

The European Union–Azerbaijan high-level transport dialogue: A timely reaction to the structural changes?

Shamkhal Abilov^{1,2} and Beyrak Hajiyev³

Abstract

The European Union (EU) and Azerbaijan high-level transport dialogue is the continuation of the long period of co-operation between the EU and Azerbaijan in the area of transport since the early 1990s. The geopolitical and geo-economic maps of Eurasia, the South Caucasus, and the regions around have significantly changed since then thanks to rise of China, India, and other regional actors. These actors in their turn began to initiate competitive logistical and transportation projects to define terms and conditions of the making of Eurasian transport and trade routes. The ultimate goal is to have a share in controlling global flows passing through the strategic spots of Eurasian landmass. The EU's recent transport dialogue with Azerbaijan reflects and is reaction to those changes that happened in the wider Europe, in Eurasia, and in the globe. This paper tries to place the EU and Azerbaijan transport dialogue to a broader picture to find out what changes conditioned and necessitated the upgraded dialogue between the EU and Azerbaijan. To do so, it traces the EU and Azerbaijan's transport policies and cooperation since the early 1990s.

Keywords

European Union, Azerbaijan, transport, dialogue, cooperation

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Introduction

The change in twenty-first century is simulated by many factors—from demographics to the shifts of economic power, from role played by digital technologies to climate change. The Silk Roads are rising fast because they are being galvanized. What happens in the heart of the world in the coming years will shape the hundred (Frankopan, 2018, p. 87).

The first High-Level Transport Dialogue between the Republic of Azerbaijan and the European Union was held on the 2nd of February 2019 in Baku (Ministry of Transport Communications and High Technologies of Azerbaijan Republic, 2019). The dialogue aimed at upgrading the EU Azerbaijan cooperation in the areas of aviation, maritime, railway, and road, as well as Transport Investment Plan, digital tachographs, and others (Ministry of Transport Communications and High Technologies of Azerbaijan

Republic, 2019). During the meeting, the EU officials also emphasized the importance of Baku–Tbilisi–Kars railway, Baku International Sea Trade Port, and the EU–Azerbaijan Common Aviation Area Agreement and discussed the expansion of the EU's TEN-T project further east with their Azerbaijani counterparts (Ministry of Transport Communications and High Technologies of Azerbaijan Republic, 2019).

¹Department of International Relations, Azerbaijan Tourism and Management University, Baku, Azerbaijan

²Department of History, Humboldt University of Berlin, Berlin, Germany

³Independent Researcher, Baku, Azerbaijan

Corresponding author:

Shamkhal Abilov, Department of History, Humboldt University of Berlin, Friedrichstraße 191-193, Berlin 10099, Germany.



The dialogue is a part of the EU's Eastern Partnership initiative, which was designed to engineer various economic, social, and political frameworks to harness globalization in the EU's eastern neighborhood. At the same time, it complements the EU's Euro-Asian connectivity strategies and the EU and China's connectivity platform. The EU's ultimate goal is to make sure that the EU's interests are recognized and guaranteed in the production of Eurasian interconnectivity. To do so, the dialogue also serves to achieve the EU's priorities identified in the EU's Global Strategy.

For Azerbaijan, transport dialogue with the EU forecasted to help to diversify the economy, which is massively dependent on hydrocarbon resources (Deloitte CIS Research Centre, 2017). Besides, the dialogue serves to achieve Azerbaijan's aspiration of being a connectivity hub to join east to west, south to north via different connectivity projects such as energy, transport, and digital (Valiyev, 2016). It is also an important element of Azerbaijan's multivector foreign policy, which is enabled by the so-called transition to multipolarity. To bring interests of the different actors to the region via connectivity projects also contributes to the autonomy of Azerbaijan and guarantee its security and sovereignty accordingly. Azerbaijan's geostrategic location, multibillion investments in the connectivity infrastructures, and logistics have also created fruitful conditions to do so.

The recent high-level dialogue is the continuation of the long period of cooperation between the EU and Azerbaijan in the area of transport since the early 1990s. The geopolitical and geo-economic maps of Eurasia, the South Caucasus, and the regions around have significantly changed since then. And the EU's transport dialogue with Azerbaijan reflects those changes that happened in the wider Europe, in Eurasia, and in the globe. This paper tries to find out what changes conditioned and necessitated the upgraded dialogue between the EU and Azerbaijan. To do so, it traces the EU and Azerbaijan's transport policies since the early 1990s.

