foreign Affairs of China, “Keynote Speech by H.E. Wang Yi, At the 61st Munich Security Conference, Conversation with China”, Munich, 14 February 2025, https://www.fmprc.gov.cn/eng/wjbxhd/202502/t20250215_11555665.html.

2.

Overview of Turkey's Bilateral Relations

Turkey's engagement with Azerbaijan and Georgia has been far more direct and longstanding than with Armenia. Given the limited interactions with Yerevan since the early 1990s, Turkey's relationships with Baku and Tbilisi should be viewed separately from its approach to Armenia.

2.1

Azerbaijan

Since the early years of the new Azerbaijan republic in the 1990s, Baku and Ankara defined their relationship in the motto “one nation, two states”, specifically underlining the societal similarities stemming from Turkic language and culture. The motto suggests that two countries have eternal bonds, making them natural allies in an unstable region of turmoil, wars, and frozen conflicts.

The bilateral relationship went through many ups and downs before 2010, when both sides decided to raise the level of their relationship, creating a cabinet-level Turkey-Azerbaijan High Level Strategic Council to discuss ways to enhance their relationship. The decision to switch to this new platform came after Azerbaijan protested Turkey's efforts to reconcile with Armenia without Azerbaijan's approval. In 2009, Azerbaijan also made several thinly veiled threats against Ankara regarding energy issues.³ When Baku torpedoed the Armenia-Turkey protocols on the grounds (which had been the norm since the end of the First Karabakh War in May 1994, if not before) that the road to Armenian normalisation with Turkey runs through a peace agreement with Azerbaijan, this also created a new opportunity for Ankara to progress its relations with Baku.

³ Unsal Ereke, “Gazı ucuz almıyoruz fazlasını da öderiz” [We don't buy gas cheaply, we'll pay more], *Milliyet* (online), 20 October 2009, <https://www.milliyet.com.tr/ekonomi/gazi-ucuz-almiyoruz-fazlasini-da-oderiz-1152251> (accessed 29 February 2024).

Some would argue that President Recep Tayyip Erdoğan's response to the July 2016 coup attempt also triggered or at least accelerated a shift from an Islamist-centric to a nationalist-centric approach in domestic and foreign policy. After establishing a political alliance with the Turkish nationalist leader Devlet Bahçeli and his National Movement Party (MHP), which has long argued for closer ties with Baku and supported the idea of Turan, a union with the Turkic countries in Central Asia, Erdoğan amended the constitution and realised his long-standing dream of transitioning Turkey to a presidential system. At the same time, more Turkish nationalist undertones appeared in his speeches, gradually balancing his religious messaging with a different shade of nativism as he allowed MHP-affiliated cadres to capture crucial positions within the security sector, including the police and the judiciary.

Although there had been a certain amount of military cooperation before 2020, including joint training, military exercises, and some defence industry collaboration, it was the Second Karabakh War that created an unprecedented military and security alliance. As Azerbaijan's President Ilham Aliyev put it: "[...] there are no two countries in the world as close to each other as Turkey and Azerbaijan."⁴ Visa-free travel in both directions was also introduced following the war.

Today, bilateral relations are better than ever. Turkey treats Azerbaijan as a major strategic and economic partner, which it has pledged to protect, under the 2021 Shusha Declaration.

If, in the opinion of one of the parties, there is a threat or an act of aggression from a third state or states against their independence, sovereignty, territorial integrity [...] the parties will hold joint consultations and, in order to eliminate this threat or acts of aggression, carry out initiatives in accordance with the purposes and principles of the UN Charter,

the declaration said. "A decision will be made to secure defence needs for the adoption of joint measures and coordinated activities will be organized by power-wielding and administrative agencies of the Armed Forces."⁵

Many were surprised by Aliyev's unprecedented support for Erdoğan during the May 2023 Turkish presidential elections. Aliyev openly stated his support for Erdoğan

⁴ Emre Gürkan Abay, "Azerbaycan Cumhurbaşkanı Aliyev: Bugün Erdoğan'ın Türkiye'si dünyaya bağımsızlık ve cesaret örneğidir" [President of Azerbaijan Aliyev: Today Erdogan's Turkey is an example of independence and courage to the world], *Anadolu Ajansı (AA)* (online), 10 December 2020, <https://www.aa.com.tr/tr/dunya/azerbaycan-cumhurbaskani-aliyev-bugun-erdogan-in-turkiye-si-dunyaya-bagimsizlik-ve-cesaret-ornegidir/2072605> (accessed 27 December 2024).

⁵ "The full text of the Shusha Declaration", *Aze.Media* (online), 18 June 2021, <https://aze.media/the-full-text-of-the-shusha-declaration/> (accessed 20 March 2025).

during a visit to Turkey just weeks before the vote,⁶ while scolding the opposition for their failure to recognise Azerbaijan's importance in the context of the Middle Corridor.⁷ While the Turkish opposition supported the Middle Corridor initiative in principle, Aliyev was unhappy with the Turkish opposition leader Kemal Kılıçdaroğlu's draft map, which bypassed Azerbaijan and proposed an alternative route through Iran.

2.2

Georgia

The bilateral relationship between Tbilisi and Ankara has been stable and based on mutual interests since Turkey recognised Georgia's independence in 1991. Georgia represents an important economic corridor for Turkey, with which it shares numerous cultural ties. President Erdoğan often refers to such nations as part of Ankara's "world of the heart". It is therefore unsurprising that one of the first branches of the Turkish Cooperation and Coordination Agency (TİKA) was established in Georgia in 1994. Since then, TİKA has been involved in rebuilding, renovating, and constructing hundreds of structures, including buildings, underpasses, government offices, and housing.⁸ After Ankara and Baku decided to close their respective borders with Armenia following the latter's military gains in the First Karabakh War in April 1993, Georgia emerged as a major strategic partner for both, especially in international energy and transport projects.

Turkey recognises Georgia's territorial integrity and supports its efforts to strengthen ties with the EU and the West. Visa-free travel in both directions was introduced in 2011. Bilateral economic relations have also grown in recent years, facilitated by a free trade agreement signed in 2007. Since 2014, the relationship has been managed through the Turkey-Georgia High Level Strategic Council.

A trilateral format involving Georgia, Azerbaijan, and Turkey was established in 2012 to improve coordination and seek "institutionalization of relations in different

⁶ Barçın Yinanç, "Seçimlere Üç Dış Müdahale" [Three External Interventions in the Elections], *Daktilo 1984* (blog), 24 May 2023, <https://daktilo1984.com/yazilar/secimlere-uc-dis-mudahale/> (accessed 29 February 2024).

⁷ "Aliyev'den Kılıçdaroğlu'nun tarihi İpek Yolu'nu canlandırma projesi'ne tepki" [Aliyev reacts to Kılıçdaroğlu's project to revive the historical Silk Road], *Cumhuriyet* (online), 11 May 2023, <https://www.cumhuriyet.com.tr/dunya/aliyevden-kilicdaroglunun-tarihi-ipek-yolunu-canlandirma-projesine-tepki-2080105> (accessed 29 February 2023).

⁸ Republic of Türkiye Ministry of Foreign Affairs, *Gürcistan Ekonomisi [Economy of Georgia]* (Ankara, n.d.), <https://www.mfa.gov.tr/gurcistan-ekonomisi.tr.mfa> (accessed 29 February 2024)

sectors”, such as “energy, economy, and political relations”.⁹ The three countries also conduct trilateral military exercises: “Caucasus Eagle” involving special forces since 2012,¹⁰ and “Eternity” testing protection of energy and infrastructure projects since 2017.¹¹

2.3 Armenia

Ankara’s relationship with Yerevan has been improving since the Second Karabakh War in 2020, but remains difficult. Although Turkey was one of the first nations to recognise Armenia’s independence in 1991, Yerevan’s military gains in the First Karabakh War ended the relationship. Ankara closed its borders with Armenia in April 1993 and severed formal diplomatic ties. To this day, they have no diplomatic relations.

Ankara must always consider Baku’s concerns when engaging with Yerevan, as witnessed during the unsuccessful negotiations between Turkey and Armenia in autumn 2009. Baku publicly and privately opposed any normalisation between Turkey and Armenia without resolution of the Karabakh conflict. Azerbaijan actively sought to derail the Zurich Protocols, even threatening to raise the price of its natural gas exports to Turkey. An Armenian Constitutional Court ruling in January 2010 further complicated the process by making normalisation conditional on Ankara’s unreserved recognition of the Armenian Genocide, effectively ending hopes for a breakthrough. Armenian officials argue that this is no longer an issue, as the court validated the regulation governing the joint Armenian–Azerbaijani border delimitation commissions, indicating that international agreements take precedence over the constitution.¹²

Now that Azerbaijan has largely resolved the Karabakh issue through military means, Ankara has stated that the main roadblock to reconciliation has been removed.

⁹ Zaur Shiriyeu, “Institutionalizing a Trilateral Strategic Partnership: Azerbaijan, Georgia, Turkey”, Policy Paper (Tbilisi: Konrad-Adenauer-Stiftung [KAS], 24 August 2015): 7, https://www.kas.de/c/document_library/get_file?uuid=cd257d1b-df92-5184-9ad4-2a5dd95c0886&groupId=252038 (accessed 03 February 2025).

¹⁰ Ibid: 13.

¹¹ Rashid Shirinov, “Azerbaijani, Georgian and Turkish servicemen hold joint military exercises”, *Azernews* (online), 26 September 2017, <https://www.azernews.az/nation/119519.html> (accessed 12 March 2025).

¹² “Armenian Constitutional Court rules border delimitation regulation constitutional”, *Jam News* (online), 28 September 2024, <https://jam-news.net/armenian-constitutional-court-on-delimitation/> (accessed 18 May 2025); and interview with a senior Armenian diplomat in March 2025.

In December 2021, with Azerbaijan's approval, Turkey and Armenia appointed special representatives to draft a roadmap for normalisation. Since then, Turkish President Recep Tayyip Erdoğan and Armenian Prime Minister Nikol Pashinyan have held several phone calls and met on the sidelines of international summits. Direct passenger flights between the two countries resumed in February 2022, with air freight following in July 2022. They also agreed to allow third-country citizens to cross their borders. However, as of January 2025, the land border remains closed.

