

The Impact of Munich

Did It Pave the Way for Rapprochement Between Armenia and Azerbaijan?

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In February 2023, the president of Azerbaijan, Ilham Aliyev, attended the annual Munich Security Conference. Two “first-time-ever” events of significance for the Silk Road region marked this meeting. First, U.S. Secretary of State Tony Blinken hosted a meeting between Aliyev and Nikol Pashinyan, in furtherance of America’s supporting role in the ongoing peace process. Second, the leaders of Armenia, Azerbaijan, and Georgia participated side-by-side in a public panel, signaling perhaps a greater commitment to shared ownership of the region’s future. These two events, which both occurred on 18 February 2023, and the entire Munich Security Conference, took place against a geopolitical background characterized by geopolitical uncertainty and security cataclysms in the post-Soviet region, deepened by the raging conflict over Ukraine, the stalled peace negotiations between Armenia and Azerbaijan, and the deepening rift between China and the West.

Previous rounds of peace talks held at various levels and in various formats in Moscow, Sochi, Washington, New York, Brussels, and Prague between Baku and Yerevan all yielded (at best) limited results. These events have been punctured by periods of a steady growth of bellicose rhetoric on both sides, including in the run up to the Munich Security Conference. This set the stage for the U.S.-brokered Munich meeting that took place on 18 February 2023. Although both parties did not reach a consensus on certain issues, Azerbaijan did propose the establishment of new border checkpoints in Lachin and Zangezur to alleviate the stalemate. This paper analyzes the results of this Munich meeting in light of the latest period of heightened anti-Azerbaijani rhetoric in Yerevan and the ongoing protests of Azerbaijani eco-activists along the Lachin Corridor.

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A Long Road to Munich

When deadly clashes erupted between Azerbaijan and Armenia in September 2022, many anticipated the resumption of military operations in Karabakh. Yerevan's provocative statements and the failure to fulfill the requirements contained in the 10 November 2020 tripartite statement that brought an end to the Second Karabakh War provoked Baku to take a firmer stance regarding the various aspects of the negotiations process. Hence, Aliyev's statement that "2023 is the last year for signing a peace agreement" should not have come as a surprise.

Although both parties recognized each other's sovereignty and territorial integrity at their talks held during the inaugural meeting of the European Political Community in Prague, subsequent events—notably the insistence of the President of France to make permanent the one-off quadrilateral negotiation format led by the President of the EU Council, his one-sided pro-Armenian statements, etc.—produced a freezing of the EU-led facilitation process of talks. The French attempt to insert its own agenda into the peace process also deepened the diplomatic rift between Baku and Paris. This was followed by various Russian attempts to reassert its primacy as the mediator in talks between the two countries.

With France desperately interfering to secure privileges for the ethnic-Armenian community residing in the Russian peacekeeping zone operating in a part of Karabakh, skepticism grew on the Azerbaijani side regarding the ability and willingness of the EU and its member states to make valuable contributions to the stalled peace process. Tactically, Baku agreed to deepen engagement with Russia to achieve agreements on specific issues like border demarcation and delimitation and the unblocking of regional communication. As such, on 1 November 2022, Aliyev and Pashinyan gathered in Sochi at the invitation of the president of Russia, Vladimir Putin. Although these two issues were discussed during the meeting, no consensus was reached.

In fact, the Sochi meeting provided neither positive developments in the peace process nor a de-escalation in the recriminatory rhetoric of Baku and Yerevan. Baku's growing discontent may have resulted from the surprise appearance of Ruben Vardanyan, a Russian oligarch of Armenian descent, in the Russian peacekeeping zone and his subsequent attempts, ultimately unsuccessful, to insert himself into the dialogue between Karabakh Armenians and Azerbaijan. During a meeting with the EU's Special Envoy for the Eastern Partnership, Dirk Schuebel, in Baku on 17 November 2022, Aliyev emphasized:

We are ready to talk with ethnic Armenians in Karabakh, but not with those who have been sent from Moscow hiding in their pockets billions of stolen money from Russian people, like the man called Vardanyan who was transferred to Karabakh from Moscow with a very clear agenda.

Despite official Moscow's handwashing and denial of its alleged ties to Vardanyan, both the political elite and expert community in Azerbaijan continued to label him as

“Moscow’s project.” Azerbaijan thus viewed Vardanyan as an extension of Moscow—a means to foster additional leverage over Azerbaijan in a bid to maintain tense relations between Baku and Yerevan. Consequently, Vardanyan’s provocative statements toward Azerbaijan during the few months when he resided in the Russian peacekeeping zone greatly reduced the chances of communication between Baku and Khankendi. (It appears that this period has come to an end.)

Therefore, the Azerbaijani government took a firm stance on the issue by criticizing Russia’s mediation and the conduct of the Russian peacekeeping forces deployed in Karabakh (the latter has continued up to the present day). The onset of protests along the Lachin Corridor followed. This move appeared to be unexpected by Moscow and its proxy, Vardanyan, thus exerting pressure on the de-facto separatist regime. Also, the move signaled to Yerevan and Moscow that constructive dialogue would not be possible until Vardanyan left the region.

Moreover, Vardanyan’s presence on the ground was seen as an attempt by Moscow to force Baku into negotiating with him as a “leader” of the ethnic Armenian community in Karabakh. This, too, was unsuccessful.