The rest of the paper will consist of three parts. The first part examines the EU transport policies toward Azerbaijan and its eastern neighborhood to see how they evolved since the 1990s and what were/are the main motivations of the EU. The second part analyses Azerbaijan's transport policies since its independence to show how landlocked Azerbaijan tries to take advantage of its geostrategic location via various connectivity projects. And the third part will exhibit the points of convergences that emerged out of individual and also collaborative connectivity initiatives of the EU and Azerbaijan that brought about the high-level dialogue.

The EU's transport initiatives since the 1990s toward its eastern neighbors

To deal with the challenge of changing connectedness and mobility transport was/is a crucial area for the EU. Thus, cooperation with the neighboring countries in the domain of

transport was among the EU's priorities since the early 1990s. Not surprisingly, the EU's endeavor to territorialize its neighborhood started with TRACECA (Transport Corridor Europe Caucasus Asia) project in 1993. The TRACECA project was an initial phase of the development of international Europe–the Caucasus–Asia corridor. It aimed at “promoting the development of regional transport dialogue, ensuring the efficient and reliable Euro-Asian transport links, and promoting the regional economy on the whole” (TRACECA, 2019). Besides, corridor development, the project was also a region-building initiative. The idea was to assist countries in the South Caucasus to solve their differences via cooperating in technical fields. To do so, the EU initiated the TACIS program besides TRACECA in early 1991 immediately after the collapse of the USSR. This practice was based on the EU's own experiences as the EU started from technical areas to settle their differences and emerged into a single market.

The projects in the framework of TRACECA were carried out in concert with the US-supported energy connectivity and security initiatives such as Baku–Tbilisi–Supsa, Baku–Tbilisi–Ceyhan projects, Partnership for Peace Program, and others. The US-backed energy connectivity projects in the South Caucasus after completion would change the considerable share of flows of the hydrocarbon recourses of the Caspian Sea from the north to the west and become an important element of the EU and Azerbaijan's collaboration. The active partnership of the EU with the US in territorialization of the South Caucasus and Central Asia would continue until the multipolarity forced the parties to re-evaluate their priorities. In later stages, the US would shift toward Asia due to the rise of China, while the EU intensified its efforts to become strategically autonomy to secure its cause within the EU, in the neighborhood, and around the globe (Biscop, 2019).

There are different phases that are important to consider when evaluating the EU's cooperation with neighboring countries in the field of transport. In this vein, the Post-Lisbon period requires particular attention. Lisbon treaty consolidated the EU further, upgraded it institutionally, and granted new competencies for the EU in the external domain. Introduction of the External Action Service and High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission position provided extra capacity for the EU to realize its transportation policies in the neighborhood more consistently (Pavy, 2019). Along the same vein, the Lisbon treaty of 2007 took EU's connectivity projects within the EU and the neighborhood to the next level. The Treaty on the Functioning of the European Union set the goal for the EU to create the area without internal frontiers (European Union, 2016). Article 170 of the treaty envisions that “the Union shall contribute to the establishment and development of trans-European networks in the areas of transport,

telecommunications and energy infrastructures” (European Union, 2016). Besides, the elimination of the internal frontiers and facilitation of transport connections with third countries were also mentioned in the treaty. According to the article in 171 of the treaty, “The Union may decide to cooperate with third countries to promote projects of mutual interest and to ensure the interoperability of networks” (European Union, 2016). Shortly after the Lisbon treaty entered into force in 2009 the EU launched another transport program addressing its neighborhood countries titled IDEA (transport dialogue and interoperability between the EU and its neighboring countries and Central Asian countries). IDEA project was planned to achieve the same goal as TRACECA—to bring fragmented transport infrastructure of neighboring states into a state of integration (TRACECA, 2010).

