

Azerbaijan-Georgia-Turkey Triangle: The Main Features of Cooperation

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The South Caucasus region has often been associated with negative developments such as military occupation, separatism and militarization. It is also, however, a region with a high level of cooperation and solidarity. Intra-regional cooperation, such as the trilateral relations between Azerbaijan-Georgia-Turkey, Azerbaijan-Turkmenistan-Turkey, and Azerbaijan-Iran-Turkey offer opportunities for regional cooperation and diplomatic resolution of regional problems. Among these, the Azerbaijan-Georgia-Turkey (AGT) triangle is the most functional; the relationship is built on interdependence and supported by trade and transportation relations. The AGT emerged as a result of the regional geopolitical balance and energy relations, but rapidly developed after the 2008 Georgian-Russian War. The first trilateral meeting among the Ministries of Foreign Affairs took place in 2012. The Ministers of Foreign Affairs have now held four meetings, all of which have resulted in adoption of joint declarations. All these declarations cover issues relating to economy, energy, transportation and security. Meetings of the triangle reached a presidential level. This paper examines the reasons and dynamics behind the evolution of bilateral relations between Azerbaijan, Georgia, and Turkey in the 1990s into a trilateral strategic relationship, and the priority areas that have deepened and enhanced this trilateral partnership.



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Introduction

Because of its geo-strategic location and natural resources, the South Caucasus has been a focus of geopolitical competition for regional and extra-regional powers for centuries. The strategic importance of the region has further increased due to East–West transportation and energy projects in the globalized 21st century. The dissolution of the Soviet Union created a power vacuum in the region, which led to two parallel processes: regional cooperation in regard to common threats and projects (AGT), and geopolitical competition among the large regional powers (Russia, Iran, and Turkey) and with the US, and, later, the EU.

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Since the collapse of the Soviet Union, expert analysis of this region has focused on two main strategic alliance axes: the Turkey-Azerbaijan-Georgia strategic axis vs. the Russian Federation-Armenia-Iran axis. The formation, evolution, and competition of these two main axes reflect the principal framework that determines the geopolitical character and the future expectations of the modern Caucasus after more than 20 years of independence.

Whereas the latter axis is accepted as the continuation of a traditional structure, and on that is excluded from the rest of the world, the former aspired to international cooperation by building stable, reliable, and self-sufficient nation-states. The fact that Azerbaijan and Georgia share a common approach with Turkey eliminates any concerns regarding the practical effects of this axis. The results of the concrete projects and activities collectively developed by the three countries throughout the 1990s have become visible in the 2000s.

The bilateral relationships that the three countries established in the mid 1990s and reinforced in the 2000s were officially transformed into a trilateral relationship via the Trabzon Declaration of 8 June 2012. This date marks the twentieth anniversary of the establishment of diplomatic relations between the three countries. Trilateral cooperation has focused on the improvement of common political, economic and commercial interests, as well as the collective and peaceful resolution of the regional security issues via the establishment of a strategic partnership. Although there are differences in national discourses, the parties share similar future expectations, interests, and threat perceptions. A redefinition of this region could also be regarded as a redefini-

tion of regional equilibrium in an effort to create new rules of engagement.

The most significant foreign policy issue for Georgia and Azerbaijan in the post-Soviet period remains the recognition of their independence, sovereignty, and territorial integrity by neighboring states. The partnership between these two countries is primarily founded upon this set of common challenges. Similar problems and the anticipation of their resolution through various alliances conforming to both countries' expectations suggest that Turkey is a key ally.

In brief, it can be argued that the common interests of Azerbaijan-Georgia-Turkey and the countries' similar worldview have paved the way for their partnership.¹ In other words, mutual needs and common interests in the sectors of security, energy, transportation and commerce, as well as regional and global developments are the main determinants of the relationship. In shaping policies and projects in the aforementioned sectors, Azerbaijan, Georgia, and Turkey have come to consider one another as priority partners, mainly because of their geographical and political affinities. Azerbaijan and Turkey see one another as crucial and natural partners with the emphasis on the 'one nation with two states' motto.

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The 1990s – The Birth and the Development of Bilateral Relations and Cooperation

From 1990 to 1993, following the breakup of the Soviet Union, Azerbaijan and Georgia sought to build constructive relations with Turkey in pursuit of stability in an environment of political tumult and disorder. Between 1993 and 1995, mutual optimism and hope for the future dominated the relations between Turkey and the countries in the region. Close personal relationships between Süleyman Demirel, Heydar Aliyev and Eduard Shevardnadze, the presidents of the period, played an important role in establishing these constructive relations. The 'Contract of the Century', signed between Azerbaijan and western partners including Turkey on 20 September 1994, called for the transportation of Azerbaijan's oil to Western markets through a pipeline

¹ Çelikpala, M. (2012) 'Son Yirmi Yılda Türkiye'nin Azerbaycan, Gürcistan ve Ukrayna'ya Yönelik Dış Politikası ve Bu Ülkelerdeki Faaliyetleri' [in Eng: Turkey's Foreign Policy toward Azerbaijan, Georgia and Ukraine in the last twenty years] in Aydıngün, I. and Balım, Ç. (eds) *Bağımsızlıklarının Yirminci Yılında Azerbaycan, Gürcistan ve Ukrayna Türk Dilli Halklar-Türkiye ile İlişkiler* [in Eng: In the 20th Anniversary of Independence Azerbaijan, Georgia and Ukraine - Turkic Speaking Peoples, Relations with Turkey] Ankara: Atatürk Kültür Merkezi Yayını, pp. 311-401.

to be constructed via Georgia and Turkey. This contract led to the construction of the Baku-Tbilisi-Ceyhan Pipeline, which also marked the beginning of trilateral relations, formalized in 2012.