From September 2022 until the meeting in Munich in February 2023, Azerbaijan gradually increased pressure on the ethnic-Armenian separatist regime in Karabakh to push Vardanyan out of the region and then renewed its attempts to restart direct dialogue with its representatives. As a result, Baku held the strong expectation that Armenia would formally accept Karabakh as part of Azerbaijan, and this view intensified in the last weeks of 2022, given Pashinyan’s political antipathy toward Vardanyan.

The dispute over Vardanyan’s role in Karabakh and Armenia’s attempts to avoid peace talks increased the risks of escalation with Baku and made a face-to-face meeting of the leaders in Munich critically important. However, the only concrete positive outcome of the meeting for Azerbaijan was Vardanyan’s dismissal shortly after, as Yerevan was quick to reject Baku’s proposal on establishing checkpoints along the Lachin Corridor (a subsequent visit by Russian foreign minister Sergey Lavrov in late February 2023 also did not produce an agreement on this issue). Ironically, Baku seemed confident that the checkpoints proposal would likely be rejected by Armenia, seeing its good-faith proposal as a chance for Azerbaijan to demonstrate a constructive position during the meeting brokered by Blinken.

In fact, by exerting more pressure on Armenia and the Khankendi Armenians, Azerbaijan succeeded in neutralizing possible provocations from Russia-linked public figures like Vardanyan and revanchist forces in Armenia (and the diaspora).

What to Expect?

Although the Munich meeting did not yield visible results regarding the peace negotiations between Azerbaijan and Armenia, it paved the way for the West (via the

U.S.) to rekindle relations with Azerbaijan following France’s destructive interference in the EU-led Brussels format. For Azerbaijan, it is easier to talk to the EU rather than Russia, as Russia appears to prefer a settlement predicated on what it calls a “special status for Karabakh region”—something that is unacceptable for Baku.

Azerbaijani authorities have continued to seek direct communication with the Armenian community of Karabakh whilst refusing any outside mediation or facilitation in this regard. Hence, at the end of February 2023, Azerbaijani member of parliament, Ramin Mammadov (an Azerbaijani from Karabakh), held a meeting in Khojaly with members of the Armenian community that was led by Samvel Shahramanyan. This (officially) first meeting between ethnic-Armenians from Karabakh and Mammadov may represent the beginning of regular and direct communication between Baku and the Armenian community of Karabakh. If successful, this could herald the start of a reintegration and ultimately reconciliation process.

Interestingly, the Khojaly meeting coincided with Lavrov’s aforementioned visit to Baku. Indeed, the Russian foreign minister’s trip to Azerbaijan aimed to revitalize Moscow-Baku relations and ensure the reassertion of the Kremlin’s role as a mediator in the peace negotiations. However, Lavrov’s visit shed light on Moscow’s discontent regarding the EU’s facilitation role in the peace process and the newly-deployed EU civilian mission on Armenian soil. Moreover, the fact that Lavrov did not visit Yerevan after his stay in Baku, as is traditional, also manifested the perhaps growing diplomatic rift with Yerevan.

Hence, it is likely that Lavrov’s trip was a reaction to the news that the next Aliyev-Pashinyan meeting would soon be held within the framework of the Brussels format, which was later confirmed by U.S. State Department spokesperson Ned Price. Due to this, Russia will likely double efforts to set up a trilateral meeting between Aliyev, Pashinyan, and Putin in Moscow (or Sochi)—ideally (from the Kremlin’s standpoint) before the next EU-brokered meeting takes place.

High Stakes Moves

The Munich meeting was a valuable opportunity for the West to rekindle relations with Azerbaijan and Armenia whilst securing its place at the negotiations table. Although Russia strengthened its position as a key mediator in the peace process in the absence of the EU, the illegal exploitation of Azerbaijani resources on the Russian peacekeeping zone (and with their tacit approval), the ongoing civilian protests along the Lachin Corridor, and the appearance (and disappearance) of Vardanyan in Karabakh despite repeated warnings from Baku, all contributed to deepening anti-Russian sentiments in Azerbaijani society.

Unsurprisingly, Russia's influence in the Silk Road region, including in the South Caucasus, has diminished due to its conduct in the conflict over Ukraine. This is even the case in Armenia (the most recent example is Yerevan's refusal to send a representative to serve as Deputy Secretary General of the Collective Security Treaty Organization). Pashinyan seems to be involved in high stakes set of moves to attempt to distance his country from its comprehensive dependency on Russian political, economic, and security patronage whilst seeking to move closer to the EU in particular and the West in general.

In this context, even though the Munich meeting did not produce a breakthrough in the peace process, it enabled the leaders of both Armenia and Azerbaijan to communicate face-to-face with very high-level American support and, perhaps, result in the restoration of the Brussels format.

A distinct development that has taken place in this context is the clear articulation of Azerbaijan's position with respect to Karabakh. Its bottom-line position was stated by Assistant to the President of Azerbaijan and Head of the Foreign Policy Department of the Presidential Administration, Hikmat Hajiyev, on 13 March 2023:

The issue regarding the personal rights and security of the Armenian population living in Karabakh is exclusively an internal affair of Azerbaijan, and Azerbaijan will not discuss issues related to its sovereignty with any third parties.

This was followed by a statement by the Presidential Administration of Azerbaijan, which was released later on the same day, inviting the representatives of the Armenian public of Karabakh to continue contacts on reintegration and discuss the issues related to the implementation of infrastructure projects in Karabakh.

Both of these statements came on the heels of recent reports that Pashinyan and his senior officials have made it clear to the Karabakh Armenians that they need to engage directly with Baku.

All this speaks to the impact of the meeting that took place between Aliyev and Pashinyan brokered by Blinken on the sidelines of the Munich Security Conference.