Almost in all the documents concerning the EU’s internal connectivity, the EU prioritized bringing the neighborhood countries also closer to Europe. In this regard, the White Paper on Transport: “Roadmap to a single European transport area-towards a competitive and resource-efficient transport system” issued in 2011 is not an exception. The central goal of the document was to provide a roadmap to contribute to the well-functioning of the internal market and to fully integrate the EU member countries into the world economy via upgrading transport infrastructure and connections (European Commission, 2011). To do so, the EU also aimed at achieving its goals set in the Lisbon treaty to build Trans-European Networks. Besides these, Siim Kallas, Commissioner for Transport of that time, argued that transport projects might have add value also on the EU’s economy as “Many European companies are world leaders in infrastructure, logistics and the manufacture of transport equipment and traffic management systems” (European Commission, 2011).

The White Paper on Transport also foresaw to the extension of the transport and infrastructure policy to the eastern neighborhood. By doing this, the EU planned to attain its goals in the framework of the EaP initiative—a closer market integration with eastern neighbors (European Commission, 2011). Another target was to accomplish the globalization of European transport standards. Thus, the plan was the extension of standards to not only the immediate neighborhood but at a global level. According to the White Paper, to reach this goal “The Flexible strategies will be adopted to ensure the EU’s role as a standard-setter in the transport field” (European Commission, 2011).

A couple of months after publication of the White Paper on Transport in 2011 the EU announced its renewed approach toward transport cooperation with the neighboring countries. According to the document (The EU and its neighboring regions: A renewed approach to transport cooperation), the EU planned to use the model of enlargement countries to improve “...transport connections

with other neighboring regions” (European Commission, 2017a). In this vein, the creation of the Eastern Partnership Transport Panel was also envisioned. The aim was to bring different stakeholders together and to provide a discussion platform. And the panel was established in September 2011. In the document, it was also mentioned the Commission reviewing the EU’s TEN-T policy to better connect with the neighboring countries. The creation of a wider European Common Aviation Area (ECAA) covering 1 billion people was also mentioned in the document (European Commission, 2017a). To attain the targets set in the document, initially EUR 745 million was ensured in NIF (Neighbourhood Investment Facility) (European Commission, 2017a). Besides, short-term action plan proposed until 2013 in the document:

1. Define strategic transport networks in the Eastern Partnership region with connectivity to revised TEN-T
2. Prepare a potential pipeline of transport projects of European interest in the Eastern Neighbourhood countries prioritizing projects that connect the neighboring countries with the EU
3. Strengthen the Commission’s cooperation with the International Financial Institutions in the Eastern and Southern ENP
4. Increase the uptake of transport interconnection projects by the Neighbourhood Investment Facility and start financing of mature projects (European Commission, 2017a).

The next phase of the EU’s cooperation with neighboring countries in the area of transport and connectivity initiatives is post-Belt and Road Initiative period. China’s Belt and Road initiative was announced in September 2013. It is a framework under which multi-billion infrastructure and logistic development projects are carried out (Chatzky & James, 2020). To put it differently, BRI is China’s globalization project to territorialize massive landmass stretching from Asia to all the way Europe and Africa. Some authors name BRI as China’s neighborhood policy. Via the project, China aims to achieve similar goals that the EU identified in its White Paper on Transportation, of course without normative base that the EU usually attaches to its policies.

Until Belt and Road initiative, the EU’s transportation policies and projects were sluggish and with a relatively small budget. Post-BRI period of the EU policies, on the contrary, is considerably intensive and the budget the EU secured for the connectivity initiatives in the neighborhood increased many times. Immediately after BRI, in December 2013 the EU’s reviewed TEN-T regulation is announced. It was crucial to achieve the targets that the EU identified in the area of transportation in the neighborhood in the White Paper, and “Renewed approach to transport cooperation” with neighbors was not possible without reviewing the regulation. In this regard, reviewed TEN-T regulation

provided clear language and legal guidelines for the EU to proceed further (European Union, 2013).

China's BRI also was a signal for the EU to review its neighborhood policies. It is worth to mention that besides BRI other regional issues such as migration crisis, Russia's aggressive policies in the EU's neighborhood, and structural changes around the EU peripheries are an important trigger to review the neighborhood policies. In the reviewed ENP, the importance of the extension of TEN-T to the EU's eastern neighborhood was emphasized again. According to revised ENP, in the East, a safe and sustainable transport system, connected to the Trans-European Transport Network (TEN-T), is the key to promoting economic growth between the neighborhood partners and the EU. The EU should, therefore, extend the core TEN-T to the Eastern partners and together with the IFIs and other partners promote the necessary investment in this extended network (European Commission, 2015).

