

# MP-IDSA *Commentary*

## South Caucasus Nations' Foreign Policy Choices amidst the Russia-Ukraine War

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### **S***ummary*

The South Caucasus nations have recalibrated their foreign policies given Russia's preoccupation in Ukraine.

The Russia–Ukraine war has shaped regional political, economic and security dynamics. The three South Caucasus nations—Armenia, Azerbaijan and Georgia—are geographically located in Russia's backyard and strongly connected to Russia. They have maintained a relationship with Russia while strengthening ties with the US and the European Union (EU). Other regional powers such as China, Türkiye and Iran have also sought to strengthen their respective relationships *vis-à-vis* these three countries. The following sections will briefly delineate key aspects of these nations’ foreign policy choices in the backdrop of the Russia–Ukraine war.

## Armenia

Two regional conflicts have impacted Armenian regional security and foreign policy since 2020—the Nagorno-Karabakh conflict between Armenia and Azerbaijan, and the Russia–Ukraine War. The two wars have impacted Armenian calculations with regard to Russia and the West. The Nicol Pashinyan government suspended its participation in the Collective Security Treaty Organization (CSTO) on 23 February 2024, alleging its inability to support Armenia when it was attacked and its sovereignty threatened.<sup>1</sup>

Armenia has also diversified its defence procurement away from Russia and has signed defence deals with France and India. Armenia took initiatives to diversify its arms supplies as Russia was unable to meet its defence supply requirements. Armenia secured the Pinaka multi-barrel rocket launch systems, Akash 1S air defence missile systems, Dornier 228 surveillance aircraft, among others from India while it signed deals relating to purchase of Thales GM 200 radars and Mistral anti-air missiles from France in 2023.

The current Armenian leadership, which came into power in 2018, has seen a strong advocate of aligning with the West. Armenia passed a draft law ‘On Initiating the Process of EU Membership’, in the first session of the Armenian Parliament on 9 January 2025.<sup>2</sup> The US and the EU have mediated peace negotiations between Armenia and Azerbaijan relating to the Nagorno-Karabakh conflict. The EU has deployed a civilian border monitoring mission on 20 February 2023 in Nagorno-Karabakh to support confidence-building between Armenia and Azerbaijan.<sup>3</sup>

Armenia signed a strategic partnership with the United States on 14 January 2025, with a focus on increased economic cooperation, security, defence, strengthening democracy and increased people-to-people exchanges.<sup>4</sup> Armenia though still has a

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<sup>1</sup> [“Armenia Suspends participation in CSTO — Prime Minister”](#), TASS, 23 February 2024.

<sup>2</sup> [“Armenia Takes First Steps Toward EU Membership: Government Approves Eurovote Plan”](#), JAM News, 9 January 2025.

<sup>3</sup> [“About European Union Mission in Armenia”](#), EU Mission in Armenia, 1 March 2025.

<sup>4</sup> [“Charter on Strategic Partnership Between the United States of America and the Republic of Armenia”](#), US Embassy in Armenia, 15 January 2025.

strong connection with Russia through membership in various Russian-led regional organisations such as the Commonwealth of Independent States (CIS) and the Eurasian Economic Union (EEU).

## Azerbaijan

Russia removed peacekeeping forces in April 2024 stationed in the Lachin corridor as part of the peace agreement of November 2020 post the first major clash in the Second Nagorno-Karabakh War. This was in the aftermath of the large-scale offensive conducted by Azerbaijan in September 2023. There have been reports of Russian support for the Zangezur corridor, proposed by Azerbaijan to run through Armenia.<sup>5</sup>

Europe on the other hand has seen Baku as an essential transit country and an alternative source to Russian gas. In the first quarter of 2025 (January–March), Azerbaijan exported 6 billion cubic metre of gas to Europe. In 2024, it had exported 12.9 billion cubic metres of gas, a growth of 9.3 per cent from 2023, which saw 11.8 bcm of gas exports.<sup>6</sup> These gas exports assume significance in the aftermath of Europe cutting off gas supplies from Russia.<sup>7</sup>

As for transit routes, the two routes that play a crucial role for Russia and Europe where Azerbaijan is important, are the International North-South Transit Corridor (INSTC) for Russia and the Middle Corridor for Europe. The Middle Corridor, also known as the Trans-Caspian International Transport Route, construction of which began in 2013, starts from China and runs westwards through Kazakhstan, the Caspian Sea, Azerbaijan (502 kms), Georgia (400–450 kms approx.) and further on to European countries.<sup>8</sup> The Middle Corridor has been active since 2017 and has been used as an important trade route. The trade route comprises 4,250 kilometres of rail lines and 500 kilometres of seaway.

