

RUSSIA IN
THE
CAUCASUS



SUMMARY



On August 19-20, 2024, Russian President Vladimir Putin conducted a state visit to Azerbaijan, where he met with President Ilham Aliyev in Baku. The visit resulted in the signing of several intergovernmental agreements and memorandums aimed at enhancing bilateral cooperation across various sectors, including healthcare, food safety, climate change, and economic collaboration. The visit also highlighted the strategic partnership between the two nations amidst ongoing regional and global developments.



KEY AGREEMENTS AND MEMORANDUMS



1. Intergovernmental Agreements:

- Healthcare and Medical Science: Strengthening cooperation in healthcare, medical education, and research.
- Plant Quarantine and Protection: Enhancing plant health and safety.
- Food Safety: Agreement between relevant agencies to improve food safety standards.

2. Interagency Memorandums:

- Climate Change and Low-Carbon Development: Agreements to address climate change and promote sustainable development.
- Labour Inspection: Cooperation in labour inspection to ensure fair and safe working conditions.

3. Investment and Trade:

- Russian Direct Investment Fund and Azerbaijan's Export and Investment Promotion Agency: Memorandum of Understanding to bolster economic investments and trade.

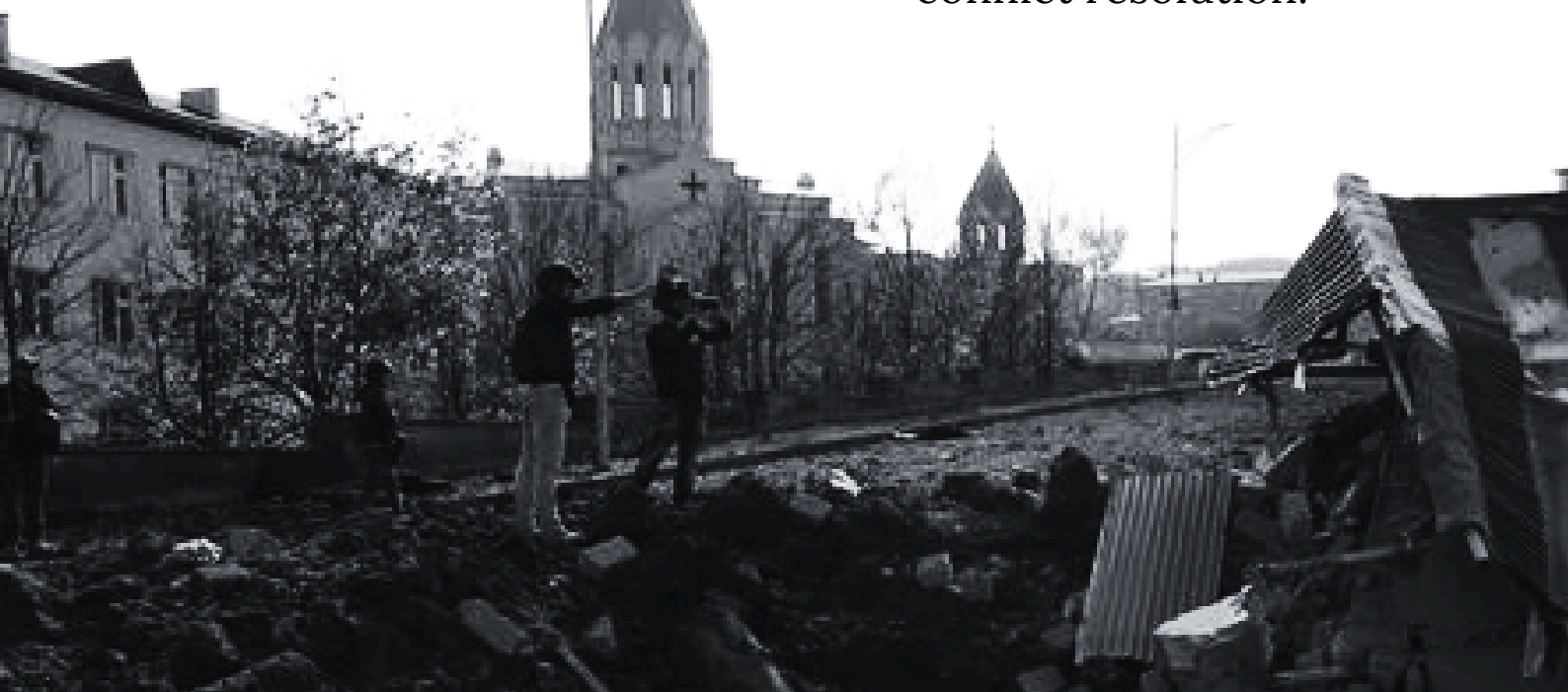
- **Soviet Era Administration:** Both Armenia and Azerbaijan were part of the Soviet Union, which managed their borders and internal affairs. Armenia was an Armenian Soviet Socialist Republic (Armenian SSR), while Azerbaijan was an Azerbaijani Soviet Socialist Republic (Azerbaijani SSR).