In 2015 June for the first time, the EU and China agreed to establish the Connectivity platform. The platform envisaged to "share information, promote seamless traffic flows and transport facilitation, and develop synergies between their relevant initiatives and projects" (Council of Europe, 2015). Since the establishment of the connectivity platform, the parties met 4 times. In the last meeting held in Brussels, April 2019 EU and China agreed to make a joint study on sustainable rail-based comprehensive transport corridors. The study aims at evaluating the real-time situation of railway corridors between the EU and China and finding out missing links and bottlenecks. The overarching goal of the joint study is to develop bases for "the synergies between TEN-T and One Belt" (Leijen, 2019).

It is worth to mention that until the establishment of the platform the EU and China defined their priority corridors and projects autonomously. In the initial plan of the BRI, the land routes that China prioritized were passing through Russia and Iran. The EU endorsed the TRACECA corridor was neglected to a great extent. By the establishment of the connectivity platform, the TRACECA corridor sponsored by the EU that stretches through the narrow passage (Black Sea, South Caucasus, and Central Asia) between the EU and China became also subject to the negotiations. It is worthwhile to notify that the TRACECA corridor has crucial value for Azerbaijan as well, as it subsidizes the east-west dimension of its connectivity aspiration.

By the announcement of the Global Strategy paper of the EU in 2016, the EU's transportation policies entered a qualitatively new phase. The Global Strategy calls for a more proactive and consistent foreign policy for the EU. In this vein, the Strategy paper extends the geographical area where the EU assumes responsibility to territorialize. According to the paper, "...to invest in the resilience of states and societies to the east stretching into Central Asia, and to the south down to Central Africa" (EEAS, 2016) is the EU's

interest. The paper also highlights the importance of pursuing "a coherent approach to China's connectivity drives westwards" (EEAS, 2016). Besides, the Strategy paper also envisions enhancing transport, trade and energy connectivity with South and Central Asian countries (EEAS, 2016).

After Global Strategy paper, the EU composed several important complementary documents and shaped new strategies and updated its older strategies targeting the Asian Continent. In 2017, White Paper on Future of Europe was published where the trajectory of the EU's policies by 2025 was elaborated (European Commission, 2017b). In September 2018, the EU announced its Asia Strategy called "Connecting Europe and Asia – Building blocks for an EU Strategy." To connect Europe and Asia, the document prioritizes "the European way: sustainable, comprehensive and rules-based connectivity" (European Commission, 2018a). According to the document to keep today's growth rate in the period 2021–2030, 1.5 trillion-euro investment is required for TEN-T (European Commission, 2018b). In a similar vein, in March 2019 the EU announced "Communication on "EU-China – A strategic outlook" where the EU defines China as "a systemic rival" who "promotes alternative models of governance" (European Commission, 2019a). And finally, in June 2019 the EU updated its Central Asia Strategy, which was declared in 2007 for the first time. Overall practices and policies recently implemented by the EU toward Asia can be conceptualized as the EU's Asia Pivot.

To achieve the goals defined in the Global and Asian Strategies, since 2016 the EU increased the external investments aimed at controlling global flows in its neighborhood. In the EU's External Investment Plan report, 2017, the funds dedicated to the neighborhood countries were increased 11 times from 4.1 billion to 44 billion. According to the report, "this money will help improve ports and roads, expand energy supplies and connect energy suppliers and consumers..." (European Commission, 2017c). In a similar vein, in the next long-term EU budget 2021–2027, the Commission in 2018 proposed to revise "Connecting Europe Facility." In the framework of "Connecting Europe Facility," the European Commission requested EUR €42.3 billion investments for connectivity infrastructure which is 47% higher than the budget secured in 2014–2021 (European Commission, 2018c).

In November 2018, the EU Commission released Delegated Regulation (EU) 2019/254. The regulation finally provides indicative maps in the Eastern Partnership region, which are categorized as core networks having strategic value for the EU (European Commission, 2018d). Worth to remember that, to define strategic transport networks in the Eastern Partnership region was a plan referring to "The EU and its neighboring regions: A renewed approach to transport cooperation" document formulated in 2011 and was enabled by revised 2013 TEN-T regulation. Although it took a longer time than expected, after the announcement of the regulation, on the 15th of January 2019 the EU publicized its investment

plan to expand TEN-T to its eastern neighborhood. According to the plan to extend TEN-T, the EU foresees to invest EUR 13 billion. The money will be spent on construction or rehabilitation of “a total of 4800 km of road and rail, six ports, and 11 logistics centers” (European Commission, 2019b).