## Georgia

The offer of the EU candidacy for Georgia on 14 December 2023<sup>9</sup> and the increased economic and people-to-people ties with Russia (the second largest trading partner

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<sup>5</sup> Rovshan Mammadli, [“Does the Russia-Iran Rift in the Caucasus Create an Opportunity for the West?”](#), *The Moscow Times*, 26 September 2024.

<sup>6</sup> [“Azerbaijani Gas Export to Europe Grows 9.3% to 12.9 bcm in 2024 - Energy Minister”](#), *Interfax*, 9 January 2025.

<sup>7</sup> Gabriel Gavin, [“Europe’s Azerbaijan Gas Gambit is Good News for Russia”](#), *Politico*, 20 November 2024.

<sup>8</sup> [“Trans-Caspian International Transport Route”](#), Middle Corridor, 2025.

<sup>9</sup> [“Georgia Membership Status: Candidate Country”](#), European Commission Enlargement and Eastern Neighbourhood, 2025.

after Türkiye) for Georgia in 2022 and 2023) is evidence of Georgia following a multi-vector foreign policy. This is expected to continue under the Georgian Dream government and Prime Minister Irakli Kobakhidze, who came to power after the elections in October 2024.

Russia’s decision to remove ban on direct flights (imposed in the aftermath of a wave of anti-Russia protests in 2019) and removal of the visa restrictions (imposed as a security measure in 2000) on Georgia in May 2023 after Tbilisi decided to withdraw direct support for Ukraine<sup>10</sup> is reflective of a growing relationship. The Georgian Dream government has also refused to impose sanctions on Russia and has shown restraint towards providing active assistance to Ukraine.<sup>11</sup> While the Russian relationship is growing, the Europeans see Georgia as an important part of the Middle Corridor. Georgia is a vital transit partner for this trade route and a connecting link with Central Asia and Europe.

## South Caucasus and Other Regional Powers

While Russia and the West have been at the forefront of South Caucasus nations’ multi-vector foreign policy, other external powers have also attempted to gain influence and traction in the ever-changing geopolitical complexities that plague the region. These include China, Türkiye and Iran.

### China

While Russia and the West have major stakes in the South Caucasus, China is a more recent player focussing on economic relations with Armenia, Azerbaijan and Georgia. Azerbaijan and Georgia have signed major agreements with China on 7 August 2023 and 3 July 2024 respectively. The Georgia–China strategic partnership focuses on improving economic ties, including strengthening partnership through the Belt and Road Initiative, (BRI) respect for one another’s territorial sovereignty, people-to-people exchanges and coordination and collaboration in international and regional affairs.<sup>12</sup> The development of the Alat Port (New Baku International Sea Trade Port) and the Baku-Tbilisi-Kars Railway project (Georgia and Azerbaijan) are some of the initiatives within the BRI.

Azerbaijan has pledged to support the One China policy and both nations have agreed for joint efforts on counter-terrorism, increased economic cooperation, deepening cooperation in the framework of the BRI, increased cooperation in the field

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<sup>10</sup> [“Russia Abolishes Visa Regime and Lifts Ban on Airline Flights with Georgia Starting May 15”](#), *Civil Georgia*, 10 May 2023.

<sup>11</sup> Zaal Anjaparidze, [“Georgia Remains Target of Attempted Russian Influence”](#), The Jamestown Foundation, 5 March 2025.

<sup>12</sup> [“Joint Statement of the People’s Republic of China and Georgia on Establishing a Strategic Partnership”](#), Embassy of the People’s Republic of China in Georgia, 7 August 2023.

of media and information exchange. In the Shanghai Cooperation Organisation (SCO),<sup>13</sup> Azerbaijan has become an observer country from a dialogue partner in 2024.

Georgia has allocated the development of Anaklia port in the Black Sea, which is closely related to the conflict region of Abkhazia, to a Chinese-Singaporean consortium.<sup>14</sup> Azerbaijan and Georgia are part of the Middle Corridor which connects Europe. This elevates the two countries’ role as transit nations which will help attract Chinese investment. Georgia signed a MoU with China regarding the joint development of the Middle Corridor in 2024.<sup>15</sup> Azerbaijan's recent shift from dialogue partner to observer in the SCO and its positive signalling to join the BRICS+ initiative are signs of growing cooperation with China. Armenia's relationship with China is limited compared to the other two South Caucasus nations.