Especially after 1995, the Contract of the Century brought new momentum to regional cooperation and the national policies of Turkey, Azerbaijan and Georgia. The balance between opportunities and risks in the context of regional and global developments offered a strategic approach for the three countries. This strategic point of view was also the result of the need for a comprehensive and effective approach that also took into account the expectations of these countries and limits of their capabilities. This aspect is key in that it requires harmonious cooperation that also complied with the expectations and standards of Western countries and institutions.² Including on the security issue in the 1990s, the three presidents saw no difference between the West's regional interests and their own national concerns.³ In that respect, regional foreign and security policies of these three were based on collective action, taken mainly with Western allies and international organizations. This was a pragmatic stance, given the regional balance and economic, commercial, and political conditions of that period. Furthermore, defining the regional priorities in line with Western priorities and interests serves the balance

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policy of Azerbaijan, is compatible with the baseline of Turkish foreign policy, and could also be regarded as a priority by Georgia.

The common ground of the policies is to balance them with Western actors, represented in this case by Turkey, without alienating Russia and Iran.⁴ The evaluations of the decision-makers, as well as Western countries' approaches including the US are in conformity with the priority of involving the post-Soviet states in the global system. At least to start with, the leaders sought to build a foundation by consolidating the limited resources of these three countries with the help of Western resources and support/programs.

2 Sayari, S. (2003) 'Turkey and the United States: Changing Dynamics of an Enduring Alliance' in Ismael, T. and Aydın, M. (eds.) *Turkey's Foreign Policy in the 21st Century: A Changing Role in World Politics*. Burlington: Ashgate, pp. 27-38.

3 Karaosmanoğlu, A.L. (2000) 'The Evolution of the National Security Culture and Military in Turkey', *Journal of International Affairs*, Vol. 54, No. 1, September, pp.199-216 ; and Öniş, Z. (1995) 'Turkey in the Post-Cold War Era: In Search of Identity', *Middle East Journal*, Vol. 49, No.1, pp. 48-68.

4 Robins, P. (1993) 'Between Sentiment and Self-Interest: Turkey's Policy toward Azerbaijan and the Central Asian States', *Middle East Journal*, Vol. 47, No. 4, pp. 596- 597 ; Larrabee, S. F. and Lesser, I. O., (2003) *Turkish Foreign Policy in an Age of Uncertainty*, Arlington: Rand.

The second half of the 1990s and the beginning of the 2000s in particular saw the development and enhancement of the trilateral cooperation. During this time, the parties had a planned approach to various areas and issues, with more concrete and regional dimensions also taken into account.

The year 2001 marked a turning point with regard to the military dimension of this trilateral alliance. The 9/11 attacks in the US deepened and enhanced this tripartite security cooperation. Following these events, Georgia's Minister of Foreign Affairs Irakli Menagarishvili and Turkey's Minister of Foreign Affairs Ismail Cem discussed the establishment of a cooperation mechanism including Azerbaijan, aimed at combatting terrorism.⁵

Internal political changes in Turkey in 2002, in Azerbaijan in 2003 and in Georgia in 2004 had no negative effects on trilateral relations, confirming their consistency and stability.⁶ Likewise, during his visit to Azerbaijan on 4-5 March 2004, the new Georgian leader Michael Saakashvili declared that "Georgia and Azerbaijan are partners and fellow countries," reassuring Baku that the change in leadership would not disrupt bilateral cooperation.⁷ Following Russia's ban on the import of wine and agricultural products, Georgia's major export commodities, in addition to the increase in the natural gas prices from 2005, the importance of the partnerships with Azerbaijan and Turkey increased for Georgia. As a result, commercial relations have further intensified and Azerbaijan has increased the sale of natural gas to Georgia. Azerbaijan helped Georgia manage its energy supply crisis by selling extra volumes of more than one million cubic meters of natural gas from its own reserves. In a speech delivered at the Tbilisi State University, Georgian President Saakashvili praised Ilham Aliyev, the President of Azerbaijan, for these 'heroic steps'.⁸

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The Russian-Georgian War in 2008 and the normalization process between Turkey and Armenia had some negative effects on relations. However, since 2010 reciprocal visits have enabled the rehabilitation of institutional cooperation and the regional bal-

5 Civil.ge, (2001) *Georgia and Turkey to cooperate against terrorism*, <http://www.civil.ge/eng/article.php?id=408>. (Accessed: 14 August 2015)

6 Mfa.gov.az, *Azerbaijan-Georgia Relations*, <http://mfa.gov.az/files/file/Azerbaijan%20-%20Georgia%20relations%20%283%29.pdf> (Accessed: 1 July 2015)

7 Kakachia, K. and Shiriyev, Z. (2013) 'Azerbaijani-Georgian Relations: The Foundations and Challenges of the Strategic Alliance', *SAM Review*, No. 7-8, July, Baku: Center for Strategic Studies, p.20.