Azerbaijan’s transport aspirations

After independence in the 1990s, Azerbaijan found itself in a very difficult situation. Once it was part of the biggest empire stretching from the Far East to Central Europe, Azerbaijan turned out to be a landlocked country lacking access to the Open Seas and was far from the main trade routes. The traditional routes through which the commodities circulated disintegrated. And the reintegration was undesired since the divorce from the partner was painful and there was also no political will and external support to do so. To reflect new condition, Azerbaijan had to rely on and cooperate with the new actors emerged in the region. Besides, by the mid-2000s Azerbaijan initiated its own connectivity projects as it got excess resources from the hydrocarbon exports.

Starting from the 2000s the enlargements of the EU, NATO, and the rise of China created new structural conditions around Azerbaijan. It is worthwhile to mention that, Azerbaijan’s energy and transport projects also contributed to the emergence of this condition. Once it was in a disadvantageous location Azerbaijan ended up at the crossroads of Eurasian communication lines. Now the incumbents in Azerbaijan shape different policies to take advantage of it. The ultimate goal is to be a nodal point or link between east and west, south and north. To do so, Azerbaijan prioritizes not only transport but as well as energy and digital connectivity.

In terms of contributing to energy connectivity, Azerbaijan has already done substantial work. It would not be an exaggeration to argue the Southern Energy Corridors connecting the Caspian Sea to European Markets was whole Azerbaijani initiation. The total investment for the projects in the framework of the Southern Gas Corridors according to some estimates has already reached more than 40 billion dollars (Stoica, 2019).

In a similar vein, state-owned AzerTelecom Company in January launched another connectivity project—“Azerbaijan Digital Hub.” The project “is aimed at transforming Azerbaijan into a regional center in the future, covering the Caucasus, the Middle East, Central Asia, and South Asia” (President.Az, 2012: 18). It is expected after the completion of the project various digital services will be provided to around 1.8 billion people. This project will also allow Azerbaijan to turn into an exporter of digital services, rather than an importer of them. In other words, by the project, Azerbaijan aims to shift global flows of digital services. To attain this goal, Azerbaijan has already launched three satellites to the Orbit.

In 2012, Azerbaijan publicized “Azerbaijan 2020: Look into the future” Concept of Development document.

According to the document, by 2020 Azerbaijan set the goal to be a transport hub. In order to turn Azerbaijan into a regional transport hub, it is planned to make effective use of the country’s strategic geographical position, develop transit and transport services and form logistical centers in the regions of the country (President.Az, 2012: 18).

Works on turning Azerbaijan into connectivity juncture actually started in the late 1990s. In 1998, Azerbaijan hosted historical conference in the framework of TRACECA—“Baku Initiative-Restoration of the Historic Silk Route” in which 40 countries attended and agreed on several policies such as “development of trade-economic relations of the regional countries, development of transport connections of international transportation of trucks and passengers, creation of propitious conditions for transit transportation, harmonization of transport policy,” and others (TRACECA, 2017).

Although the participant countries had big ambitions and set certain goals to achieve, there were not sufficient funds to implement them. At that time, Azerbaijan also did not have access to spare capital to realize its goals in the region. Suffered from the war on Nagorno-Karabakh with about 1 million refugees and IDPs, Azerbaijan could barely feed its population, let alone was able to invest in infrastructure projects (Ministry of Foreign Affairs of Azerbaijan Republic, 2013). It relied more on the EU funds. And as we already know from the previous section that until recently the EU allocated a little amount for transport projects in the neighborhood. Thus, small achievements made in the framework of the TRACECA project toward turning Azerbaijan into a connectivity hub and to build a corridor to connect Europe with Asia.