A significant breakthrough occurred in February 2023, when Armenia sent an aid convoy to Turkey's earthquake-stricken regions as a gesture of goodwill. A border crossing in Turkey's Iğdır province was opened temporarily for the first time in thirty-five years, to allow an Armenian delegation to enter Turkey with five trucks carrying approximately 100 tons of humanitarian aid.¹³

Sources close to the Turkish government also say that Turkey had been making some hidden favours to Yerevan through its Eastern border. Nevertheless, Ankara has remained sensitive to Baku's red line on sequencing, and has respected it fully. This is unlikely to change: Turkey will not normalise with Armenia until a peace deal between Armenia and Azerbaijan has been agreed, signed, and perhaps even ratified.

¹³ Hüseyin Yıldız, "Ermenistan sınır kapısı 35 yıl sonra deprem bölgesine yardım için açıldı" [Armenian border crossing opened after 35 years for aid to the earthquake zone], *Anadolu Ajansı (AA)* (online), 11 February 2023, <https://www.aa.com.tr/tr/asrin-felaketi/ermenistan-sinir-kapisi-35-yil-sonra-deprem-bolgesine-yardim-icin-acildi/2815588> (accessed 02 January 2025).

3.

Economy and Connectivity

Turkish officials, including ministers, have repeatedly said on the record that Turkey's primary goal in the Caucasus is to revive the ancient Silk Road – specifically, the modern Middle Corridor – to facilitate trade from China to Europe through Turkey and its eastern neighbours.¹⁴

To this end, Turkey has invested heavily in the Baku–Tbilisi–Kars railway, which has the potential to expedite freight transport from Central Asia and the South Caucasus to Europe via Turkey's Marmaray tunnel. The first Chinese freight train used this route in December 2019. Turkish officials stated that the project would reduce journey times between China and Europe to just eighteen days.¹⁵

The volume of freight passing through the Middle Corridor increased 2.5 times to 1.5 million tonnes in 2022 due to the war in Ukraine. Additionally, the route recorded a 33 percent increase in container traffic, reaching 33,600 twenty-foot equivalent (TEU) containers.¹⁶ There was a significant jump in traffic totalling 50,500 TEU containers in the first 11 months of 2024 and the capacity for the route reportedly jumped to 100,000 TEUs.¹⁷ The cargo volume also nearly doubled between 2022 and 2024 to 4.1 million tonnes.

However, the corridor is still operating well below its potential. In January 2023, transport time increased to fifty days due to various bureaucratic and infrastructure challenges. These include long waiting times at Kazakh customs, insufficient ferry capacity in the Caspian Sea, and Turkish regulations requiring goods to be placed in

¹⁴ The text is based on interviews with officials and diplomats in January and February 2024.

¹⁵ “Modern İpek Yolu için tarihi gün (China Railway Express, Ankara'dan törenle uğurlandı)” [Historic day for the modern Silk Road (China Railway Express was sent off from Ankara with a ceremony)], *NTV* (online), 11 November 2019, <https://www.ntv.com.tr/ekonomi/modern-ipek-yolu-icin-tarihi-gun-china-railway-express-ankaradan-torenle-ugurl,ZiAGzZb4koCdHVCNLGMmHg> (accessed 29 February 2024).

¹⁶ Trains–Caspian International Transport Route, *Middle Corridor container traffic, thousand TEU* (Astana, n.d.), <https://middlecorridor.com/en/> (accessed 04 January 2024).

¹⁷ Saniya Sakenova, “Cargo Transport via Middle Corridor Surges to 4.1 Million Tons in 11 Months”, *The Astana Times* (online), 18 December 2024, <https://astanatimes.com/2024/12/cargo-transport-via-middle-corridor-surges-to-4-1-million-tons-in-11-months/> (accessed 04 January 2025).

specific containers upon entering Turkish territory.¹⁸ What is more problematic is that Turkey's infrastructure for rail freight is generally insufficient and poorly connected to organised industrial zones. This disconnect undermines potential trade opportunities and limits industrial output, making it difficult for businesses to utilise the Middle Corridor's potential to the full.

The BTK railway also faces the risk of sporadic closures due to infrastructure challenges, which are particularly common in Georgia. This was evident when the railway was shut down for upgrades and repairs for a year, resuming operations only in May 2024. Since then, it has been continuously operational.¹⁹

Despite the optimistic projections, transport time from China to Europe via the Middle Corridor remains around twenty-four days in the best-case scenario – significantly longer than the fifteen days claimed by Turkish officials, which appears to be an exception rather than the norm.²⁰ After a series of reforms, the Trans-Caspian International Transport Route Coordination Center still aims to reduce the transit time between China and Europe to just 15 days (as of December 2024).²¹

A source at a logistics firm directly involved in rail transit through the Middle Corridor said that journey times would vary between twenty and thirty days depending on many factors. The source, who wished to remain anonymous, complained about Kazakh customs and long waits in Azerbaijan to cross the Caspian Sea, mostly due to weather conditions and lack of necessary infrastructure.²²

Transit times by road are even higher, easily exceeding thirty or even fifty days, due to inadequate ferry capacity on the Azerbaijan–Kazakhstan crossing, and delays at the Turkey–Georgia and Turkey–Bulgaria borders.²³ As a result, freight operators prefer

¹⁸ Aysel Yücel, “Orta Koridor’da hesap terse döndü” [Reversal in the Middle Aisle], *Ekonomim* (online), 05 January 2023, <https://www.ekonomim.com/sectorler/lojistik/orta-koridorda-hesap-terse-dondu-haberi-678884> (accessed 29 February 2024).

¹⁹ “Baku–Tbilisi–Kars railway section closed”, *ABC Az* (online), 16 May 2023, <https://abc.az/en/news/119635/baku-tbilisi-kars-railway-section-closed> (accessed 29 February 2023); “Baku–Tbilisi–Kars railway is officially open again after year-long closure”, *Rail Freight* (online), 23 May 2024, <https://www.railfreight.com/infrastructure/2024/05/23/baku-tbilisi-kars-railway-is-officially-open-again-after-year-long-closure/?gdpr=accept> (accessed 20 January 2025).

²⁰ Sophia Shkuro, “Eurasian Railway Corridor: Overview of 2024 Trends in Rail Freight from China to Europe”, *SeaRates* (blog), 30 December 2024, <https://www.searates.com/blog/post/eurasian-railway-corridor-overview-of-2024-trends-in-rail-freight-from-china-to-europe> (accessed 04 January 2024).

²¹ İlham Karimli, “Trans-Caspian International Transport Route Sets New Record in 2024”, *Caspian News* (online) 19 December 2024, <https://caspiannews.com/news-detail/trans-caspian-international-transport-route-sets-new-record-in-2024-2024-12-18-27/> (accessed 02 April 2025).

²² Telephone interview with company official in April 2025.

²³ Comments to the author by Alpdoğan Kahraman, vice-chairperson at Turkey-based International Transporters Association, in April 2025.

the Black Sea route, which ships cargo from Georgia directly to Romania and other coastal countries, undercutting the full Turkish potential.²⁴

However, a new route has appeared recently to try to take advantage of both Black Sea and Turkish ports by following the Georgian coast to Istanbul using sea lanes. Cargo shipments transported by Danish company Maersk that left Japan in February 2025 reached Istanbul in twenty-two or twenty-three days using this route, according to preliminary data.²⁵

One could argue that the Georgia routes also have their own weaknesses, as Georgian ports are mostly operating close to full capacity. The Georgian government aims to resolve the issue by building a deep-water port in Anaklia, which would be capable of accommodating ships carrying up to 10,000 TEU containers and have a capacity to handle 600,000 containers annually.²⁶ Construction, which is led by the Chinese state-owned CCCC, started in September 2024 and is scheduled to be completed by 2029.²⁷

In order to overcome these issues, Turkey aims to modernise its railway network and build new lines until 2053, more than doubling the length of track to 28,500 kilometres and increasing the number of provinces with high-speed services from eight to fifty-two in the same year.²⁸ Ankara also aims to increase rail transport's share of freight exports tenfold in the coming years. It has already established a few logistics centres throughout Turkey, including in the border province of Kars in 2023.²⁹ Plans are underway to build a second railway link between Asia to Europe using Istanbul's third bridge. Ankara also aims to halve the time required for rail freight between Istanbul (Halkalı) and the Bulgarian border (Kapıkule in Edirne).³⁰

²⁴ The World Bank, *Middle Trade and Transport Corridor* (Washington D.C., 26 November 2023), <https://www.worldbank.org/en/region/eca/publication/middle-trade-and-transport-corridor> (29 February 2023).

²⁵ Ali Dayar, *22 Days from Japan to Europe: East Asia's Middle Corridor Milestone* (Washington D.C., Caspian Policy Center [CPC], 27 March 2025), <https://caspianpolicy.org/research/middle-corridor/22-days-from-japan-to-europe-east-asias-middle-corridor-milestone> (accessed 02 April 2025).

²⁶ "Georgia: A Global Gateway on the Black Sea", *Bloomberg* (online), <https://sponsored.bloomberg.com/article/georgia-a-global-gateway-on-the-black-sea> (accessed 04 January 2025).

²⁷ "Georgian PM announces launch of construction of 'strategic' Anaklia deep sea port", *Agenda GE* (online), 22 October 2024, <https://agenda.ge/en/news/2024/41185#gsc.tab=0> (accessed 04 January 2025).

²⁸ Arife Yıldız Önal, "52 il hızlı trenlerle birbirine bağlanacak" [52 provinces will be connected by high speed trains], *Anadolu Ajansı* (AA) (online), 09 April 2022, <https://www.aa.com.tr/tr/ekonomi/52-il-hizli-trenlerle-birbirine-baglanacak/2559278> (accessed 29 February 2023).

²⁹ Hülya Ömür Uylaş, "Ulaştırma ve Altyapı Bakanı Karaismailoğlu: Yurt dışı yük taşımacılığında demir yolunun payı 10 kat artacak" [Minister of Transport and Infrastructure Karaismailoğlu: The share of railway in international freight transport will increase 10 times], *Anadolu Ajansı* (AA) (online), 05 April 2023, <https://www.aa.com.tr/tr/ekonomi/ulastirma-ve-altyapi-bakani-karaismailoglu-yurt-disi-yuk-tasimaciliginda-demir-yolunun-payi-10-kat-artacak/2864214> (accessed 29 February 2024).