- **Nagorno-Karabakh Conflict:** The roots of the Nagorno-Karabakh conflict can be traced back to the Soviet period. The Nagorno-Karabakh Autonomous Oblast, populated predominantly by ethnic Armenians, was located within Azerbaijan's borders. Tensions between the two ethnic groups were suppressed but not resolved, leading to periodic flare-ups of violence.

HISTORY

Armenia and Azerbaijan in the USSR

- **Economic and Political Relations:** Both republics were integrated into the Soviet economic system, which included resource allocation and industrial development. The USSR's centralized governance managed their economic relations and provided a framework for inter-republican cooperation and conflict resolution.



- **Independence and Early Relations:** Following the dissolution of the Soviet Union in 1991, Armenia and Azerbaijan became independent states. The newly independent countries inherited the unresolved Nagorno-Karabakh conflict, which erupted into a full-scale war from 1988 to 1994. A ceasefire was brokered, but the conflict remained unresolved, leading to prolonged instability in the region.

- **Russian Federation's Role:**

- **Early 1990s:** In the immediate aftermath of the Soviet collapse, Russia sought to maintain its influence in the South Caucasus through diplomatic and military means. Russia became a key player in mediating the Nagorno-Karabakh conflict and establishing security arrangements in the region.

- **2000s to 2010s:** Russia continued to play a significant role in the South Caucasus, balancing its relations with both Armenia and Azerbaijan. Russia's support for Armenia included military assistance and political backing, while it also engaged with Azerbaijan on energy and economic cooperation.

HISTORY

Post-Soviet Relations

- **Recent Years:** Tensions between Russia and Armenia increased following Armenia's pivot toward Western alliances, particularly after Azerbaijan's military success in Nagorno-Karabakh in September 2023. Russia's perceived lack of intervention in the conflict strained its relationship with Armenia. In contrast, Azerbaijan has increasingly aligned itself with Russia, given its role as a key partner in regional energy and transportation projects.



DIPLOMATIC AND STRATEGIC CONTEXT

- **High-Level Relations:** The visit underscored the strong bilateral relations between Russia and Azerbaijan, with both leaders reaffirming their commitment to enhancing ties. This visit follows recent high-level meetings in Moscow and other international settings.

- **Economic Growth:** Trade between Russia and Azerbaijan surpassed \$4 billion last year, with significant growth in the first half of 2024. Investments from Russia into Azerbaijan's economy exceed \$4 billion, with notable Russian enterprises such as LUKOIL and KAMAZ active in Azerbaijan.

- **Infrastructure Projects:** The North-South transport corridor, a crucial project for regional connectivity, is being upgraded with \$120 million allocated for improvements, aiming to increase cargo capacity to 15-30 million tonnes per year.

CULTURAL AND EDUCATIONAL TIES



- **Russian Language and Education:** Azerbaijan has a substantial number of schools and universities teaching Russian, highlighting deep cultural ties. The establishment of a Russian-Azerbaijani university in Baku is under discussion.

- **Student Exchange:** Approximately 8,000 Azerbaijani students are currently studying in Russia, with over 1,000 receiving scholarships from the Russian government.

Regional Security and Conflict

- **Nagorno-Karabakh Conflict:**

- **Recent Developments:** The situation in Nagorno-Karabakh, where Azerbaijan reasserted control in September 2023, remains a significant focus. The conflict led to a major displacement of ethnic Armenians and strained Russia-Armenia relations.

- **Russian Mediation:** Despite the ongoing war in Ukraine, Putin reaffirmed Russia's commitment to mediating peace between Azerbaijan and Armenia. He plans to discuss the outcomes of his talks with Aliyev with Armenian Prime Minister Nikol Pashinyan.





South Caucasus Stability

- Strategic Importance:

Both leaders emphasized the importance of Russia-Azerbaijan cooperation for maintaining stability in the South Caucasus. The regional dynamics have shifted following Azerbaijan's military actions and the withdrawal of Russian peacekeepers from Nagorno-Karabakh.

Energy and Environmental Concerns

- Energy Projects:

-Transportation and Infrastructure: Collaborative projects, including the construction of modern tankers for transporting oil, are intended to enhance energy transportation from the Caspian and Black Sea regions to global markets.