By the completion of the Baku–Tbilisi–Ceyhan pipeline in 2006, Azerbaijan began to put substantial steps to carry out its transportation and logistics projects. The spare capital acquired from the export of oil enabled Azerbaijan to be independent of the EU funds to do so. In 2007, Azerbaijan government commissioned to launch two complementary transport projects—Baku–Tbilisi–Kars railway and Baku International Sea Port. By these projects, Azerbaijan attempted to diversify the sources of income to decrease its dependence on hydrocarbon commodities. At the same time, these projects contribute to the production of global interconnectivity and enable Azerbaijan to participate in the management of globalization and channeling of the global flows of goods, labor, services, investment, and entrepreneurship.

Baku–Tbilisi–Kars is not sole Azerbaijan initiation. Besides Azerbaijan, Georgia and Turkey are also stakeholders in the project. The negotiation among Azerbaijan, Georgia, and Turkey to launch the Baku–Tbilisi–Kars railway project had started in 1993 in Ankara. By the project, Turkey had its own interests—to reach Turkic-speaking states in Central Asia. But none of the countries had spare capacity to sponsor the entire project. In 2007,

finally thanks to Azerbaijan's oil earnings, parties were able to sign the agreement to start the project. Azerbaijan also "granted Georgia a \$ 775 million credit with a minimum annual interest rate" to implement the Georgian segment of the project, as the country was missing budget to meet the financial burden of the project (ADY, 2018).

Initially, the project was planned to be completed in 2010, but its construction was delayed until 2017. The parties could not finish it in due time because of the Russian aggression in Georgia and other political and economic reasons originating from Turkey and Azerbaijan (Kucera, 2014). China's declaration of One Belt and One Road Initiative in 2013 became stimuli to intensify works on the project. Although Baku–Tbilisi–Kars railway and Baku International Sea Port projects were uncompleted then, by the announcement of the OBOR their strategic value increased significantly. Suddenly, Azerbaijan's projects became important for other regional actors.

OBOR initiative also motivated the parties to intensify the completion of the railway project. While works on its projects accelerated, Azerbaijan, in parallel, began to look for possibilities to attract China's attention to the region. The goal was to integrate OBOR with Azerbaijan's transportation and logistics projects. China's multi-billion One Belt and One Road initiative was also a signal about the emergence of a new global actor in the east and arrival of the age of multipolarity. As the EU responded to China's OBOR initiative by establishing the Connectivity Platform with China, Azerbaijan also defined its own strategy to benefit from it. In this vein, starting from the 2010s Azerbaijan began to engage positively more with international organizations endorsed by China, while its relations with international organizations in Europe were getting worse and worse most of the time due to their normative agendas.

The construction of the Baku International Sea Trade Port in Alat District started in 2010. The project was completed in 2018. This project is complementary to the Baku–Tbilisi–Kars railway project. The infrastructure built in the area of the port enables us to carry cargos from China to Europe through Baku–Tbilisi–Kars Railway "in 15 days – twice as fast as sea routes, and at half the cost of air" (Jardine, 2017). Around the port to facilitate entry of the freights and cargos to the Azerbaijan free trade zone was established. Thanks to FTZ "goods may be landed, handled, manufactured or reconfigured, and reexported without the intervention of the customs authorities" (Encyclopaedia Britannica, 2019).

Worth to mention that Baku port locates at the crossroads of three transportation routes. Besides the east-west trade corridor, Baku International Sea Port also located on the North-South trade routes connecting India and Russia (Valiyev, 2016) and on south-west trade routes connecting India with Turkey and Europe (Shahbazov, 2017). Although these routes exclude each other to a great extent and are competitors, the Baku port has turned into their connection

point. In this vein, OBOR, for instance, bypasses India; India endorsed the North-South corridor bypasses China; the EU's TRACECA and TEN-T bypass Iran and Russia. Thus, from time to time in the literature, some authors title the Baku Port as a "hub of hubs." But compared to east-west routes (TRACECA, TEN-T+BRI) endorsed by China and the EU, there is no substantial development in the activation of south-north and south-west projects sponsored by India, Iran, and Russia.