³⁰ Soner Aydın, "Bakan Uraloğlu duyurdu! Marmaray'a alternatif ikinci bir demiryolu hattı geliyor" [Minister Uraloğlu announced! A second railway line is coming as an alternative to Marmaray], *Milliyet*

Turkey signed a “roadmap” deal with Azerbaijan, Georgia, and Kazakhstan in November 2022 to resolve the challenges along the Middle Corridor and improve its efficiency. And in April 2024 Ankara also ratified an expedited customs transit process with Azerbaijan and Georgia, reducing the time spent at the respective borders by ensuring that goods in international transit are not normally subject to physical inspection.³¹

Ankara also believes the so-called Zangezur corridor, which is projected to pass through Azerbaijan to Armenia and to Turkey via Azerbaijan’s Nakhchivan exclave, could be incorporated into the Middle Corridor. It could be done along with the existing route from Azerbaijan through Georgia into Turkey. The Turkish government perceives this potential railway and highway, if Yerevan agrees, as a crucial line to Central Asia’s Turkic countries.³²

Even though the line through Armenia is more preferable, Turkish President Recep Tayyip Erdoğan said in September 2023 that Ankara was also in favour of the Iranian option, known as Aras Corridor, to realise the project if Armenia is not willing to cooperate.³³ The Turkish state news Agency Anadolu reported in January 2024 that Turkish construction companies had been taking part in constructing parts of the Aras Project, which had been progressing slowly due to geopolitical jockeying.³⁴

Turkey has also invested heavily in energy connectivity projects over the years. International projects connecting Turkey, Azerbaijan, and Georgia include the Baku–Tbilisi–Ceyhan (BTC) oil pipeline (completed in 2006), the Baku–Tbilisi–Erzurum (BTE) gas pipeline (completed in 2006), and the Trans–Anatolian Gas Pipeline (TANAP) (completed in 2019) (TANAP is part of the larger Southern Gas Corridor).

(online), 14 October 2023, <https://www.milliyet.com.tr/gundem/bakan-uraloglu-duyurdu-marmaraya-alternatif-ikinci-bir-demiryolu-hatti-geliyor-7019886> (accessed 29 February 2024)

³¹ Presidency of the Republic of Türkiye, *Bakü–Tiflis–Kars Demiryolu Projesinde Gümrük İşlemleri Kolaylaştırıldı* [Customs Transactions Facilitated in Baku–Tbilisi–Kars Railway Project], Resmi Gazete No. 32513 (Ankara, 07 April 2024), <https://www.resmigazete.gov.tr/eskiler/2024/04/20240407-1.pdf> (accessed 04 January 2025).

³² The text is based on interviews with officials and diplomats in January and February 2024.

³³ “Zengezur Koridoru: Ermenistan ya da İran üzerinden açılacak” [Zangezur Corridor: To be opened via Armenia or Iran], *TRT Haber* (online), 29 September 2023, <https://www.trthaber.com/haber/gundem/zengezur-koridoru-ermenistan-ya-da-iran-uzerinden-acilacak-799331.html> (accessed 04 January 2025).

³⁴ Fuad Shahbazov, “New Azerbaijan–Iran Railway Agreement Grapples With Regional Tensions”, *Eurasia Daily Monitor* 21, no. 168 (Washington D.C., Jamestown Foundation, 18 November 2024), <https://jamestown.org/program/new-azerbaijan-iran-railway-agreement-grapples-with-regional-tensions/> (accessed 04 January 2024).

Ruslan Rehimov, “Azerbaijan accelerates Zangezur corridor construction, opening vital transport routes”, *Anadolu Agency (AA)* (online), 09 January 2024, <https://www.aa.com.tr/en/europe/azerbaijan-accelerates-zangezur-corridor-construction-opening-vital-transport-routes/3104421> (accessed 05 January 2025).

A MoU signed by Azerbaijan and the EU in July 2022 foresees Azerbaijan doubling the capacity of the Southern Gas Corridor by 2027, which would also involve doubling TANAP's annual capacity of 16 billion cubic metres. However, no final confirmation had been given to TANAP operators to increase their output, since this would require substantial investment by Western-controlled financial institutions to finance a strategic hydrocarbon project, long-term contracts by EU-based actors, and regulatory fine-tuning by Brussels – all of which would require a political decision to amend the EU's near term decarbonisation targets and a further energy need since EU's gas consumption had been discouraging.³⁵ Still, the Turkish Energy Ministry remains committed to meet the 2027 targets in strategic plans for the period in 2028.

Baku pumped more than planned through TANAP in 2023, totalling 22 billion cubic metres in the year.³⁶ However, in March 2025 Turkey and Azerbaijan also completed an Iğdır-Nakhchivan gas pipeline to supply the Azerbaijani exclave's energy needs.

In the summer months Ankara regularly imports electricity from Georgia, where Turkish companies own and operate power plants such as the 85 MW Paravani Hydro Plant and the 230 MW Gardabani Combined Cycle Power Plant.

In terms of trade, Ankara has extensive commercial ties with Baku. Turkey is one of the largest investors in Azerbaijan, with US\$16 billion in direct investment as of 2024, mainly focusing on the oil and gas sector. Turkish companies also invest in industry, telecommunications and construction.

In the other direction, Azerbaijan, with its 2,000 companies, has approximately \$20 billion invested in Turkey as of 2024.³⁷ The State Oil Company of the Republic of Azerbaijan (SOCAR) made the largest one-time foreign investment in the history of Turkey in 2018, committing US\$6.3 billion to establish the Star refinery. The volume of trade between the two countries reached US\$6.1 billion in 2024, making Turkey Baku's second largest trading partner, after Italy with US\$11.3 billion.³⁸ In January

³⁵ "TANAP Considers Expansion to Supply More Gas to European Markets", *Pipeline Technology Journal* (ptj) (online), 06 October 2024, <https://www.pipeline-journal.net/news/tanap-considers-expansion-supply-more-gas-european-markets> (accessed 04 January 2025).

³⁶ Fuat Kabakçı, "Bu yıl TANAP'tan Türkiye'ye 10,2 milyar metre küp gaz taşınacak" [TANAP will transport 10.2 billion cubic metres of gas to Turkey this year], *Anadolu Ajansı* (AA) (online) 11 June 2023, <https://www.aa.com.tr/tr/ekonomi/bu-yil-tanaptan-turkiyeye-10-2-milyar-metrekup-gaz-tasinacak/2919498> (accessed 29 February 2024).

³⁷ "Azerbaycan ve Türkiye'nin son 30 yılda karşılıklı yatırım hacmi açıklandı" [Mutual investment volume of Azerbaijan and Turkey in the last 30 years], *Business Media* (online), 27 August 2024, <https://bm.ge/tr/news/turkiyenin-afrika-ulkelerine-ihracati-20-milyar-dolara-yaklasti> (accessed 06 April 2025).

³⁸ Gubad Ibadoghlu, "Azerbaijan Foreign Trade 2024: Statistical Analysis and Devaluation Expectations", *Econstar* (online), <https://www.econstar.eu/bitstream/10419/309064/1/Ibadoghlu-Azerbaijan-Foreign-Trade-2024.pdf> (accessed 06 April 2025).

2025 SOCAR announced further plans to invest \$7 billion in Turkey's petrochemical industries and clean energy.³⁹

Azerbaijan also granted infrastructure contracts in Karabakh largely to Turkish construction firms, reaching a volume of US\$4 billion in 2021. Whatever other factors were involved, Ankara's unconditional support for Azerbaijan during the Second Karabakh War was clearly one of the most important.

Since 2021, Turkey has taken the lead in establishing farming and agricultural initiatives in Karabakh, planting thousands of trees and setting up a large model farm.

A preferential trade deal between Turkey and Azerbaijan, primarily covering agricultural and food products, was signed in February 2020 and ratified in January 2021. The long-term objective is to work toward a free trade agreement.

Ankara's trade relations with Georgia are also important, if less significant than those with Baku. Turkish firms have made strategic investments in Georgia, including ownership of Tbilisi and Batumi airports, as well as hotels and factories across the country. The volume of trade between Turkey and Georgia reached US\$3.2 billion in 2024, making Turkey Georgia's largest trade partner.

In September 2023, Ankara activated the agricultural protocols associated with the free trade agreement signed with Tbilisi in 2007, abolishing duties on a range of agricultural products, including poultry and stock farming.

Georgia's second-largest trade partner in 2024 – after Turkey – was Russia with US\$2.5 billion, followed by the United States with US\$2.1 billion, China with US\$1.9 billion, and Germany with US\$1.3 billion. However, seen as a bloc the EU was Georgia's largest trading partner in 2024, accounting for 20 per cent of total trade, followed by Turkey with 13.8 per cent and Russia with 10.8 per cent.⁴⁰

³⁹ Ragip Soylu, "Azerbaijan's state oil company to invest \$7bn in Turkey", *Middle East Eye* (online), 06 January 2025, <https://www.middleeasteye.net/news/azerbaijan-oil-company-socar-invest-7bn-turkey> (accessed 12 January 2025).

⁴⁰ National Statistics Office of Georgia (Geostat), *External Merchandise Trade of Georgia, 2024, Preliminary* (Tbilisi, 20 January 2025), <https://www.geostat.ge/media/67898/External-Merchandise-Trade-of-Georgia-in-2024.pdf> (accessed 18 May 2025).

4.

Security and Military Cooperation

Although the bilateral partnership on military cooperation had been ongoing for the past three decades, Azerbaijan's military engagements with Turkey have gradually improved since 2010. Turkey sold armoured vehicles, rockets, and ballistic missiles to Baku in 2011 and has continued exporting such equipment over the years. However, Turkish arms sales lagged behind Israel's and Russia's until 2018, with Israel taking the lion's share at nearly \$250 million in sales, followed by Russia with \$50 million.⁴¹

Ankara's NATO-standard military training for the Azerbaijani armed forces has been more significant than the equipment sales. Between 2002 and 2008, Turkey incorporated Azerbaijani forces into NATO missions in Kosovo. Between 2002 and 2021, Turkish and Azerbaijani forces also served together in Afghanistan. They also have regularly conducted drills with Baku, including annual aerial training with Georgia since 2012.

Following the clashes in occupied Karabakh in April 2016, Turkey and Azerbaijan expanded the number and scope of joint exercises in 2017. Azerbaijan's President Aliyev announced in February 2020 that the two countries had conducted thirteen joint military exercises in 2019 under military and security cooperation agreements.⁴² Baku had expressed interest in acquiring drones from Ankara before the Second Karabakh War, but had not made any actual purchases.