8 *Ibid.*

ance. During Turkish President Abdullah Gul's visit to Baku in August 2010, the 'Agreement on Strategic Partnership and Mutual Assistance' was concluded between these two countries, reviving the solidarity after two years of tense relations.⁹ Bilateral negotiations included detailed references to the essential measures for a more stable and secure Caucasus. In that respect, the resolution of the Nagorno-Karabakh issue within the framework of Azerbaijan's territorial integrity and Armenia's withdrawal from Azerbaijan's occupied territories were also emphasized as Turkey's priorities. Providing assurance that Turkey would consult closely with Azerbaijan and continue to work towards the resolution of regional issues, Turkish President Abdullah Gul "once more announced that Turkey would always be in support of and in solidarity with Azerbaijan."¹⁰

The Russia-Georgia war in 2008 also accelerated the development of this trilateral alliance. The US 'reset' policy towards Russia, the EU's declining engagement in the region, and Turkey's desire to play a more active role in the region led to the re-emergence of the Azerbaijan-Georgia-Turkey alliance, stronger than ever before. On the other hand, the developments in the Middle East, in addition to the crises in Russia-Ukraine-EU relations have brought about significant concerns regarding regional security. The global economic crisis also revealed the necessity to increase the economic power and mutual interaction of the alliance. The Russian sanctions in response to Georgia and Azerbaijan's pursuit of new markets in addition to its (Azerbaijan) efforts towards economic diversification (i.e. beyond the oil sector) contributed to trilateral solidarity, in conformity with Turkey's regional expectations.

The Trilateral Relations: Institutionalization of the Cooperation

Trabzon Summit of Ministers of Foreign Affairs: At the invitation of Turkish Foreign Minister Ahmet Davutoglu, the three Foreign Ministers gathered on 8 June 2012 in Trabzon, a Turkish city on the coast of the Black Sea. This was the first trilateral meeting between the Foreign Ministers, and it was this meeting that launched the trilateral cooperation. With the participation of Turkish Minister of Foreign Affairs Ahmet Davutoglu, Azerbai-

9 'Agreement on Strategic Partnership and Mutual Assistance between the Republic of Turkey and the Republic of Azerbaijan', signed on 16 August 2010 in Baku; ratified on 26 April 2011, *Resmî Gazete* [Official Journal], 28 May 2011.

10 [tcgb.gov.tr](http://www.tcgb.gov.tr), (2010) *Azerbaycan'da Kendimizi Evimizde Hissedyoruz* [in Eng: 'We feel at home in Azerbaijan'] <http://www.tcgb.gov.tr/haberler/170/76961/azerbaycanda-kendimizi-evimizde-hibedyoruz.html>. (Accessed: 10 July 2015)

jani Minister of Foreign Affairs Elmar Mammadyarov and Georgian Minister of Foreign Affairs Grigol Vashadze, the meeting witnessed productive discussions on the consolidation of regional stability and security, as well as on the improvement of cooperation based on mutual and regional interests. Emphasizing the twentieth anniversary of the establishment of diplomatic relations, the resulting Trabzon Declaration stated the parties' "determination to build a better future for the region characterized by peace, stability, cooperation and increasing wealth and welfare."¹¹ This three-page declaration expressed their satisfaction with the current level of bilateral relations and political dialogue, as well as their firm determination to explore the possibilities to further expand their cooperation in political, economic, cultural and humanitarian fields.

Batumi Summit of Ministers of Foreign Affairs: As projected in the Trabzon Declaration, the second Trilateral Meeting of the Ministers of Foreign Affairs of Turkey, Azerbaijan and Georgia was held in Batumi, Georgia on 28 March 2013.¹² This meeting and the continuation of the Trabzon Declaration process are of particular importance because of the political change in Georgia after the parliamentary elections on 1 October 2012. Though expected at any time soon after the Russia-Georgia war in 2008, the change in the Georgian government had put into question Georgia's stance towards regional political equilibrium. Any possible fundamental change would be perceived as a threat to the twenty years of political, economic and commercial investments of Turkey and Azerbaijan. The trilateral mechanism is therefore important in preventing any kind of shift in Georgia's position in the regional strategic axis. The Batumi meeting also helped to overcome the tensions resulted from the newly elected Prime Minister Bidzina Ivanishvili's comments on the trilateral cooperation and the Baku-Tbilisi-Kars (BTK) Railway project.¹³ In this respect, it was

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¹¹*Ibid.*

¹² Mfa.gov.tr, *Türkiye - Azerbaycan - Gürcistan Dışişleri Bakanları Üçlü Toplantısı*, [in Eng: Trilateral Meeting of the Ministers of Foreign Affairs of Turkey, Azerbaijan and Georgia] <http://www.mfa.gov.tr/turkiye%E2%80%93azerbaycan%E2%80%93gurcistan-disisleri-bakanlari-uc-lu-toplantisi.tr.mfa> (Accessed: 13 June 2015)