The completion of Baku–Tbilisi–Kars, Baku International Sea Port Projects provided extra capacity for Azerbaijan to engage in successful dialogues with global actors on harnessing globalization. Thanks to active diplomacy since 2013, Azerbaijan was able to develop a positive relationship with China. In this regard, in 2015 Azerbaijan became one of the founding members of the Asian Infrastructure and Investment Bank. In the same year, Azerbaijan became a dialogue partner of the Shanghai Cooperation Organization. And, in December 2015 Azerbaijan and China signed "a memorandum of understanding on joint construction of the Silk Road Economic Belt" (Mammadov, 2018). In 2019 April, President Aliyev visited China to participate in the second "BRI" forum. During the forum in his speech Aliyev said:

The creation of modern transportation infrastructure is one of the priorities of Azerbaijan. Using our geographical location, we invest in building bridges between Asia and Europe. Despite being a landlocked country, we transformed Azerbaijan into one of the international transportation hubs. We have built a diversified railroad network connecting us with our neighbors (President.Az, 2019).

And in the same month, Azerbaijan signed an 821-million-dollar worth trade agreement with China (Jafarov, 2019).

The points of convergence

As a result of the intermixture of the local, regional, and global factors mentioned in previous sections, several points of convergence emerged that conditioned the EU–Azerbaijan transport dialogue. Until this happens, Azerbaijan and the EU launched and carried out their transportation and logistics projects independently from each other. Until recently, they continued to do so more or less autonomously, expect small scale technical projects where the parties attempted to find a solution for the technical issues in the framework of TRACECA. Thus, to this date, TRACECA remained more or less like a discussion platform rather than an active corridor-building project. The eastward extension of TEN-T, the EU–Azerbaijan transport dialogue, the EU–China connectivity platform, and intensified EU–Central Asia dialogue may potentially change this condition.

When the EU for the first time launched the Trans-European Networks plan in the early 1990s, the

extension of the project to the South Caucasus was unimaginable. At that time the EU was yet a constellation of more Western European Countries and the neighborhood as a territorializing term was non-existent. The enlargements of the EU in the 1990s and 2000s and other structural changes necessitated the EU to reflect them. Consequently, in the mid-2000s the EU began to think about the extension of the TEN-T project further east—to the South Caucasus—and made investment plans recently.

In a similar vein, the construction of the Baku–Tbilisi–Kars railway initially was not welcomed by the EU, as the project was Azerbaijan’s other plan to isolate Armenia from regional connectivity initiatives (Lussac, 2008). Since the early 2000s, the EU was more focused on region-building in its eastern and southern neighborhoods than Asia, and the project was against the spirit of the EU’s ENP policies. The EU was supporting more Kars–Tbilisi–Gyumri railway, which was closed in 1993 due to the Nagorno-Karabakh war between Armenia and Azerbaijan. The EU was planning the rehabilitation of the Kars–Tbilisi–Gyumri railway, as there was already a railway connection between Baku and Tbilisi. By the restoration of the existing line from Baku to Kars, the EU would attach these four states to each other and would put one step further to achieve its region-building endeavors. According to the EU officials’ views, Baku–Tbilisi–Kars was crossing out this plan. The project was aimed at extending divergences and thus contributing instability rather than promoting cooperation. This was directly in conflict with the EU Security Strategy accepted in 2003, which was elaborated stability in the neighborhood among the EU’s priorities. Thus, the EU had to decline to finance the project and did not endorse it for certain moments (Lussac, 2008). When the Baku–Tbilisi–Kars project completed in 2017, many things have already changed around the EU and the globe. The EU’s region-building endeavors had failed to a great extent. The neighborhood had fragmented, thanks to also the EU’s external policies. Armenia had decided to be in Russia’s economic and security camp. China had begun to expand toward westward. The US had pivoted to Asia. The EU had included connectivity with Central Asia as one of its priorities in its Global Strategy paper. Kazakhstan and Azerbaijan had been on the verge of completing the construction of infrastructure in their respective ports on the coast of the Caspian Sea.

The new structural condition around the EU and globe dictated the EU to give prominence to its Asia policy, rather than blindly trying to find a way to rebuild war-torn, politically fragmented, and polarized eastern neighborhood, which brought about the EU–Azerbaijan transport dialogue. Baku–Tbilisi–Kars railway together with Baku Port turned to be projects of common interest for the EU member states. When Commissioner Han was in Baku to participate in the EU–Azerbaijan Business form in June 2019, he said that the

EU identified six priority projects in Azerbaijan in the framework of Transport Network (TEN-T). In total, the EU planned to spend 2.1 billion euro for six logistic centers, rail electrification, and nearly 300 km of the road in Azerbaijan (EEAS, 2019). In his own turn, President of European Council in his visit during July 2019 to Baku praised Azerbaijan achievements saying:

Azerbaijan has taken impressive steps to transform itself into a transport and logistics hub. I am looking forward to visiting later today the Port of Baku, which is an illustration of Azerbaijan’s ambition to the East and the West but also to its northern and southern partners (European Council, 2019).