The Second Karabakh War took the military and security alliance between Ankara and Baku to an entirely new level. Ankara provided Baku with armed drones, intelligence infrastructure, and sophisticated weaponry, and assigned special military advisors to the Azerbaijani military forces, effectively helping to conduct the war against

⁴¹ Ece Göksedef, "Dağlık Karabağ: Türkiye, Azerbaycan'ın askeri kapasitesini geliştirmesinde nasıl rol oynadı?" [Nagorno-Karabakh: What role did Turkey play in Azerbaijan's military capacity building?], *BBC Türkçe* (online), 02 October 2020, <https://www.bbc.com/turkce/haberler-turkiye-54379105> (accessed 12 January 2025).

⁴² Fatih Mehmet, "Bakü ve Ankara ortak silah üretimini görüşüyor" [Baku and Ankara discuss joint arms production], *Defense Turk* (online), 25 February 2020, <https://www.defenceturk.net/baku-ve-ankara-ortak-silah-uretimini-gorusuyor> (accessed 18 May 2025).

Armenia. Turkey even played a role in the dismissal of suspected pro-Russian elements such as the chief of general staff.⁴³

In July 2023, Azerbaijan decided to participate in Ankara's fifth generation fighter project (KAAN), possibly taking off a large financial burden from Turkey. The first jets are expected to be delivered in 2028.

Turkey regularly donates technical equipment and vehicles to the Georgian military and trains the Georgian army in various areas, including border security. Estimates put the number of Georgian security personnel who have received training from Turkey well above 5,000. Ankara's military contributions to Tbilisi are also estimated to exceed US\$50 million (as of 2018).⁴⁴ Turkey also donated US\$5 million in military equipment to Georgia in 2020, and the Georgian government acknowledged the same year that Tbilisi would receive \$20 million worth of Turkish donations in 2021.⁴⁵ Further donations of military hardware were made in 2022. Reports suggest that Turkey also sold 46 BMC Vuran armoured vehicles to Georgia in February 2024.

⁴³ "Russian Media: Turkey is Purging Azeri Army", *MEMRI* (blog), 10 December 2020, <https://www.memri.org/reports/russian-media-outlet-vzru-azerbaijani-army-being-purged-officers-and-generals-who-started> (accessed 29 February 2024).

⁴⁴ "Türkiye-Gürcistan Askeri Eğitim İş Birliğinin 20. Yıldönümü" [20th Anniversary of Turkey-Georgia Military Training Cooperation], *Son Dakika* (online), 19 April 2018, <https://www.sondakika.com/guncel/haber-turkiye-gurcistan-askeri-egitim-is-birliginin-20-10773638/> (accessed 05 April 2025).

⁴⁵ Davit Kachkachishvili, "Milli Savunma Bakanlığında, Gürcistan ordusuna zırhlı iş makinesi ve özel otobüs desteği" [Ministry of National Defence supports Georgian army with armoured construction equipment and special buses], *Anadolu Ajansı* (AA) (online), 27 November 2020, <https://www.aa.com.tr/tr/dunya/milli-savunma-bakanligindan-gurcistan-ordusuna-zirhli-is-makinesi-ve-ozel-otobus-destegi/2058378> (accessed 05 April 2020).

5.

Development and Sustainability Issues

Turkey coordinates its development policies primarily through its development cooperation agency TİKA. In Georgia alone, Turkey spent \$33 million on 600 separate projects, providing services in health, energy, and agriculture, according to 2019 data.

Between 2019 and 2022, an additional \$9.7 million was allocated to similar projects. Turkey's development aid to Georgia peaked in 2019, and has since experienced fluctuations reflecting Ankara's financial challenges following the 2020 pandemic and the subsequent inflation crisis. Turkey's total global development aid fell from US\$8.6 billion in 2019 to US\$7.1 billion in 2022.⁴⁶ Other than providing aid and assistance to a neighbour, Ankara's engagement with Tbilisi appears to lack a specific policy objective.

In Azerbaijan, TİKA completed 1,200 projects between 1994 and 2021, including training programmes for thousands of medical staff, tourism employees, security personnel, journalists, and judicial staff. Recently, TİKA has shifted its focus to the Karabakh region, where it supports local sustainable development initiatives in farming, industry, and the service sector.

Local officials in Azerbaijan and Georgia welcome Turkey's development aid, which is typically granted without political benchmarks or conditions. Ankara focuses primarily on the communities it feels closest to, such as regional neighbours or cultural kin. It also invests in high-visibility projects, including the renovation of historic monuments and practical urban improvements such as pedestrian underpasses in Tbilisi.

However, Turkey's development efforts in the South Caucasus generally lack objectives related to climate change, migration, human rights, or gender equality. Turkish officials tend to avoid these topics, as they could be perceived as interference

⁴⁶ Turkish Cooperation and Coordination Agency [TİKA], *Türkiye Kalkınma Yardımları Raporu 2022* [Turkey Development Aid Report 2022] (Ankara, August 2024), <https://tika.gov.tr/wp-content/uploads/2024/08/Tu%CC%88rkiye-Kalkinma-Yardimlari-Raporu-2022.pdf> (accessed 12 January 2025).

in domestic affairs.⁴⁷ This stands in contrast to the EU's approach – but is now aligned with the Trump administration's preferences and priorities.

The Turkish approach – unlike the EU's – permits Ankara to collaborate with partners on life-changing issues without any political baggage. This flexibility allows Turkey to complement its diplomatic and political relationships with these countries more effectively.

⁴⁷ The text is based on interviews with officials and diplomats in January and February 2024.

6.

Turkey's South Caucasus Policy and its Impact on the EU

Apart from Turkey's strong military and political support for Azerbaijan around the Second Karabakh War and the subsequent demands for a passageway between Azerbaijan proper and its exclave Nakhchivan (the Zangezur Corridor) through Armenia, Ankara's long-term diplomatic objectives in the region could be seen as largely aligned with those of the European Union.

There are several caveats to consider, but Ankara's balancing with Russia and Iran is not one of them, as they pose no significant obstacles to the EU's general objectives. Turkey plays the long game in its immediate neighbourhood, focusing on bilateral and trilateral relationships to foster consensus and goodwill. This approach is evident in its relations with Georgia and Azerbaijan, which align with the EU's policy goal of ensuring a stable South Caucasus.

Some European diplomats view these actions as contradictory to the EU's decision to avoid engagement with Russia, suggesting that Turkey is opening a channel for Moscow to connect with the Western world. Ankara views the issue differently, arguing that Russia has legitimate concerns and interests in the region. From Turkey's perspective, holding the necessary conversations with Moscow is essential for regional stability. This now seems to be aligning with the Trump administration's posture, with possible repercussions for its interactions with the EU in the South Caucasus and neighbouring geopolitical theatres.

That said, Turkey's policies toward Georgia, Azerbaijan, and even Armenia have clearly been aimed at minimising Russian influence in the Caucasus. Ankara has supported Georgia's territorial integrity, worked to resolve the conflict between Azerbaijan and Armenia, and sought to open Armenian markets to Turkish investors – all of which undercut Russian influence in the region. Moreover, Turkey has strongly supported NATO membership for both Georgia and Ukraine against Russian

opposition, and continues to provide military aid to Tbilisi (and Baku) to bolster their defence.

Regarding China, Ankara does not view Chinese investments in the Belt and Road Initiative as a negative development. On the contrary, these investments – such as those in ports and railways – are seen as complementary to Turkey's Middle Corridor project. The success of the Belt and Road Initiative would also contribute to stabilising and enriching the South Caucasus, a goal that aligns with European objectives. For example, Turkey has expressed no concerns over the large Chinese state company investment in Georgia's Anaklia port despite likely concerns by the EU capitals.

Turkey strongly supports the territorial integrity of Georgia, Armenia, and Azerbaijan, and backs most of the EU Eastern Partnership priorities, including economic integration, which would benefit Ankara through its own Customs Union with the EU.

The Customs Union represents a significant net benefit for Turkey in its trade relations with these three countries, particularly if they manage to integrate their economies with one another effectively. In such a scenario Ankara could position itself as a crucial trade gateway to European markets. As well as the opportunity to resell European goods in Georgia, Armenia, and Azerbaijan, Turkish companies could also leverage the customs advantages to produce value-added products for export to the South Caucasus. This level of integration would also improve Turkey's access to the market of the Central Asian Turkic countries, potentially boosting its trade volume significantly, thanks to its robust industrial base.

The Turkish-Georgian Free Trade Agreement underscores this strategic vision, and enables Ankara to fulfil its target of \$3 billion trade volume in 2024. While these developments are primarily in Turkey's interest, they also present opportunities for Turkish investment in countries like Armenia, where outdated infrastructure urgently requires modernisation. Turkish construction companies are known for their expertise and could play a pivotal role in such reconstruction efforts.

This issue cannot be analysed without considering the impact of the Customs Union. Through Turkey, the Customs Union provides these countries with direct and crucial access to EU markets, even in the absence of an update to the system that Turkey has long sought. As well as strengthening economic ties, such connectivity also positions Turkey as a central player in regional trade dynamics, enabling mutual benefits across the region.

Ankara is also a member of the Trans-European Transport Network (TEN-T), which facilitates the movement of persons and goods between the EU and partner countries, including Georgia, Azerbaijan, and Armenia. Turkey aims to strengthen its position through the Middle Corridor and is ready to work with the EU to improve connectivity between Turkey and the South Caucasus, including rebuilding the railway lines,

modernising customs procedures, investing in highways to speed up road transport, resuming commercial flights with Armenia, and supporting Baku–Yerevan transport routes.

