

# The Future of the EU's Eastern Partnership Policy in the Context of EU-Azerbaijan Relations

## Difficulties and Prospects: Perspectives from Azerbaijan

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*“[Azerbaijan] is a partner, yes, today it is a partner. But does that mean that the relationship is simple? No, the relationship is not simple. Is it difficult? Yes, and these real difficulties need to be understood.”*

– Charles Michel,  
President of the EU Council

*“The EU's Eastern Partnership programme is often underestimated for what it has accomplished but overestimated for what it can achieve.”*

– Steven Blockmans,  
Director of Research at CEPS

### *Topics of Discussion*

*The EU's “actorness” in the context of its Eastern Partnership (EaP); consequences of the shift in the geopolitical balance of power in the South Caucasus; the security deficit in the EaP and the relevance of the EU as security provider; the added value of continuing with the EaP's multilateral format for the EU, its member states, and the EaP countries themselves; direction and sectors of focus for the advancement of EU-Azerbaijan relations.*

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## Introduction

This IDD paper analyzes EU-Azerbaijan relations and the EU’s “actorness” as a peace facilitator in the context of providing a summary of an Experts’ Workshop that took place on 2 November 2023 at ADA University under the auspices of the Institute for Development and Diplomacy’s Jean Monnet Center of Excellence in EU Studies, which aims inter alia to provide a platform for voices from three EaP countries (i.e., Azerbaijan, Georgia, Ukraine) to discuss the future of the EaP framework (project number: 101085083). The event brought together recognized experts and practitioners across various stakeholders based in Azerbaijan.

The discussion focused on the most recent events and changes causing geopolitical shift in the EU’s “eastern neighbourhood,” relevance of the EaP with a view to relationship-building prioritization, the EU’s actorness and credibility in facilitating the peace talks between Baku and Yerevan and, more generally, peacebuilding after the Second Karabakh War, the indispensable role of Azerbaijan as a gateway to Central Asia via the Middle Corridor, and various other connectivity projects and perspectives on a broader Azerbaijan-EU strategic partnership. Participants also touched upon the importance of local perceptions of the EU.

## Background

As the EaP entered its second decade, the European Union and its partners undertook a revision of the umbrella policy document in 2019 and issued a new document that set out a new vision for the program, with resilience as overarching policy framework for its EaP policy under the title: “Reinforcing Resilience: An Eastern Partnership that Delivers for All.” As High Representative/Vice-President Josep Borrell stated at the time, “the Eastern Partnership remains high on the European Union’s agenda and the EU wants to shape an agenda that responds to the unprecedented challenges—and opportunities—of today, while making it fit for the future.” While the EU has developed a highly ambitious cooperation agenda, the current turbulent geopolitical and economic dynamics creates challenges and debates over the relevance of the program for the sides.

Over the years, relations between the EU and the six EaP countries, as well as the domestic developments within each, have all developed differently. In the last couple of years, the focus has moved towards building cooperation and differentiation, as stated in the EU Commission Joint Communication of 2020: “bilateral cooperation remains the way to ensure a tailor-made approach, [which aims for] “deeper sectoral cooperation and exchange between interested partner countries.” At the same time the EU Commission also continues to sustain its multilateral framework, arguing that multilateral EaP architecture is useful for exchanges and cooperation.

The Azerbaijan-EU relations are based on the EU-Azerbaijan Partnership and Cooperation Agreement, which has been in force since 1999. Negotiations on updating the legal framework for institutional cooperation have been ongoing since 2017. Principles of equality, pragmatism, and realistic content have been in the heart of the relationship, as over the years cooperation has successfully developed in economic terms—with an emphasis on the transportation and connectivity and the provision of energy resources. EU membership for Azerbaijan is not on the table, in large part due to Baku’s lack of interest.

The growing role of the EU in peace negotiations between Armenia and Azerbaijan since the end of the Second Karabakh War happened through the direct involvement of the President of the EU Council. This opened another dimension in the relationship. The EU formally deferred its involvement in the protracted conflict over Karabakh, stepped in at a high political level to facilitate direct talks between Baku and Yerevan only in 2021. Thanks to Michel’s explicit commitment to engage in a neutral manner, Brussels became a frequent destination for Armenian and Azerbaijani leaders. But the Brussels process stagnated and lost its relevance with biased statements by Michel against Azerbaijan, coupled with the blatantly pro-Armenian statements (and actions) of top French officials.

As a result, President Ilham Aliyev chose to decline an invitation to attend the European Political Community meeting in Granada, Spain, in October 2023—at the margins, another round of EU-brokered talks was scheduled to be held in a special format, consisting of Michel, flanked by the president of France and the Chancellor of Germany, and the leaders of Armenia and Azerbaijan. Baku characterized the bias exhibited by the EU and France deal-breakers. However, Azerbaijan has not excluded the possibility of a revival of the Brussels-based peace process, but only if it does not include France. Two months have passed since the failure of Grenada, and no further meetings on peace-deal negotiations have been held or scheduled. In the meantime, Baku continues to wait for Yerevan’s response to its latest draft of the peace treaty, which it had submitted in early September.