The opening of the railway project was celebrated by the EU as “a major step in transport interconnections linking the European Union, Turkey, Georgia, Azerbaijan, and Central Asia” (EEAS, 2017). In the statement on the opening of Baku–Tbilisi–Kars, EU remarked that the project “is at the heart of its Eastern Partnership as well as of its Central Asia strategy” (EEAS, 2017).

Both the EU and Azerbaijan are interested in opening the Caspian Sea and Central Asia region for European investments. For Azerbaijan opening, the region means consolidating its position and bargaining power as a transit country and connectivity hub. When it comes to the EU, the Central Asia region again is valuable for its massive gas resources and the region is part of the EU’s corridor-building endeavors to reach Asia through Eurasian land routes (Hasanov, et al., 2020).

To achieve these goals, the EU and Azerbaijan have to define strategies to deal with other regional actors who attempt to achieve the opposite goal. Russia and Iran were historically suspicious about the EU policies in the South Caucasus and Central Asia, as territorialization of these regions by the EU for Iran and Russia means to decrease their influences. Therefore, they tend to keep the Caspian Sea and Central Asia region close, rather than open. Especially Russia via different policies attempts to not allow the EU to re-territorialize the flows of the energy resources. The idea is to block all the initiatives that might potentially jeopardize Russia’s geopolitical advantages. Thus, Russia through different instruments attempts to curtail the EU’s and Azerbaijan’s plans, which necessitate the EU and Azerbaijan to focus more on another crucial point—stability (Abilov & Isayev, 2015).

For Azerbaijan, the EU transportation dialogue nothing can be worse than instability in the South Caucasus and Central Asia. To preserve the stability in the region, Azerbaijan follows cautious policies and avoids provocations made by the hands of third countries. Similarly, in its Global Strategy paper resilience (stability) of the neighborhood remains a top priority for the EU. With different economic tools, the EU also invests to preserve the stability

of its neighborhood. In this vein, developing bases for “the synergies between TEN-T and One Belt” in the framework of the EU–China Connectivity dialogue has the capacity to contribute to stability. Bringing China’s interest in the region may potentially deter Russia from inflaming the region via its traditional instruments.

Conclusion

The EU and Azerbaijan high-level transport dialogue is a product of the recent changes happening in the greater Eurasian landmass. It is one of the many endeavors to channel global flows from Asia all the way to Europe and Africa. Similar competing interconnectivity and logistic projects are currently either being carried out or planned by different actors. Quicker look at projects in Central Asia and the regions around it is revealing in this regard. Successful implementation of these projects offers distinctive future for the Eurasian countries—especially for those who are located along the historical Silk Roads. Once being most prosperous spaces of the Eurasia, these countries lost their significance due to the shift from land-based trade to sea trade. Now there is a chance for them to reconnect and reintegrate with the rest of the world.

Azerbaijan as one of the historical Silk Road countries attempts to actively participate in these endeavors via its multi-billion connectivity projects and aspires to be a hub. Current geopolitical setting in Eurasian continent creates fruitful condition to do so. The EU’s Asia Strategy and connectivity dialogue with China might potentially have added value in achieving Azerbaijan’s aspirations as well. The dialogue also offers a lot to the EU, in terms of realizing its goals set in its Global Strategy and its multidimensional Asia Strategies. Thus, the success of the EU and Azerbaijan High Level Transport dialogue is also hugely dependent on the level of the EU’s geopolitical and geo-economic ambitions in Asia, as well as its dialogues and connectivity initiatives with Asian countries and routes chosen and projects prioritized out of these engagements. In this regard, the recent endorsement of Azerbaijan’s logistical and transport projects by the EU and the EU’s Asia Pivot is promising. Now, it is time for real actions as plans are nothing without implementation.

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