On energy connectivity, Turkey has been investing in every possible energy project that ferries gas and oil from the Central Asian states and Azerbaijan to Europe through Turkey. In addition to pipelines such as TANAP and Baku–Tbilisi–Ceyhan, in February 2025 Ankara signed a deal with Turkmenistan to buy natural gas through a swap agreement involving Iran, which foresees the supply of 1.3 billion cubic metres of gas annually by the end of 2025.⁴⁸

In April 2025 in Baku, Turkey, Azerbaijan, Georgia, and Bulgaria signed a memorandum of understanding to trade green electricity. With the deal, electricity produced by renewable sources such as solar and wind will reach Europe via the Azerbaijan–Georgia–Turkey–Bulgaria route.⁴⁹

Turkish leadership, including Erdoğan and successive energy ministers, said they would like to turn Turkey into an energy hub, requiring more energy supplies to be exported to the EU and other regional countries.⁵⁰ Turkey already has gas and oil pipelines from Azerbaijan and Iran, and sells gas to southern European countries like Bulgaria, Greece, Hungary, and Romania.⁵¹

⁴⁸ Gökçe Küçük, “Turkmen gas agreement boosts Türkiye’s role in regional energy trade: Experts”, *Anadolu Ajansı* (AA) (online), 17 February 2025, <https://www.aa.com.tr/en/energy/energy-projects/turkmen-gas-agreement-boosts-turkiyes-role-in-regional-energy-trade-experts/47572> (accessed 05 April 2025).

⁴⁹ “Türkiye, Azerbaycan, Bulgaristan ve Gürcistan ‘Yeşil Elektrik İletimi ve Ticareti Projesi’ kapsamında mutabakat zaptı imzaladı” [Turkey, Azerbaijan, Bulgaria and Georgia signed a memorandum of understanding within the scope of ‘Green Electricity Transmission and Trade Project’], *Bloomberg HT* (online), 04 April 2025, <https://www.bloomberght.com/turkiye-azerbaycan-bulgaristan-ve-gurcistan-yesil-elektrik-iletimi-ve-ticareti-projesi-kapsaminda-mutabaka-3745475> (accessed 06 April 2025).

⁵⁰ Republic of Türkiye Directorate of Communications, *President Erdoğan*: “We will make Türkiye an energy hub, first in its region and then globally” (Ankara, 05 September 2023), <https://www.iletisim.gov.tr/english/haberler/detay/president-erdogan-we-will-make-turkiye-an-energy-hub-first-in-its-region-and-then-globally> (accessed 12 January 2025).

⁵¹ Fuat Kabakçı, “Türkiye gaz ihracat anlaşmalarıyla Avrupa’nın enerji arzında kilit rol oynamaya hazırlanıyor” [Turkey prepares to play a key role in Europe’s energy supply with gas export deals], *Anadolu Ajansı* (AA) (online), 03 October 2023, <https://www.aa.com.tr/tr/ekonomi/turkiye-gaz-ihracat-anlasmalariyla-avrupanin-enerji-arzinda-kilit-rol-oynamaya-hazirlaniyor/3006524> (accessed 09 January 2025).

7.

Ankara's Expectations towards the EU and its Policy in the South Caucasus

Officials in Ankara have repeatedly emphasised two key points that could help mend the relationship with Brussels. First, they insist that Turkey should be treated as an official EU candidate country actively engaged in the accession process, rather than being viewed as just another regional power. Secondly, Turkish officials view the EU's regional policy as overly transactional, such as meeting certain benchmarks to sign association agreements or similar political deals to deepen the diplomatic engagements, and detached from the shifting power dynamics that shape relationships on the ground.

Turkish officials believe that their country must be included in the EU's policymaking on regional issues, working alongside the EU rather than being positioned as an external competitor to Brussels. To achieve this, they argue, Brussels needs to integrate Turkey into its foreign policy consultations and provide Ankara with a voice in critical areas of cooperation, such as the South Caucasus, the Middle East, and the Black Sea.

Ankara expects to be included in EU summits and consultation processes that shape both general foreign policy and regional strategies. This would enable closer engagement with Brussels, rather than leaving Turkey to simply follow EU Commission statements. Achieving this would require inviting Turkey back to informal EU foreign ministers' meetings, relaunching Turkey-EU summits, and compartmentalising ongoing disputes to focus on long-term foreign policy objectives. For instance, Ankara has sought active participation in EU-led efforts to promote peace between Azerbaijan and Armenia, rather than being marginalised as a rival power. The EU could have at least partially played a role in resolving this crisis if it had incorporated Turkey into the process as Baku had long demanded.

The lack of meaningful European engagement with Turkey has pushed Ankara to adopt a more independent foreign policy to address its urgent strategic needs. As a regional powerhouse in a challenging neighbourhood with numerous active or frozen conflicts, Turkey's concerns must be heard and understood, rather than dismissed with superficial statements of appreciation. This context helps explain why, as noted in the European Commission Staff Working Document for 2024, Turkey's rate of alignment with relevant High Representative statements and Council decisions stood at just 5 per cent as of September 30, 2024, compared to 9 per cent in 2023.

The EU's decision to engage with Turkey following the collapse of Syrian President Bashar al-Assad's regime in December 2024 was a step in the right direction. Ankara has emerged as a key player in Syria, serving as the sole long-term backer of the Syrian opposition and extending its influence throughout the country through social, economic, and military means.

Rather than treating Turkey as a rival in Syria, EU Commission President Ursula von der Leyen and other European leaders have chosen to engage with Ankara and empower the Turkish government to help achieve core EU objectives in the region. These objectives include establishing an inclusive and stable government that safeguards minority and women's rights, which are in Turkey's interests.

The EU could have used the same approach with Turkey in the South Caucasus. Turkish officials frequently refer to the events leading up to the Second Karabakh War as an example of EU inaction. Beyond issuing statements criticising the parties involved, the EU lacked the influence to stop border skirmishes or convince Armenia to commit to a roadmap for the orderly transfer of occupied Azerbaijani lands, while ensuring the preservation of ethnic minority rights.

Turkish officials argue that the EU must further regionalise its policy by developing a strategy that is tailored specifically to the South Caucasus. Such a strategy must account for the region's complexities and the influence of key actors, including Russia and Iran.

While EU association agreements, funding programmes, and access to European markets have traditionally been the primary tools for engaging potential partners, Turkish officials contend that these approaches are ineffective in the South Caucasus. They argue that the EU instead needs more robust policy tools and a well-defined strategy beyond the Eastern Partnership framework, which they characterise as a series of meetings and declarations for long-term cooperation that fail to yield concrete results.

This requires the EU to move beyond general expressions of goodwill and address critical questions: What kind of South Caucasus does the EU envision, given the realities on the ground? To what extent can these goals be achieved? What are the

preferences of the three South Caucasus countries themselves? Are they compatible with those of the EU? What tangible deliverables can the EU provide? For example, achieving meaningful change would require strategic investments in key sectors, particularly in Armenia, whose economy is heavily dominated by Russian influence.

In January 2025, Turkish Foreign Minister Hakan Fidan stated that Ankara engages with Russia and Iran in a compartmentalised manner – cooperating in some areas while competing in others.⁵² The EU could adopt a similar approach. Although Russia has acted as a rogue power in Ukraine, it remains a key player in the South Caucasus. Engaging Russia, evaluating its demands, and finding compromises could contribute to achieving a stable and secure region.

Turkey, recognising the power vacuum in 2020, acted decisively by providing military support to Azerbaijan, helping to end the war and resolve a three-decade-old conflict quickly. Ankara views this intervention as a step toward fostering long-term regional stability. However, the slow progress toward a peace deal between Baku and Yerevan, coupled with Azerbaijani President Ilham Aliyev's sometimes unhelpful rhetoric (and his Armenian counterpart's "predictable unpredictability"⁵³), suggests that Ankara cannot succeed alone.

To expedite progress, the EU must coordinate with Turkey and lend its weight to Ankara's efforts. A joint, collaborative approach is essential to achieving sustainable peace and stability in the South Caucasus.

7.1

Turkey Sees Partnership and Some Rivalry with the EU

Turkey and the EU share several overlapping objectives in the region, such as promoting stability and deepening trade ties. Turkish officials in Ankara are also generally in favour of strong governance and state-building in the region, cautiously approving certain EU efforts to build strong civil societies and establish independent judiciaries without interfering in the domestic politics of the Eastern Partnership countries.⁵⁴

⁵² Republic of Türkiye Ministry of Foreign Affairs, *Dışişleri Bakanı Sayın Hakan Fidan'ın CNN Türk'e Verdiği Mülakat*, 7 Ocak 2025 [Interview of the Minister of Foreign Affairs Mr Hakan Fidan to CNN Turk, 7 January 2025] (Ankara, n.d.), <https://www.mfa.gov.tr/disisleri-bakani-sayin-hakan-fidan-in-cnn-turk-e-verdigi-mulakat--7-ocak-2025.tr.mfa> (accessed 10 January 2025).

⁵³ Onnik James Krikorian, "The Pashinyan Conundrum: Predictably Unpredictable, Consistently Inconsistent", *Baku Dialogues* 6, no. 3 (spring 2023): 130–147.

⁵⁴ The text is based on interviews with Turkish officials and EU diplomats in January and February 2024.

However, it must be acknowledged that Turkey's view on these issues is more nuanced than the EU's. The latest saga involving the validity of the October 2024 Georgian elections, due to widespread reports of vote rigging and general irregularities, has severely impacted the EU's relations with Georgia. The European Parliament condemned the elections as neither free nor fair, leading Brussels to cut some funding to Georgia. In response, Tbilisi decided to suspend its accession talks with the EU. The Turkish government publicly avoided the issue but sent private messages of congratulations. Turkish Foreign Minister Hakan Fidan hosted his counterpart Maka Bochorishvili in February, effectively recognising the Georgian government's legitimacy. Ankara is yet to express any concern regarding the domestic crisis.

More broadly, Turkey is also dismissive of concerns expressed by Brussels and some EU member states over human rights in Azerbaijan. Ankara often turns a blind eye to Baku's poor record in the interests of maintaining the strong bilateral relationship, invoking Turkey's longstanding position on refusing to interfere in the domestic affairs of close partners and allies.

Beyond the political issues, one particular case indicates the distrust within the Turkish business community regarding the EU's economic policies in the region. This is the ENKA Renewables case. In 2021 this Turkish company had to pull out of one of Georgia's largest power plant construction projects, namely the \$800 million worth Namakhvani hydropower project,⁵⁵ after protests over environmental concerns backed by EU-funded NGOs.⁵⁶ In 2023, the Georgian government renewed its interest in building the plant and a European company showed interest in the project, raising eyebrows in Ankara.