¹³ Soon after his coming to the government, the Georgian Prime Minister Ivanishvili stated in an interview to the *Rezonansi* newspaper on 20 December 2012 that the construction of the BTK Railway line caused some questions and referring to his visit to Azerbaijan, that "he would have to explain softly to their friendly country that at a certain stage, it would not benefit Georgia and it should be regulated." The tension caused by this statement was shortly attenuated following Ivanishvili's visit to Baku and through mutual negotiations. Rukhadze, V. (2013) 'Russia May Gain in South Caucasus, as Georgian Government Wavers on Regional Railway Projects', *Eurasia Daily Monitor*, Vol. 10, No. 18, January, http://www.jamestown.org/regions/the-caucasus/single/?tx_ttnews%5Bpointer%5D=5&tx_

crucial that the second meeting was held in Batumi and that the Georgian Minister of Foreign Affairs proclaimed that “Georgia had a close relationship and friendship with its strategic partners Turkey and Azerbaijan.”¹⁴

The most significant outcome of this summit is the acceptance of the Trilateral Sectoral Cooperation Action Plan for 2013-2015, which was drafted by experts assigned at the Trabzon meeting. At the end of this meeting, the ministers signed a Joint Communiqué stating the importance of concrete trilateral projects across different sectors. At the press conference after the meeting, the ministers reiterated the importance of trilateral cooperation. Georgia’s Minister of Foreign Affairs Maia Panjikidze declared, “Georgia has a close and friendly relationship with its partners Turkey and Azerbaijan”; while Azerbaijan’s Minister of Foreign Affairs Elmar Mammadyarov commented that “this declaration conveyed Armenia a clear message that it was better to join the club rather than to remain outside.”¹⁵

Ganja Declaration stated that sides were ready to start preparations for the Presidential Summit.

Ganja Summit of Ministers of Foreign Affairs: After the end of Mikhael Saakashvili’s second term, Giorgi Margvelashvili was elected as Georgia’s new president on 27 October 2013. Margvelashvili paid his first visit to Turkey and second to Azerbaijan. This deepened trilateral solidarity, and the Ganja Declaration stated that sides were ready to start preparations for the Presidential Summit.¹⁶

Almost immediately after these elections, the third Trilateral Meeting of the Foreign Ministers of Turkey, Azerbaijan and Georgia was held in Ganja, Azerbaijan on 19 February 2014.¹⁷ At this summit, the parties discussed the progress made since the Trabzon Statement and the proclamation of the Trilateral Sectoral Cooperation Action Plan for 2013-2015. Another statement was adopted at the end of this meeting, declaring the parties’ satisfaction with the development of relations among the three countries, and emphasizing the importance of enhancing coop-

ttnews%5Btt_news%5D=40399&tx_ttnews%5BbackPid%5D=642&cHash=6a2b3fa9fbd8ff48e31e480f19a93d46#.VOFC1PmsVgg. (Accessed: 12 August 2015)

14 *Trilateral Meeting of the MFAs of Turkey, Azerbaijan and Georgia, op. cit.*

15 *Ibid.*

16 Veliyev, C. (2014) ‘From Alliance to Integration: The Turkey-Azerbaijan-Georgia Triangle’, *Eurasia Daily Monitor*, Vol. 11, No. 46, March, http://www.jamestown.org/single/?tx_ttnews%5Btt_news%5D=42079&no_cache=1#.VOBYwuaUdVQ. (Accessed: 12 August 2015)

17 mfa.gov.tr, (2014) *Türkiye-Azerbaycan-Gürcistan Dışişleri Bakanları Üçlü Toplantısı Gence’de düzenlendi* [in Eng: Trilateral Meeting of the Ministers of Foreign Affairs of Turkey, Azerbaijan and Georgia was held in Ganja], http://www.mfa.gov.tr/turkiye_azerbaycan_gurcistan-disisleri-bakanlari-ucclu-toplantisi-gence_de-duzenlendi.tr.mfa. (Accessed: 12 August 2015)

eration in politics, trade and economy, as well as diversifying of relations to include humanitarian fields such as environmental protection, culture, science, healthcare, tourism and sport.¹⁸

Stressing the importance of cooperation in energy, the agenda of this meeting included ‘Shahdeniz-2’ – the one of the largest energy projects in the world. The project envisioned adding a new line to the Southern Gas Corridor, composed of the Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Tbilisi-Erzurum gas pipeline. The decision on the Stage-2 development of the Shahdeniz field was noted as ‘historic’, in that it would significantly expand trilateral cooperation. This statement also eliminated any doubts about the necessity of trilateral cooperation.

Speaking at a joint press conference, Turkish Foreign Minister Davutoglu stressed that this trilateral cooperation would set an example of good neighborly relations, and pointed out that “in the period after the Cold War, one of the problem-free and most structural relations had developed among Turkey, Azerbaijan and Georgia. The joint projects carried out by the three countries also constituted projects toward peace.”¹⁹

Adding another dimension to the trilateral format of the regional cooperation, a decision was adopted to schedule the first Presidential Summit in Georgia, which meant that during the past two years the trilateral format had progressed in line with the parties’ expectations. As agreed in Ganja, the first Presidential summit was held on 6 May 2014 in Tbilisi with the participation of the Turkish President Abdullah Gul, Azerbaijani President İlham Aliyev, and Georgian President Giorgi Margvelashvili.²⁰ This summit reaffirmed that the change of power in Georgia would not have any negative impact on the content and future of trilateral strategic relations. In that respect, this meeting also reiterated the common vision that had been previously laid out among the foreign ministers. A business council meeting was also included in this summit, indicating the willingness of the parties to develop a new dimension in the relationship.