### ***Iran***

Since the conflict in Nagorno-Karabakh and Russia–Ukraine war, Iran–Türkiye relations have gained prominence in the region. Iran is one of Armenia’s closest allies and strategic and security partners in the region. Armenia and Iran conducted a joint military exercise, the first of its kind on 9–10 April 2025. Iranian Deputy Foreign Minister for Political Affairs Majid Takht-Ravanchi, stressed the need for both nations to move towards signing a strategic partnership.<sup>16</sup> Armenia and Iran have stressed the need to maintain sovereignty and territorial integrity without any changes to regional borders, policy positions which suit Armenia’s interests. Armenia positions itself as Iran’s gateway to the South Caucasus. Yerevan and Teheran are key partners and they also have trilateral arrangement with India on the Chabahar port, agreed to on 20 April 2023.

Armenia has allowed Iran to open a consulate in Syunik on 21 October 2022 which is a strategically important territory in the South Armenia region bordering Iran and is near Nagorno-Karabakh.<sup>17</sup> Azerbaijani Army Land Forces and Iran’s Islamic Revolutionary Guards Corps (IRGC) participated in joint military drills in November 2024. Both countries are also collaborating on road and railway projects.<sup>18</sup>

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<sup>13</sup> [“Joint Declaration of the Republic of Azerbaijan and the People’s Republic of China on the Establishment of a Strategic Partnership was Adopted in Astana”](#), President of the Republic of Azerbaijan, 3 July 2024.

<sup>14</sup> Giorgi Menabde, [“Georgia’s Anaklia Deep-Water Port Becomes Chinese Geopolitical Project”](#), The Jamestown Foundation, 6 June 2024.

<sup>15</sup> Tamar Tabatadze, [“Georgia and China Sign Memorandum on Joint Development of Middle Corridor”](#), *Georgian Public Broadcaster*, 13 September 2024.

<sup>16</sup> [“Iran, Armenia Should Elevate Ties to Strategic Partnership”](#), *Mehr News Agency*, 15 April 2025.

<sup>17</sup> [“Iran Opens Consulate in Armenian Region Desired by Baku, Ankara”](#), *Iran International*, 21 October 2022.

<sup>18</sup> [“Russia’s Approach and Evolving Priorities in the South Caucasus”](#), Russia Research Unit, Emirates Policy Center, 27 December 2024.

## **Türkiye**

Türkiye has provided Azerbaijan with drones and other military equipment that has helped Baku’s victory in the Nagorno-Karabakh conflict. Baku also considers Ankara as its strongest ally. That provides Ankara an opportunity to increase its influence both in Azerbaijan and also in the South Caucasus. Recently, Türkiye has consolidated its cooperation with Baku and has invited the Roketsan defence contractor company to open its arms production facility.<sup>19</sup> Armenia's recent reconciliation attempts with Türkiye include opening the border on 11 February 2023 after 30 years, following the devastating earthquake in Türkiye.

Türkiye’s relationship with Georgia is focused on connectivity and defence trade. Georgia acts as a transit for oil, gas and cargo trains moving from Azerbaijan to Türkiye via the Baku-Tbilisi-Kars railway. The military equipment that Türkiye has given to the Georgian Defence Forces include special airfield equipment and spare parts for the UH-1H helicopters and VURAN armed personal carriers.<sup>20</sup>

## **Conclusion**

The Russia–Ukraine war has encouraged the former Soviet space, and in particular, the South Caucasus nations, to diversify and recalibrate their foreign policies given Russia’s preoccupation in Ukraine. This shift in foreign policy has given space to other major regional powers such as Iran and Türkiye to increase their influence. These nations have managed to maintain ties not just with the dominant power in the neighbourhood, Russia, but at the same time have established close relations with the West.

At the same time, China's rise in the region has been steady, and in the long term, China could be an important player in the region, particularly in the economic field. The Chinese could gain from the Middle Corridor, with Azerbaijan and Georgia being essential transit nations for China’s trade with Europe. As regards these nations’ interactions with India, Azerbaijan is India's largest trade partner. Relations with Georgia are strong with direct flights which helps in furthering people-to-people connections. Most importantly, India’s close relationship with Armenia, notably in the defence space, has shown that India can forge its own space of influence in the region.

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<sup>19</sup> Qabil Ashirov, “[Azerbaijan can be Producer of Turkish-made Military Aircraft](#)”, *AzerNews*, 21 February 2024.

<sup>20</sup> Eugene Kogan, “[Georgian–Turkish Relations and their Impact on Russia](#)”, *European Security and Defence*, 24 October 2023.

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