Turkish officials have also expressed concern that the planned 1,000-megawatt undersea cable from Azerbaijan to Romania and Hungary (passing through Georgia and across the Black Sea) could sideline Turkish companies operating in the South Caucasus.⁵⁷

On a more positive note, Ankara and Brussels are finding more ways to increase regional trade. The Pan-Euro-Mediterranean (PEM) Convention,⁵⁸ for example,

⁵⁵ Tornike Mandaria, "Turkish company pulls out of controversial Georgian hydropower project", *Eurasianet* (online), 24 September 2021, <https://eurasianet.org/turkish-company-pulls-out-of-controversial-georgian-hydropower-project> (accessed 29 February 2023).

⁵⁶ Nini Gabritchidze, "Major hydropower project caught up in Georgia's 'foreign agent' turmoil", *Eurasianet* (online), 23 March 2023, <https://eurasianet.org/major-hydropower-project-caught-up-in-georgias-foreign-agent-turmoil> (accessed 29 February 2023).

⁵⁷ The text is based on interviews with officials and diplomats in January and February 2024.

⁵⁸ European Commission (EC), *The Pan-Euro-Mediterranean cumulation and the PEM Convention* (Brussels, n.d.), https://taxation-customs.ec.europa.eu/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en (accessed 10 January 2025).

allows the application of diagonal cumulation between Turkey, which has a Customs Union with the EU, and Georgia, which has a Deep and Comprehensive Free Trade Agreement (DFCTA) with the EU. Since 2021, after the necessary amendments to the legislative frameworks, materials originating in Turkey and processed in Georgia can be exported under preferential arrangements to the EU and other signatories to the PEM Convention.⁵⁹

Turkey is willing to work with Brussels to fund and build the Middle Corridor through Georgia, Armenia, and Azerbaijan. And it wants the EU to recognise Turkey's interest in the Zangezur Corridor, which has broader implications beyond the South Caucasus as it connects Ankara to the Turkic world and facilitates international trade at a juncture where the United States appears to be bent on triggering a global trade war.

If the EU chose not to cooperate, it is likely that Ankara would treat the EU as a competitor rather than a partner in the region, keeping the Union largely in the dark about its plans. Ankara may pivot further toward non-EU partners, such as Azerbaijan and Russia, to further its regional goals. That would deepen existing divisions between Turkey and the EU and motivate Turkey to press ahead with its independent foreign policy.

7.2

Turkey is Cautious About the EU Member States Increasing Weapons Sales to the South Caucasus

Overall Turkey supports the EU's increasing security engagement with Georgia, especially the rebuilding of the Georgian armed forces and security agencies to stabilise the country. The EU Monitoring Mission in Georgia (EUMM), established to monitor compliance by Russia and Georgia with the EU-brokered Six-Point Agreement of August 12 and the Agreement on Implementing Measures of September 8, 2008, also enjoys Turkey's backing.

However, concerns exist in Ankara regarding the EU's security posturing, which focuses too heavily on counterbalancing Russia to the point of belligerence. Turkey believes Georgia's security has to be considered beyond just being a mere frontier country for the EU, and without provoking Russian intervention.⁶⁰ One could argue that the EU's policy has backfired massively here, as evidenced by Tbilisi's

⁵⁹ "Georgian products with Turkish inputs to be exported to EU under FTA", *Agenda.ge* (online), 15 February 2021, <https://agenda.ge/en/news/2021/408#gsc.tab=0> (accessed 29 February 2024).

⁶⁰ The text is based on interviews with officials and diplomats in January and February 2024.

increasingly EU-sceptical agenda and its Moscow-friendly steps over the past year. Georgia's posture now seems to be more aligned with Turkey's (and perhaps Washington's) rather than the EU's.

Since Azerbaijan's re-entry into the rest of Karabakh in 2023, the Western countries have increased their efforts to fill the political vacuum created by Moscow in Armenia. The outgoing Biden administration signed a strategic partnership deal with Yerevan in January 2025, just four days before Trump's inauguration, with Washington pledging aid in several forms, including aiding the security forces and the economy. The Trump administration has so far shown no sign of wanting to apply the terms of this document. But the Turkish government could still favour greater American engagement with Yerevan, minus the military aid, to counterbalance the Russian control of the country's infrastructure.

There is increasing competition between Turkey and EU member states such as France in the South Caucasus. In February 2023, France initially decided to sell fifty Bastion armoured vehicles to Yerevan and declared that it would help Armenia to defend itself.⁶¹ In October 2023, Paris announced the sale of three Thales GM 200 radars and negotiations on future delivery of the Mistral short-range air defence system.⁶² In June 2024, France announced the delivery of thirty-six CAESAR self-propelled howitzers.⁶³ And at France's request, the EU decided in July 2024 to enhance the logistical capabilities of the Armenian military and to accelerate its interoperability with an assistance measure from the European Peace Facility.⁶⁴

In December 2023, Erdoğan criticised the French arms sales as a "provocation" that served no purpose in the region other than exacerbating tensions.⁶⁵ Certain Turkish sources close to the government in Ankara say providing weapons to Armenia to defend itself is not a big deal as long as it gives Yerevan the confidence to sign a comprehensive peace deal with Baku.⁶⁶ However, the officials in Ankara worry that further arming of Armenia can only encourage Yerevan to maintain its antagonistic posture toward Baku.

⁶¹ "France agrees to deliver military equipment to Armenia", *Le Monde* (online), 03 October 2023, https://www.lemonde.fr/en/international/article/2023/10/03/france-agrees-to-deliver-military-equipment-to-armenia_6145986_4.html (accessed 29 February 2023)

⁶² "France to boost Armenia's air defences with radars, missiles – minister", *Reuters* (online), 23 October 2023, <https://www.reuters.com/world/france-boost-armenias-air-defences-with-radars-missiles-minister-2023-10-23/> (accessed 04 January 2025).

⁶³ Ruzanna Stepanian, "Armenian Official Details New Arms Deal with France", *Azattyun* (online), 25 June 2024, <https://www.azattyun.am/a/33008806.html> (accessed 05 February 2025).

⁶⁴ European Council (EC), *European Peace Facility: Council adopts the first ever assistance measure in support of the Armenian Armed Forces* (Brussels, 22 July 2024), <https://www.consilium.europa.eu/en/press/press-releases/2024/07/22/european-peace-facility-council-adopts-the-first-ever-assistance-measure-in-support-of-the-armenian-armed-forces/> (04 January 2025).

⁶⁵ Ragıp Soylu, "Armenia: France's arms sales are a 'provocation', says Turkey's Erdogan", *Middle East Eye* (online), 08 December 2023, <https://www.middleeasteye.net/news/turkey-armenia-france-arm-sales-provocation> (accessed 07 November 2024).

⁶⁶ Interview with a senior Turkish official in Ankara in summer 2024.

As Turkish defence companies grow and produce more sophisticated weaponry in the air defence and military hardware sectors, they also closely monitor the French efforts to sell more equipment to Tbilisi. Turkish officials note that while the French decision to sell the Mistral Atlas air-defence system and air-defence command and control systems to Georgia in 2016 – and more air-defence system sales in 2018 – would help strengthen the Georgian armed forces, they would make no significant difference in the event of Russian attack.⁶⁷ The officials worry that such sales would increase the Russian scrutiny and antagonism against Georgia and would serve only to enrich certain arms manufacturers.

Ankara was also reserved about the EU Monitoring Capacity deployed to Armenia to observe border skirmishes in 2022. In February 2023 Brussels created the EU Mission in Armenia, as an unarmed civilian observer group to monitor exchanges of fire along the Azerbaijani border. Its mandate was renewed for another two years in February 2025. While Ankara maintained silence about the mission, in February 2024 its ally Azerbaijan criticised the EU for conducting a smear campaign against Baku. Turkish officials largely share Baku's view that the EU cannot play a neutral role in the ongoing Armenia-Azerbaijan peace process.⁶⁸

However, despite the arms race, many officials in Ankara believe Armenian Prime Minister Nikol Pashinyan has created a window of opportunity to normalise relations with both Turkey and Azerbaijan through his solution-oriented approach, which is full of courageous acts on border delimitation and the interpretation of the preamble of the Armenian constitution. This was evident when Armenia and Azerbaijan declared on 13 March 2025 that they had finally agreed on a draft peace deal.

7.3

Turkey and the EU's Global Gateway Programme

Turkey feels excluded from the EU's Global Gateway programme, which would mobilise up to €300 billion for investments in sustainable development in EU partner countries. There have been no serious consultations between Turkey and the EU on optimising the Global Gateway programme. In fact, the programme has largely avoided Turkey – with the exception of the proposed reconstruction of a critical raw materials facility in Turkey.

⁶⁷ "Ministry of Defence: Georgia-France air defence system deal moving forward smoothly", *Agenda.ge* (online), 11 June 2020, <https://agenda.ge/en/news/2020/1838#gsc.tab=0> (accessed 29 February 2024).

⁶⁸ The text is based on interviews with officials and diplomats in January and February 2024.

One Global Gateway project is particularly uncomfortable for Turkey. The Black Sea Strategic Submarine Electricity Cable would bypass Turkey to connect Georgia directly to Romania through the Black Sea, at a cost of €2.3 billion.⁶⁹ A feasibility study published in November 2024 indicates that the cables will have to pass through the Turkish exclusive economic zone in the Black Sea, making Ankara's cooperation unavoidable.

Altogether, the Global Gateway programme does not serve Ankara's desire to become a hub and corridor.

7.4

Turkey's View of the EU as an Actor in the Region

There is a degree of confusion in Ankara about the European Union as a geopolitical actor. Even though the EU has a gigantic budget, a parliament, a Commission, a Council, and an External Action Service that functions as its foreign ministry, it is hard for Turkish officials to engage with it as a state actor. The EU tends to be preoccupied with internal divisions on foreign policy issues, and, like a large ship, it is very slow to change course.

Turkish officials and the public tend to regard Germany and France as the main stakeholders that determine the EU's policies, rather than official EU delegations, the President of the European Commission, or the President of the European Council. That is why, for example, the Turkish public and officialdom have paid so little attention to the 2024 European Parliament elections and the new European Commission.

It was noted in Ankara in October 2023, when the High Representative of the EU for Foreign Affairs and Security Policy, Josep Borrell, publicly rebuked Commission President Ursula von der Leyen after her surprise visit to Israel following the October 7 Hamas attack, saying that she was not entitled to represent the EU on foreign policy. Borrell added that the EU's official position on any foreign policy issue should be shaped by the guidelines determined by EU's 27 countries at international summits.⁷⁰

⁶⁹ "EU announces €2.3 bln in investments for project allowing green energy exports to Europe via Georgia", *Agenda.ge* (online), 12 December 2022, <https://agenda.ge/en/news/2022/4825#gsc.tab=0> (accessed 29 February 2024).