18 Mfa.gov.tr, (2014) *Ganja Statement of the III Trilateral Meeting of the Ministers of Foreign Affairs of the Republic of Azerbaijan, Georgia and the Republic of Turkey, 19 February 2014, Ganja*, http://www.mfa.gov.tr/ganja-statement-of-the-iii-trilateral-meeting-of-the-ministers-of-foreign-affairs-of-the-republic-of-azerbaijan_-georgia-and-t.en.mfa. (Accessed: 12 August 2015)

19 *Trilateral Meeting of the Ministers of Foreign Affairs of Turkey, Azerbaijan and Georgia, op. cit.*

20 Mfa.gov.tr, *Türkiye-Azerbaycan-Gürcistan Cumhurbaşkanları Üçlü Zirvesi Tiflis’te gerçekleştirildi* [in Eng: Turkey-Georgia-Azerbaijan Trilateral Presidential Summit held in Tbilisi], http://www.mfa.gov.tr/turkiye_azerbaycan_gurcistan-cumhurbaskanlari-uclu-zirvesi-tiflis_te-gerceklestirildi.tr.mfa. (Accessed: 12 August 2015)

Kars Summit of Ministers of Foreign Affairs: The fourth Trilateral Meeting of the Ministers of Foreign Affairs of Azerbaijan, Georgia and Turkey was held on 10 December 2014 in Kars, Turkey with the participation of Turkish Minister of Foreign Affairs Mevlut Çavusoglu, Georgian Foreign Minister Tamar Beruchashvili and Foreign Minister of Azerbaijan Elmar Memmedyarov.²¹ Views were exchanged on the possibility of developing regional cooperation on issues of common interest, and the decisions adopted at previous meetings were reviewed at this summit. In the joint statement issued at the end of this meeting, the ministers expressed their satisfaction with the growing trilateral cooperation among their countries and reaffirmed their strong commitment to

Kars Statement is a comprehensive declaration in which the parties' views on economic and political issues, as well as 'the strategic partnership' were set forth.

further enhancing their cooperation based on the strategic partnership, good neighborly relations, and mutual respect and trust. Georgian Foreign Minister Beruchashvili expressed his views that the trilateral cooperation “had significantly improved and attained a new level”.²² Drafted at the end of this summit, the Kars Statement is a comprehensive declaration in which the parties' views on economic and political issues, as well as ‘the strategic partnership’ were set forth.

The Kars Statement also put forward the Trans Anatolian Pipeline Project (TANAP). This project entails the construction of a natural gas pipeline to transport the products of the Shah-Deniz field, which was discussed at Ganja summit, to Western markets. With this project, Azerbaijan as the supplier country, and Turkey and Georgia as transit countries, have decided for the first time to establish a pipeline network using their own resources and without any contribution from final consumer countries. This fact alone could reaffirm that this trilateral cooperation could expand to a global level.

The Key Dimensions of Institutionalized Cooperation

Economic and Commercial Cooperation: Trilateral relations among Turkey, Azerbaijan and Georgia, especially in terms of energy and transport projects, are based on economic and

21 Mfa.gov.tr, (2014) *Kars Statement of the Fourth Trilateral Meeting of the Ministers of Foreign Affairs of the Republic of Azerbaijan, Georgia and the Republic of Turkey, 10 December 2014 Kars*, http://www.mfa.gov.tr/kars-statement-of-the-fourth-trilateral-meeting-of-the-ministers-of-foreign-affairs-of-the-republic-of-azerbaijan_-georgia-and-the-republic-of-turkey_-10-december-2014_-kars.en.mfa (Accessed: 12 August 2015)

22 AA.com.tr, (2014) *Azerbaycan ve Gürcistan'ın bütünlüğünü destekliyoruz* [in Eng: ‘We support the integrity of Azerbaijan and Georgia’], <http://www.aa.com.tr/tr/politika/433483--azerbaycan-ve-gurcistanin-toprak-butunlugunu-destekliyoruz>. (Accessed: 15 August 2015)

commercial ties. These projects focus mainly on regional integration, as well as on the establishment of a reliable connection between the region and global markets. In this sense, the Sarpanđ Aktash border, located between Georgia and Turkey, connects the latter to the South Caucasus and Central Asia. This also points to the strategic importance of Georgia for Turkey and Azerbaijan.

All the statements on trilateral cooperation have underlined that trade, energy and transport relations will not only improve the situation in the region, but will also contribute to prosperity throughout the area from the Caspian to the Black Sea and the Mediterranean. Further emphasis was also given to the development of these relations and their contribution to the welfare, stability and security of the region.

The trilateral Turkish-Azerbaijani-Georgian Business Forums have shaped the general framework of the economic and commercial relations. Identifying the areas and the sectors in which the parties are strong and keen to collaborate, these forums provided useful platforms for Ministers of Economy and Commerce to meet representatives of the business world.