At the same time, Azerbaijan has begun to place greater emphasis on the centrality of the region’s actors themselves in setting and advancing the peace agenda. As Azerbaijani presidential adviser Hikmat Hajiyev put it on 16 November 2023, “peace and regional security lies not in Brussels, not in Paris, not in Washington or Moscow or somewhere else. Peace lies in the region itself. [...] The relevant EU institutions should also be part of the solution, not [part of] the problem, to advance a peaceful agenda in the region.”

Earlier, the political relations between Brussels and Baku had been described by Michel (in an interview to Euronews on 3 October 2023) as “partnership relations with some real difficulties.” He failed to elaborate his statement on that occasion or subsequently.

Still, the 27 EU member states, taken as a whole, remain Azerbaijan's largest trade partner and second-biggest import market as well as the country's largest foreign investor—both in the energy and non-energy fields. The conflict over Ukraine, which has transformed the geopolitical situation in the region, has also opened new perspectives of collaboration—in particular in the spheres of energy and transportation. The positive role played by the EU in the spheres of business development, climate investments, economic diversification measures, regional development cannot be denied.

Increasing geopolitical and geoeconomic heterogeneity and the (re)emergence of new yet distinct tendencies and security challenges in each of the EaP countries, coupled with the disparate effects of the conflict over Ukraine and the EU's resulting decision to impose a sanctions and export restrictions regime on Russia, have accelerated the region's transformation, which seems to be insufficiently recognized in the EU's new strategy towards the region. Today, with confrontation between the Russia and the West peaking, the countries of the EaP are trying to find their place in this more unstable and less predictable international environment.

### *Analysis and Summary of the Experts' Discussion*

The Expert Workshop was conducted with an aim to identify and advance an understanding of the complex and multifaceted nature of Azerbaijan-EU relations as well as discuss policy dilemmas that need to be considered by Azerbaijan and the EU to make the “cooperation” more effective.

Within the discussion, six major dilemmas were identified by the participants.

*First*, Azerbaijan's perception of the EU's facilitation role in the Armenia-Azerbaijan peace negotiations. There was a common agreement among the participants that the continued usefulness of Brussels' role is predicated on its credibility, neutrality, and capacity to deliver. The EU's increased diplomatic efforts and involvement in the peace process elicits its shift towards a more active involvement in the South Caucasus region, both in terms of geopolitics and geoeconomics. Competition between the EU (as facilitator) and the U.S. (as supporter), on the one hand, and Russia (as mediator), on the other hand, seems to be growing, which is not helped by the disparate national positions and ambitions of various EU member states.

*Second*, Azerbaijan's perception of the EU's downplaying of the implications of the country having chosen to play an enhanced role in the provision of energy security to the European continent. And, further, to the EU's strategic need to purchase more hydrocarbon-based and green energy from Azerbaijan. As one participant put it, “there is no more reliable non-Western pipelined oil and gas supplier to the EU than Azerbaijan.” Hence the July 2022 and December 2022 memoranda of understanding—but also Azerbaijan's puzzlement that the EU does not seem to fully understand that projects

like expanding the Southern Gas Corridor will require a greater willingness by the EU and Europe-based financial institutions to finance the deal and permit longer-term contracts. This puzzlement has grown in the wake of the EU Parliament's choice to adopt a resolution demanding the "suspension" of the gas agreement and calling for "targeted sanctions" against Azerbaijan in October 2023. This is evidently not how strategic energy partners should conduct their affairs.

*Third*, since 2017 the EU and Azerbaijan have been negotiating an Association Agreement to succeed the Partnership and Cooperation Agreement (PCA), which has institutionally framed Azerbaijan-EU relations since 1990s. Although both Baku and Brussels have made multiple official statements over the past seven years expressing positive expectations and hoping for a rapid finalization of the talks, these remain ongoing. The perception in Azerbaijan is that the EU's platform remains too rigid, with Brussels' posture being seen as remaining overly rigid. As one participant put it, "we are in the Caucasus, not the Balkans; we don't want to join their club, and so this means there has to be more give-and-take." This would require a shift away from the EU's "incentives approach" towards one involving more compromise and diplomacy.

*Fourth*, the perception in Baku that there is a lack of understanding in Brussels that Azerbaijan is the indispensable state for the advancement of the EU's strategic connectivity ambitions in the Silk Road region. This cannot help but call into question the veracity of EU Commission President Ursula von der Leyen's strong determination to run a "geopolitical commission."

*Fifth*, the lack of "preventive engagement" by the EU in its eastern neighborhood in a view of the ambiguities the region is facing regarding the rising aspirations of major non-Western powers like Russia and China.

*Sixth*, the downgrading of the value-added propositions contained in the EaP framework in favor of devoting increasing attention and importance to relations between each EaP country and the EU, which suggests a lack of coherent vision for the future of the program itself. In Azerbaijan's case, this raises the specter that a double-standards approach towards Baku could become the norm, which would set back not only the relationship but a general positive view of the EU in the country.