⁷⁰ Nicholas Vinocur, Barbara Moens, Jacopo Barigazzi and Suzanne Lynch, "EU capitals fume at 'Queen' von der Leyen", *Politico* (online), 11 October 2023, <https://www.politico.eu/article/eu-governments-fume-at-queen-ursula-von-der-leyen/> (accessed 29 February 2024).

The statement itself confirmed to Turkish officials that the EU lacks a unified stance on key foreign policy issues and, worse, its implementation through responsible officials was also in question due to publicly revealed fights and disagreements.⁷¹

This is why it is often difficult for Turkish officials to find the right interlocutors. Erdoğan, for example, would engage with official EU leaders such as Charles Michel or Ursula von der Leyen, yet he preferred to cut major deals with the EU (such as on migration) with former German Chancellor Angela Merkel.⁷²

More troublingly, Turkey has not been invited to any EU summit since 2016, as its accession process is literally frozen. The EU does not generally invite the Turkish foreign minister to its unofficial summits either. It was a welcome step when the Union decided to invite Turkish Foreign Minister Hakan Fidan to the informal meeting of EU foreign ministers (Gymnich meeting) in August 2024, ending a five-year hiatus.

The European counterparts, chiefly France, have been trying to engage Ankara through the European Political Community summits, which include non-EU countries. Turkish officials find the EPC summit less serious than the EU's official summits, and Erdoğan frequently skips them. They can still be relevant though. For example, President Erdoğan had an interesting meeting with Cypriot President Nikos Christodoulides at the EPC summit in November 2024.

Erdoğan skipped the 2 March 2025 Ukraine Summit in London – reportedly due to protocol issues, according to officials I have spoken with – and instead sent his foreign minister, Hakan Fidan. The summit was significant in that the major European states are seeking to engage Ankara outside the framework of EU membership, similar to its approach with the UK. Erdoğan did, however, join the 16 May 2025 Albania Summit in Tirana, again meeting the Cypriot president and other European leaders. This could potentially pave the way for Brussels to involve Turkey more directly in matters related to the South Caucasus too.

Ankara is still deeply distrustful of the EU over past engagements, including the 2004 Cyprus referendum that led to Cyprus' accession to the Union, even though the Greek side of the island voted against unification.⁷³ Another example is the political decision

⁷¹ The text is based on interviews with officials and diplomats in January and February 2024.

⁷² "Germany's Merkel in Turkey for talks with Erdogan on migration deal", *eKathimerini* (online), 24 January 2020, <https://www.ekathimerini.com/news/248791/germany-s-merkel-in-turkey-for-talks-with-erdogan-on-migration-deal/> (accessed 29 February 2024).

⁷³ Breffni O'Rourke, "Cyprus: Failure of Referendum Means Headache for the EU", *Radio Free Europe/Radio Liberty (RFE/RL)* (online), 26 April 2004, <https://www.rferl.org/a/1052482.html> (29 February 2024).

by Nicolas Sarkozy and Angela Merkel to slow-roll Turkey's accession process over the existential debate about whether Ankara is really culturally part of Europe or not.⁷⁴

More recently, the EU's stance on Syria – specifically its 2019 decision to limit arms sales to Turkey over Ankara's incursion into northern Syria to fight Kurdish militants associated with the Kurdistan Workers Party (PKK) – convinced Turkish officials that the EU is happy to ignore Turkey's national interests, even those that are perceived as existential in Ankara.

Currently the EU's approach to Turkey is more positive, but underlying issues remain. Brussels would like to discuss core problems such as migration, commerce, energy, and the economy but no genuine progress is expected in the near term. At the same time, neither side is really serious about finding middle ground on issues like modernisation of the customs union or expediting the accession process, since the EU has tied these two issues directly to the Cyprus settlement talks. This step infuriated the most pro-EU think-tankers in Turkey.⁷⁵

Lack of trust has also poisoned the EU accession aid that was intended to support civil society and democracy. This is increasingly seen in parts of the Turkish decision-making class as an attempt to create a pro-EU opposition inside Turkey.⁷⁶

These three major issues – the absence of a unified, comprehensive EU foreign policy, the perceived absence of interlocutors capable of negotiating with Ankara, and the lack of trust between Turkey and the EU – constrain the possibilities for cooperation in the South Caucasus.

Yet there are also positive bilateral engagements that could also enable their joint work. Turkey is an official European Union candidate country that is likely to support democratic institutions and institution-building efforts in its close neighbourhood, given the right incentives. Ankara's laws, regulations, and state institutions are more closely aligned with those of the EU member states than those of the countries in the South Caucasus. Turkey is a member of the Council of Europe and a NATO ally, giving it a strong institutional alignment with the West and shared interests with the EU in the region. Turkey's membership of the EU Customs Union is a major feature of this

⁷⁴ "Sarkozy reiterates: No place for Turkey in Europe", *Hürriyet* (online), 21 September 2007, <https://www.hurriyet.com.tr/gundem/sarkozy-reiterates-no-place-for-turkey-in-europe-7334203> (29 February 2024).

⁷⁵ European Commission (EC), *Joint Communication to the European Council, State of play of EU-Türkiye political, economic and trade relations*, JOIN(2023) 50 final (Brussels, 29 November 2023), <http://bit.ly/4eEHxUy> (accessed 10 January 2025).

⁷⁶ Barış Gündoğan, "Cumhurbaşkanlığı İletişim Başkanlığından ülke dışından medyanın fonlanması ile ilgili açıklama" [Statement by the Presidential Communications Directorate on foreign media funding], *Anadolu Ajansı* (AA) (online), 21 July 2023, <https://www.aa.com.tr/tr/gundem/cumhurbaskanligi-iletisim-baskanligindan-ulke-disindan-medyanin-fonlanmasi-ile-ilgili-aciklama-/2311069> (accessed 29 February 2024).

relationship, which motivates Ankara to work with Brussels on the Middle Corridor, and separately on energy pipelines and other connectivity issues.

7.5

Turkey's View of EU and US Policy Goals in the Region

Turkey considers that the sole objective of EU and US policies in the region is to counterbalance Russia.⁷⁷ For instance, while Ankara appreciates European and American efforts to stabilise Georgia, it also believes that these parties have both long treated Georgia as a buffer zone against Moscow. While Turkish officials recognise that Russian influence in the South Caucasus must be contained, Ankara also takes the view that the EU cannot do this without Turkish buy-in, and that Moscow's legitimate interests must also be taken into account.

Moscow, logically or illogically, perceives EU and NATO enlargement in the South Caucasus as a part of a "conspiracy" to contain Russia. For example, Russia was initially hesitant about the Middle Corridor project because it would bypass Russia's Northern Corridor and weaken Moscow's dominance over Eurasian trade routes.

However, Azerbaijan and Turkey were able to convince Russia to back the Middle Corridor, benefiting from Moscow's weakened position in the region due to its costly involvement in Ukraine and its recent tensions with Armenia. In September 2024, Russia reportedly gave its blessing to the Zangezur Corridor, which will connect Russia to Turkey and Armenia through Azerbaijani territory.⁷⁸

In their conversations with journalists and think tank experts, Turkish officials often emphasise that both the European Union and the United States must regionalise their policies and move beyond a singular focus on the Russian threat. They argue that a more comprehensive approach is necessary to address the region's complexities. Additionally, they stress that Iran must be allowed to defend its interests and should not be excluded from diplomatic engagements in the region.⁷⁹

Ankara regards many European actions, such as arms sales to Georgia and Armenia, as short-sighted acts that only exacerbate tensions without any deterrent effect against Moscow. It should be noted, however, that the recent EU-Georgia tensions

⁷⁷ The text is based on interviews with officials and diplomats in January and February 2024.

⁷⁸ "Russia puzzled by Armenia's resistance to logistics corridor agreements", *Azertag* (online), 20 August 2024, <http://bit.ly/3Gu1P6L> (accessed 07 April 2025).

⁷⁹ The text is based on interviews with officials and diplomats in January and February 2024.

have already forced Brussels to change direction: in July 2024 it suspended €30 million in military aid under the European Peace Facility.

Washington is also perceived as biased in the Armenia–Azerbaijan conflict, on account of the large Armenian diaspora in the United States. It has often sided with Yerevan against Baku, despite Armenia’s decades-long occupation of Karabakh and seven surrounding Azerbaijani districts being an obvious violation of international law.

Nonetheless, Aliyev’s government may find itself in a more favourable position under a potential Trump administration, due to Baku’s close defence and security cooperation with Israel – an alliance Washington views as a counterbalance to Iranian influence in the region. Diplomatic discussions are already underway to explore whether Baku could be included in the Abraham Accords.⁸⁰

Turkey’s views on the South Caucasus have been shaped by its long-term direct engagements. Ankara perceives EU and US actions in the region as short-term, purely transactional, and not necessarily helpful for stabilising the region.

Ankara has a special attachment to the region due to long-standing historical, cultural, and societal ties. It considers itself a stabilising influence, with the ability to bring all parties in the region together and encourage them to cooperate. Given that stability in its immediate neighbourhood is vital for Turkey’s security, Ankara has over the years proposed mechanisms such as the Stability Pact for the Caucasus (2000), the Caucasus Stability and Cooperation Platform (2008), and the “3+3” Regional Cooperation Platform, a joint initiative with Azerbaijan which held its most recent meeting in October 2024.⁸¹

Turkey and Azerbaijan were critical of the OSCE Minsk Group for being ineffective and biased, and for failing for three decades to settle the conflict between Armenia and Azerbaijan over Karabakh in a peaceful manner. Likewise, Azerbaijan rejected the EU’s involvement in peace negotiations, viewing Brussels as biased in favour of Yerevan during the talks. Turkey also felt that the EU was more receptive to Armenian grievances against Azerbaijan and deaf to Russian complaints.

In this context, the 3+3 format provides an important forum for all the countries in the region to come together face to face and seek progress towards mutual resolution of multilateral issues while promoting bilateral dialogue where it would otherwise be impossible. However, it should be noted that Georgia has not been participating in

⁸⁰ “Trump envoy Witkoff in Azerbaijan for talks after Netanyahu, rabbis’ involvement”, *Jerusalem Post* (online), 14 March 2025, <https://www.jpost.com/international/article-846086> (accessed 07 April 2025).