At the end of these initiatives, the parties sought the ways to improve their trilateral trade volume, as this has not yet reached the desired level. The total volume of trade among these three countries amounts to around 4.2 billion USD. This is equal to 3% of Turkey's foreign trade volume, 8 % of Azerbaijan's, and 20 % of Georgia's.²³

Azerbaijan's investments in Turkey amount to 5 billion USD, and Baku aims to increase this by 20 billion USD by 2020. According to Azerbaijani Minister of Economy Sahin Mustafayev, the total amount of Turkish capital is around 4.7 billion USD, and approximately 1.5 billion of this is invested in non-oil industries. Turkey ranks first among the countries investing in Azerbaijan. More than 2000 Turkish companies operate in Azerbaijan, while more than 1000 Azerbaijani companies are active in Turkey.

While Turkish companies' capital investment in Georgia amounts to approximately 1.1 billion USD, Georgian in-

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²³ See the official website of the Ministry of Foreign Affairs of Georgia: www.mfa.gov.ge

vestments in Turkey total around 23 million USD.²⁴ There are more than 300 Azerbaijani companies in Georgia, and more than 150 Georgian companies operating in Azerbaijan. The Azerbaijani companies in Georgia employ around 8000 people. These companies have undertaken projects in the construction, tourism and transport sectors.²⁵ The Azerbaijani Minister of Economy Sahin Mustafayev stated that Turkey, Georgia and Azerbaijan are working to improve their economic relations in order to make joint investments in other countries.²⁶ According to Turkey's former Minister of Economy Zafer Caglayan, a team was formed to draft a free trade agreement between Turkey and Azerbaijan and further negotiations are ongoing. This draft is aimed at facilitating and increasing trilateral trade through the free movement of commodities.²⁷

Russia's embargo on the import of some Georgian export commodities such as agricultural products (as of December 2005) and wine and mineral water (May 2006) helped to increase the level of trilateral commercial relations. The visa liberalization agreement between Turkey and Georgia in 2006 also improved bilateral relations and trade. After the Free Trade Agreement signed between Turkey and Georgia on 21 November 2007 came into effect in 2008, Turkey and Azerbaijan achieved top ranking positions in Georgia's foreign trade volumes.²⁸ The Azerbaijani market has gained particular importance, especially for Georgian fruit and vegetable products.²⁹ Bilateral economic relations are based mainly on energy, transport, banking, construction, communication technologies, trade and tourism.

24 Azernews.az, (2013) *Azerbaijan, Georgia and Turkey mull investments, trade*, <http://www.azernews.az/business/54501.html>. (Accessed: 10 August 2015)

25 Economy.gov.az, (2013) *Regional cooperation among Azerbaijan-Georgia- Turkey is successfully developing*, http://www.economy.gov.az/index.php?option=com_content&view=article&id=1287:az-gurc-turk-bf-25-05-2013&catid=8:news&Itemid=263&lang=en. (Accessed: 10 August 2015)

26 *Azerbaijan, Georgia and Turkey mull investments, trade, op. cit.*

27 En.trend.az, (2013) *Minister: Turkey, Azerbaijan to sign free trade agreement*, <http://en.trend.az/business/economy/2154455.html>. (Accessed: 1 August 2015)

28 Modebadze, V., Sayin, F.M. and Yilmaz, R. (2014) 'Georgian-Turkish Relations since the Breakdown of Soviet Union', *Çankırı Karatekin Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, Vol. 4, No. 1, pp. 359-369.

29 Geowel.org, (2011) *Trade and Investment Between Georgia and Azerbaijan*, http://www.geowel.org/index.php?article_id=73&clang=0. (Accessed: 1 August 2015)

Volume of Georgia's Foreign Trade with Turkey and Azerbaijan (billion USD)³⁰

	TURKEY	AZERBAIJAN
2009	1.203 (21 %)	811 (16 %)
2010	1.105 (16,5 %)	708 (10,6 %)
2011	1.500 (16,2 %)	1.036 (11,2 %)
2012	1.535 (15 %)	1.260 (12 %)
2013	1.528 (14,2 %)	1.361 (12,6 %)
2014	1.966 (17,2 %)	1.182 (10,3 %)

Energy Interdependence: Energy cooperation is the main element of trilateral relations. This trilateral cooperation has been improved with the addition of a new dimension, initiated by the construction of the BTC Pipeline. The Baku-Tbilisi-Ceyhan (BTC) Crude Oil Pipeline Project, the Baku-Tbilisi-Erzurum (BTE) Natural Gas Pipeline Project, the Trans Anatolian Pipeline Project (TANAP) and the Trans Adriatic Natural Gas Pipeline Project (TAP) are the energy transport corridors that physically connect these three countries. Furthermore, these are key partner countries of the EU-funded INOGATE (Interstate Oil and Gas Transportation to Europe) program, which deals with oil and gas transport from/through the Caspian and the Central Asia to Europe. Azerbaijan is the supplier country with its considerable fossil fuel resources; Georgia is the transporting partner with its strategic geographic location; and Turkey is the gateway to the global markets and international partners.³¹ In this respect, energy pipelines are the key component of the trilateral relations.

Energy cooperation is the main element of trilateral relations.