Environmental Issues

- Caspian Sea Shallowing: Both countries agreed to jointly address the environmental challenges faced by the Caspian Sea, including its drastic shallowing, which poses significant ecological risks.

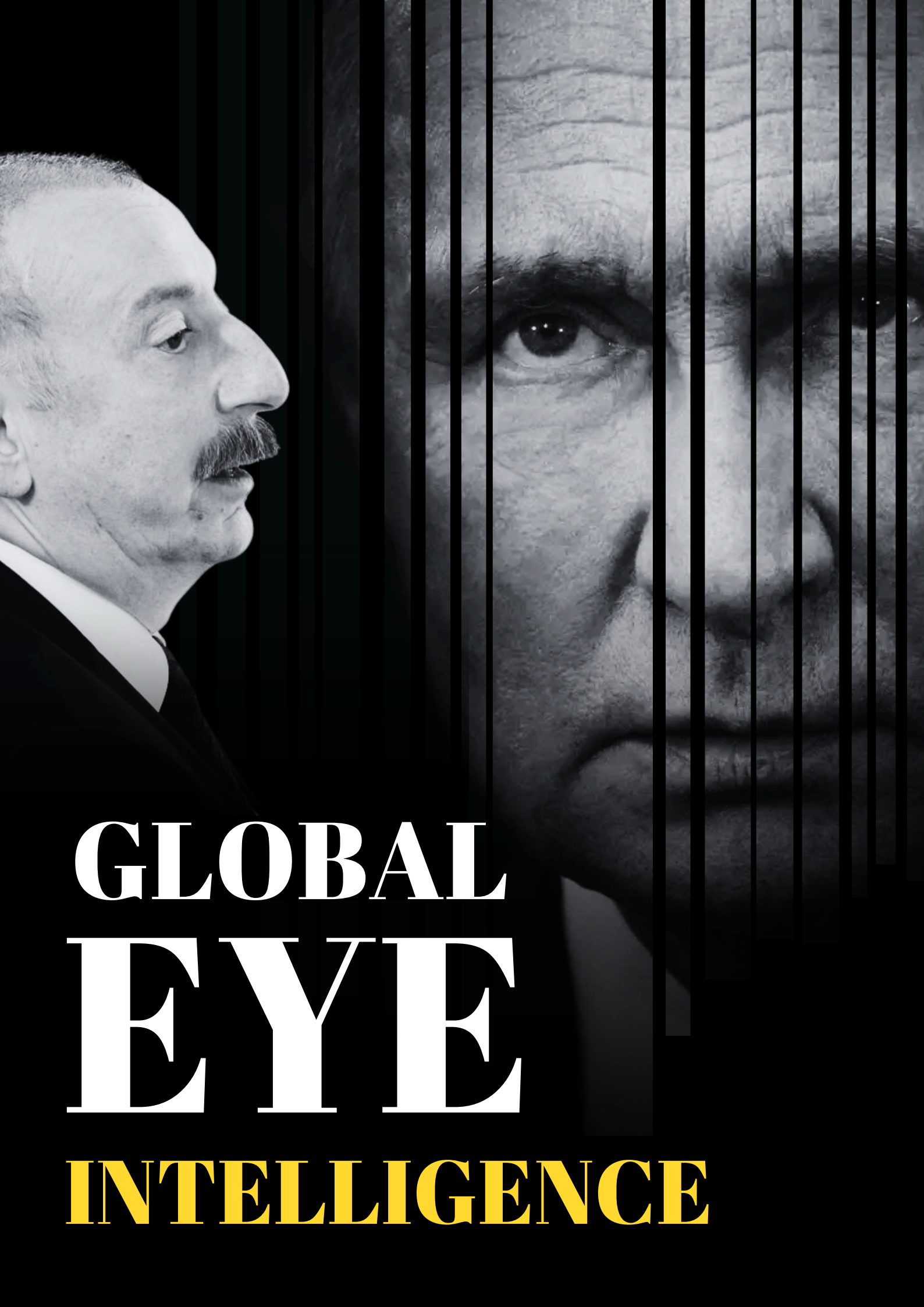


PRESIDENT

PUTIN

Conclusion

The state visit of President Putin to Azerbaijan reinforced the strategic partnership between the two nations. The agreements and discussions reflected a commitment to expanding bilateral cooperation in key areas including trade, investment, cultural exchange, and regional security. The visit also demonstrated Russia's ongoing role as a mediator in the South Caucasus, amidst a complex geopolitical landscape influenced by its involvement in Ukraine and shifting alliances in the region.



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