⁸¹ Tutku Dilaver, “Bölgesel Barış İçin, Bölgesel İşbirliği, Altılı (3+3) Platform” [For Regional Peace, Regional Cooperation, six (3+3) Platform], *Uluslararası Ekonomi (IRS)* 20, winter 2021, <http://bit.ly/4nNwsF5> (accessed 07 April 2025).

these meetings in protest against Russia's occupation of Georgian territory since 2008.

Turkey believes that regional stability is key to deepening trade and commercial activities, and for the smooth functioning of the Middle Corridor. In this regard, Turkey takes a pragmatic approach to the role of both the United States and the European Union in the region. Ankara sees them as potential partners with which it can cooperate in the region, and therefore seeks areas of common interest to work together, including institution-building efforts in Georgia and improving connectivity between the South Caucasus states.

However, even though Turkey is still formally an EU candidate country and a NATO ally, Ankara feels that it is not treated as such. As a result, while maintaining dialogue and seeking further ways to cooperate with both the European Union and the United States, Ankara feels compelled to shape an independent foreign policy specifically tailored for the region – if need be, without EU or US support.

8.

Implications and Recommendations

Turkey and the EU share an interest in the stability of the South Caucasus, and in establishing energy, transport, and trade connections to Europe via Anatolia. They both want to see functioning states in the region with which they can establish and maintain bilateral relations. Ankara aims to fully normalise ties with Yerevan, an objective supported by Brussels. Both Turkey and the EU support a comprehensive peace agreement between Azerbaijan and Armenia. Both have incentives to ensure effective operation of the Middle Corridor. Brussels and Ankara both wish to counterbalance Iranian and Russian influence in the region. However, Brussels does not treat Turkey as an official candidate country when it comes to policymaking in the region. Instead, certain member states, such as France, perceive Ankara as another actor that needs to be contained – essentially implying that the South Caucasus falls within the EU's sphere of influence.

Turkish officials are also conflicted by US policies in the region. First of all, Washington has not appreciated Turkey's growing role in the South Caucasus as a result of the 2020 Second Karabakh War, which placed a NATO member's military on Azerbaijani territory for the first time since the Cold War – and making Turkey a counterbalancing actor against Russia. Since the early 1990s, Washington has traditionally supported energy connectivity projects such as the Baku-Tiflis-Ceyhan oil pipeline and the failed Nabucco gas pipeline that was supposed to supply Europe through Turkey and reduce dependency on Russia. Back then Washington was ready to give Turkey a strategic role in securing an energy and trade corridor to Europe, which is a priority for the transatlantic alliance. Yet later American steps, especially since 2020, indicate that Washington does not want Turkey to fill the void in the South Caucasus alone, as Ankara seeks to expand its influence in the region with its commercial and military might.

Even though Washington theoretically supports the Middle Corridor and increasing Turkish engagement with the Turkic nations in the Central Asia, it also supports rival projects such as India-Middle East-Europe Corridor (IMEC), which competes with Turkey as a gateway between Europe and China. There is also a sense in Ankara that the United States does not treat Turkey as a true ally in the region. Instead, Washington views Ankara as a power to be contained.

Turkey pays close attention to France's role, which is seemingly designed to counterbalance Russian influence in the Caucasus and Central Asia, often placing itself on the other side of any conflict Turkey has a stake in, from Greece to Azerbaijan/Armenia.

Ankara recognises the EU's need for a certain level of stability and normalisation before deciding to invest in projects related to the Middle Corridor. However, Ankara is ready to proceed on its own and complete the project together with Azerbaijan and Kazakhstan, if the EU decides to stay on the sidelines. On the other hand, Kazakhstan and other C+5 countries have indicated that, given the right incentives, such as €10 billion for the Middle Corridor, they are also ready to move forward with the EU at the expense of core Turkish interests such as Northern Cyprus.⁸² Turkish officials described Central Asian Turkic states' move on the Cyprus issue as a disaster, and said that Turkey partly had itself to blame, after its own policy had zig-zagged over the past ten years from a federal solution to the independent Northern Cyprus option.⁸³

Turkey has a broader aim to connect itself with the Organisation of Turkic States through Georgia (and Armenia, in the event that the Zangezur Corridor comes into being) and Azerbaijan and create a block of states that would deepen their intra-trade and expand their freedom of movement, services and goods to increase Ankara's and other states' economic and political output. This long-term plan could be challenged by the EU or used as a tool to stabilise the region, which could also be beneficial to Brussels in the long term.

Turkey believes it has the tools to balance both Russia and Iran, as it demonstrated during its engagement on the side of Azerbaijan in the Second Karabakh War in 2020. The Turkish military involvement reduced Russian influence in the area and within Armenia. Iran felt threatened by the increasing role of NATO heavyweight Turkey on its north-western border.

Ankara, through its network of businesses, large market, strong military, and various state institutions, could balance Russian and Iranian influence in the South Caucasus and also counter them in social and cultural spheres with ethnic and historic links in Georgia and Azerbaijan. Ankara is offering Yerevan the possibility to diversify its relations and lessen its dependency on Russia.

There is no doubt in Ankara that the EU could, under the right circumstances – essentially respectful and equal cooperation – serve as a powerful multiplier in efforts

⁸² European Council (EC), "Joint Communiqué – 20th EU-Central Asia Ministerial Meeting'", Press release (Brussels, 27 March 2025), <https://www.consilium.europa.eu/en/press/press-releases/2025/03/27/joint-communication-20th-eu-central-asia-ministerial-meeting/> (accessed 18 May 2025).

⁸³ Interview with Turkish diplomats in April 2025 in Ankara.

to stabilise the region and achieve the objectives outlined above. At the same time, Brussels could leverage Turkey's already deep ties with regional countries to reassert itself as a geopolitical force.

8.1

Policy Recommendations

- The EU should consider holding (bi)annual head of government level meetings with Turkey, Azerbaijan, Armenia, and Georgia to discuss regional developments and prepare a comprehensive strategy to encourage joint steps in resolving disputes and establishing cohesion.
- Invite Turkey to attend informal meetings with EU foreign ministers in order to improve alignment of Turkish and European foreign policy priorities in the South Caucasus. The absence of regular high-level engagements with Ankara creates distance between the two parties, deepens suspicions, and pushes the Turkish leadership to improvise unilateral policy moves concerning bilateral relations as well as relations with the South Caucasus.
- Incorporate Turkey into the Eastern Partnership ministerial meetings and discussions to include Ankara's views to better coordinate joint initiatives. The EU's Eastern Partnership programme is understandably related to the post-Soviet countries, but Turkey is the regional heavyweight and has deep trade and cultural ties with all relevant actors except for Armenia. Turkey is also an EU candidate country, so inclusion would promote integration.
- Make better use of existing organisations and platforms of which EU countries, Turkey, and South Caucasus countries are members, such as the Council of Europe and the OSCE. Establish informal working groups within these organisations.
- Increase high-level Turkey-EU engagements, where the South Caucasus could be one of the major topics of discussion, and continuously follow up on the issue through bilateral High Level Political Dialogue Meetings. Ankara believes that Paris and Berlin carry more weight than the official political leadership of the Union. Such summits would underline the importance of the Commission and accelerate the type of leader-to-leader engagement Erdoğan prefers. Increased engagements would smooth implementation of the decisions taken by the parties.
- Support, through action plans, credits, and grants, Ankara's attempts to repair and build its transport network, chiefly railway and highways, to increase connectivity between the South Caucasus and Turkey in order to activate the Middle Corridor

fully. To this end, it would be helpful to include Turkey in the EU's Global Gateway programme. At least in the short run, Ankara alone does not have the necessary funds to invest in the infrastructure quickly. Those projects that are underway are mostly funded through credits provided by foreign governments, including the United Kingdom. The European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) could also fund appropriate projects.

- Explore the possibilities of cooperating with Turkey, Azerbaijan, and Armenia to ensure the establishment of the Zangezur Corridor. The EU's engagement could ensure Armenia's participation in the project, which would be in the interest of all parties involved.
- Develop policies and tools to improve connectivity between Turkey, Armenia, and Azerbaijan. While Baku is slowly rolling out the peace negotiations, the EU could encourage all parties to expand their energy and transport connectivity, which would complement the Middle Corridor.
- Increase engagement with Turkey's Cooperation and Coordination Agency (TİKA) in the South Caucasus. Ankara is spending enormous sums in the Caucasus to establish trust and goodwill among local populations. The EU similarly invests in the local economies and civil society. While both sides broadly differentiate their objectives, there is no reason for them not to collaborate on joint projects to increase their footprint and impact in the region.
- Organise more Turkey-EU-South Caucasus business forums, such as the ministerial summits, to deepen economic engagement and utilise Turkish firms to complete sustainable development projects. Such initiatives would provide platforms for the EU and Ankara to focus on positive outputs and mutual long-term projects in the region, which would eventually expand the EU's trade footprint and increase trade.
- Use free trade agreements with the South Caucasus states to integrate their economies into European markets and encourage similar agreements among them. Removing trade barriers between neighbours is one of the EU's core values, and would help frail economies such as Armenia's.

Abbreviations

BTC	<i>Baku–Tbilisi–Ceyhan Pipeline</i>
BTE	<i>Baku–Tbilisi–Erzurum Pipeline</i>
DFCTA	<i>Deep and Comprehensive Free Trade Agreement</i>
EBRD	<i>European Bank for Reconstruction and Development</i>
EIB	<i>European Investment Bank</i>
EUMM	<i>EU Monitoring Mission in Georgia</i>
IMEC	<i>India–Middle East–Europe Corridor</i>
KAAN	<i>Turkey’s fifth generation fighter aircraft project</i>
MHP	<i>National Movement Party of Turkey</i>
MoU	<i>Memorandum of Understanding</i>
PEM	<i>Pan–Euro–Mediterranean</i>
PKK	<i>Kurdistan Workers Party</i>
SOCAR	<i>State Oil Company of the Republic of Azerbaijan</i>
TANAP	<i>Trans–Anatolian Gas Pipeline</i>
TEN–T	<i>Trans–European Transport Network</i>
TEU	<i>Twenty–Foot Equivalent Unit</i>
TİKA	<i>Turkish Cooperation and Coordination Agency</i>

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