These pipeline projects have also paved the way for other relevant projects, and placed the energy issue at the heart of trilateral cooperation. In this context, the establishment of a linkage among the Black Sea, the Mediterranean and the Caspian basins is a key focus. To this end, the parties also recognize the importance of including the Central Asian countries in this network, initiated with the BTC project. The Trabzon statement also refers to the transportation of the energy resources of Azerbaijan and Central Asian coun-

Pipeline projects have also paved the way for other relevant projects, and placed the energy issue at the heart of trilateral cooperation.

³⁰ Geostat.ge, *National Statistics Office of Georgia*, http://www.geostat.ge/index.php?action=wnews_archive1&qy=1&qy1=8&lang=eng. (Accessed: 1 August 2015)

³¹ Petersen, A. (2012) 'Integration in Energy and Transport Amongst Azerbaijan, Georgia and Turkey', PhD Dissertation, *The London School of Economics and Political Science* http://etheses.lse.ac.uk/532/1/Petersen_Integration%20in%20Energy%20and%20Transport%20Amongst%20Azerbaijan%20Georgia%20and%20Turkey.pdf. (Accessed: 28 July 2015)

tries to international markets by emphasizing the importance of deepening the existing successful cooperation between Azerbaijan, Georgia and Turkey.³² The inclusion of Kazakhstan in particular in this energy network will strengthen the cooperation between Astana and Baku, by upgrading the status of the pipelines and the geopolitical importance of the three countries. Any such development is expected to encourage Turkmenistan to participate in this cooperation mechanism.

Central Hub of East-West Transportation Corridors

The increase in trade between the East and the West has also brought added value to the transportation along the Central Asia-Caspian Sea-Black Sea route. The geographical locations of Turkey, Azerbaijan and Georgia are pivotal for the East-West and North-South transportation routes.

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The EU-funded TRACECA (Transport Corridor Europe-Caucasus-Asia) project holds great importance for the East-West transport corridor. With Azerbaijan and Georgia having participated since 1993 and Turkey since 2000, the TRACECA program supports the integration of the communication and transportation lines of the member states. This transport corridor between Asia and Europe connects Azerbaijan, Georgia and Turkey. The parties had also expressed their support for the TRACECA program in the 2012 Trabzon Declaration.

One of the main routes of TRACECA is the Aktau-Baku-Tbilisi-Poti/Batumi Railway network. Azerbaijan, Kazakhstan and Georgia are collectively working to improve this network. The fiber optic cable for the railway between Baku and Poti/Batumi was installed with financial support from the European Commission. Oil and oil products are the most important transport commodities of this network. This railway line is also an integral part of the China-Central Asia-Caucasus-Europe line, which is also supported by the member states, as well as the UN.

The New Baku International Sea Trade Port in the Caspian Sea, Aktau and Turkmenbashi ports are the projects being implemented within the framework of the TRACECA program. Azerbaijan has undertaken to construct the Alyat

³² Civil.ge/eng, (2012) *Trabzon Declaration*, <http://www.civil.ge/eng/article.php?id=24868>. (Accessed: 15 June 2015)

port, located about 65 km to the south of Baku, in order to consolidate its role in transportation in both the Caspian Sea and along the East to West route. Within the framework of the TRACECA project, this port will be of logistical importance in terms of transportation along the Central Asia-South Caucasus-Black Sea-Europe route as well as between the north and the south. At the first stage, the capacity of the port is expected to reach 10 million tons of cargo and 40,000 containers; at the second stage, 17 million tons of cargo and 150,000 containers; and at the third stage, 25 million tons of cargo and 1 million containers. In fact, the Alyat port has been designed to accommodate a capacity of 11.5 million containers to meet the constantly increasing demand.

The idea of connecting Azerbaijan, Georgia and Turkey with a railway line was first raised at the Joint Transport Commission in 1993. In 2002, the three Ministers of Transport signed a protocol confirming the route and a feasibility study was conducted in 2005. On 25 May 2005, a trilateral communiqué related to the Baku-Tbilisi-Akhalkalaki-Kars (BTAK) Railway project was signed in Baku. On 7 February 2007, the final agreement was signed in Tbilisi.³³

Turkey is covering the construction costs for the 76 km line between Kars and Akhalkalaki. For the construction of the 29 km line in Georgia, as well as the restoration and the reconstruction of the railway line between Akhalkalaki and Marabda, Azerbaijan has agreed to loan 775 million USD to Georgia. Of this amount, 200 million USD comes with an interest rate of 1% for 25 years and the remaining amount of 575 million USD has been granted a 5% interest rate for 25 years. To date, 585 million USD of the credit has been transferred for the construction of the railway.³⁴

The BTK project will constitute an integral part of the Iron Silk Road. The project will improve the transportation capacity of the regional countries, increase their strategic importance for the East-West network, and accelerate integration between Azerbaijan, Georgia, and Turkey.

33 Civil.ge/eng, (2015) *The Tbilisi Declaration On Common Vision for Regional Cooperation*, <http://www.civil.ge/eng/article.php?id=14588>. (Accessed: 15 June 2015)

34 Azerbaijan State Oil Fund, *Baku – Tbilisi – Qars yeni dəmir yolu*, http://www.oilfund.az/az_AZ/layiheler/baki-tbilisi-qars-demir-yolu.asp. (Accessed: 10 June 2015)

Indivisibility of Security

Each state evaluates security from the perspective of the 'indivisibility of security'. 'Security' is not considered exclusively from the military perspective, and states also consider other components such as the environment and the economy, and threats are assessed accordingly.

Although the trilateral cooperation among Azerbaijan, Turkey and Georgia is not in its essence a security and military cooperation mechanism, there are nonetheless connections with security issues. Each state evaluates security from the perspective of the 'indivisibility of security'. 'Security' is not considered exclusively from the military perspective, and states also consider other components such as the environment and the economy, and threats are assessed accordingly. Set forth in the Trabzon Declaration, this approach is demonstrated in all summit declarations. In this respect, these three countries all consider their security issues in the terms of interdependency. Consequently, similar threats and similar security issues are perceived, resulting in efforts to search for solutions in accordance with the common interests of all parties.

Each country regards the others as a strategic partner and attaches importance to this issue in national security and defence doctrines. Under Georgia's National Security doctrine, Turkey, as the only NATO member state in the region, is recognized as a regional leader and pivotal military ally. This doctrine indicates that Georgia gives priority to the improvement of its relations with Turkey in terms of security and defence. The same document also defines Azerbaijan as a strategic partner.³⁵ According to Azerbaijan's Strategic Doctrine, the trilateral strategic partnership and deepening of that cooperation is a determinant of regional stability.³⁶

The security issue as put forth in the Trabzon Declaration centers mainly on territorial occupations, the threat or use of force, and ethnic and territorial conflicts. The fact that Georgian and Azerbaijani sovereignty and independence are still under threat even after twenty years of independence, as well as the fact that their territorial integrity and the inviolability of their borders have not been fully established, are the principal indicators of the need for security cooperation.

From this perspective, this trilateral cooperation in security is not a military alliance in the traditional sense. The evaluations

³⁵ Civil.ge/eng, (2011) *Draft of Georgia's New National Security Concept*, http://www.civil.ge/eng/_print.php?id=23164. (Accessed: 11 June 2015)

³⁶ Ministry of National Security, (2007) *Azərbaycan Respublikasının Milli Təhlükəsizlik Konsepsiyası* [in Eng: National Security Concept of the Republic of Azerbaijan], http://www.mns.gov.az/img/3766779-_5me02.%20Milli_Tehlukesizlik_Konsepsiyasi.pdf (Accessed: 11 June 2015)

of the decision-makers show that this approach results from the parties' need to protect their investments and their future against both traditional and modern threats. The declarations signed thus far call for cooperation in three areas in terms of security: the protection of the sovereignty and the independence of states, cooperation against secessionism and the threats against territorial integrity, and cooperation in regard to non-traditional security threats. The emphasis on sovereignty and independence is of vital importance for Azerbaijan and Georgia, whose territories are partly under occupation.

On the other hand, this tripartite alliance does not oppose cooperation with the other states in the region. While Turkey and Azerbaijan seek to demonstrate that the trilateral alliance does not preclude cooperation with Iran or Russia, Georgia emphasizes that it does not stand against Armenia. Georgia's Minister of Foreign Affairs Grigol Vashadze stated that this trilateral cooperation was not established against anybody and more importantly, was in favor of better relations with other regional states.³⁷

In Lieu of Conclusion

In brief, when considering the years between the collapse of the Soviet Union and the official foundation of trilateral cooperation in 2012, it is clear that the parties had similar political perspectives on the resolution of regional issues and on the creation of a common future, and that they were creating essential institutional structures for the realization of common interests. The network of economic and commercial ties stood out as the main axis in transforming the trilateral format into strategic cooperation. Likewise, the intention to form a trilateral alliance and strengthen regional cooperation via trilateral commercial and economic relations have yielded clear results. Increasing the volume of foreign trade and improving economic interaction have produced substantial results. This process, bolstered by the construction of alternative pipelines and in particular the Baku-Tbilisi-Ceyhan (BTC) and the Baku-Tbilisi-Erzurum (BTE) pipelines, has reached its recent level through enhanced economic and commercial relations, further backed by the advancement of highway and railway networks.

The parties have repeatedly expressed their commitment to the Charter of the United Nations, the Helsinki Final Act, and the fundamental principles and norms of international law. The

³⁷ [Civil.ge/eng, \(2012\) Azerbaijan, Georgia, Turkey Sign Cooperation Declaration, http://www.civil.ge/eng/article.php?id=24869](http://www.civil.ge/eng/article.php?id=24869). (Accessed: 11 June 2015).

added emphasis on the respect for sovereignty and territorial integrity, the peaceful settlement of disputes, the inviolability of internationally recognized borders, the sovereign equality of states, and to refrain from the threat or the use of force against the territorial integrity and political independence of states are, undoubtedly, of key importance with regard to the regional context in the wake of the Russo-Georgian War of August 2008. The plan is to invest in a better future for the region by collectively establishing regional peace, stability and prosperity. Cooperation principally in the energy, transportation, and communication sectors, then expanded to the trade, economy, politics, and even security, is the way forward. Both existing projects and those under development are regarded as concrete steps towards the creation of a trilateral strategic alliance. This process will increase the geopolitical value of this triangle, as well as facilitate connections to Central Asian states for wider regional cooperation.

Both existing projects and those under development are regarded as concrete steps towards the creation of a trilateral strategic alliance.