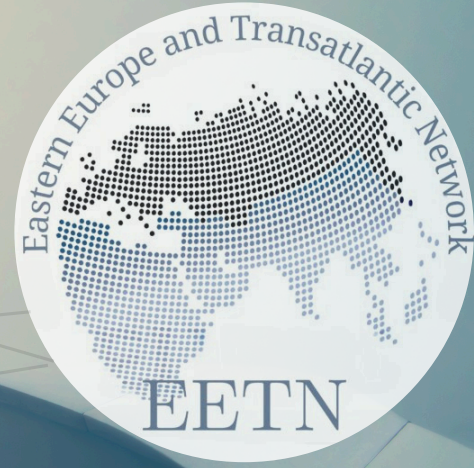


POLICY BRIEF



The Yerevan Dialogue: Armenia's Geopolitical Strategy in the South Caucasus

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Launched in September 2024, the Yerevan Dialogue (hereafter the Dialogue) is a pivotal initiative for Armenia's regional geopolitical standing. Organized by the Ministry of Foreign Affairs of the Republic of Armenia in collaboration with the Observer Research Foundation, an Indian government-affiliated think tank, the Dialogue underscores the deepening partnership and growing diplomatic and military ties between India and Armenia.

The Yerevan Dialogue strategically aims to advertise Armenia as the South Caucasus's sole liberal hub amidst democratic setbacks in Georgia and increasing authoritarianism in Azerbaijan. It is organized in part as a response to similar regional initiatives, such as the Baku Security Forum and, to a lesser extent, forums in Georgia. With the initiative, Armenia aims to become a vital junction connecting Central Asia, Europe, Russia, and the Middle East. Beyond fostering regional connectivity and trade, Armenia also seeks to be an influential actor in conflict resolution, demonstrating its commitment to peace in the South Caucasus.

The second iteration of the Yerevan Dialogue, held in May 2025, focused on critical contemporary issues including connectivity, artificial intelligence, climate, international law, and geopolitical challenges. This aligns the Yerevan Dialogue with other prominent regional summits like the Halifax Security Forum, the Munich Security Conference, and the Warsaw Security Forum. The discussions were geared towards South and Eastern Europe as well as India, and to a lesser extent the Middle East, including Iran. Minimal representation from Central Asia at the Dialogue underscored Baku's dominant regional position and diplomatic strategic advantage.

This policy analysis explores the significance of the Yerevan Dialogue within the evolving South Caucasus landscape, with a particular focus on the draft peace agreement with Azerbaijan, Armenia's regional initiative — the Crossroads of Peace, and more broadly on international law and norms in a changing world. It shows how Armenia is banking on the rising status of the South Caucasus as a **strategic nexus** in global trade and connectivity to increase its relevance in international affairs; however, its diplomatic successes are tempered by Azerbaijan's dominant geopolitical and military position.

The Draft Agreement and the Peace Process in the South Caucasus: Armenia's Constitution and Territorial Claims

During the second round of the Dialogue in March 2025, Armenian Prime Minister Nikol Pashinyan underscored the critical importance of achieving lasting peace in the South Caucasus. He reiterated Armenia's steadfast commitment to the peace process and adherence to international law.

This dialogue provided a crucial opportunity to reaffirm Armenia's dedication to reaching an accord with Azerbaijan, highlighting the significant concessions already made toward this objective. The Prime Minister signalled Armenia's readiness to sign a peace agreement, specifically addressing the March 2025 draft agreement and remaining obstacles. Pashinyan also pointed to recent progress in border delimitation as a positive indicator, suggesting that a peace deal is increasingly within reach.

A significant portion of Pashinyan's speech addressed one of Azerbaijan's preconditions for finalizing the peace agreement: the status of Armenia's constitution and its alleged claims on Azerbaijan's territory. Pashinyan directly responded to Azerbaijan's claims that Armenia's constitution contains territorial claims on Azerbaijani lands. He specifically refuted these claims, reiterating Armenia's sincere desire to address Azerbaijan's concerns. He stated that the Republic of Armenia's Constitution contains no territorial claims on Azerbaijan and fully respects **the 1991 Alma-Ata Declaration**. This declaration, signed by 11 Soviet Socialist Republics at the dissolution of the Soviet Union in 1991, recognized the political independence and sovereignty of each republic and the inviolability of the newly created international borders.

The Prime Minister emphasized the crucial role of the Constitutional Court of Armenia in validating the March 2025 draft agreement. He noted that in the 1990s, the Court approved the Alma-Ata Declaration as constitutional, which he offered as proof that the Constitution holds no claims on Azerbaijani territory. Pashinyan also underlined that the current draft agreement is under review by the Constitutional Court. He committed to launching a constitutional reform process, if deemed necessary by the Constitutional Court after its review of the draft agreement, only if the draft agreement contradicts the Constitution, particularly regarding territorial claims.

Despite tremendous progress in normalizing bilateral relations between Armenia and Azerbaijan, significant hurdles remain, leading both countries to prepare for the worst. A key point of contention lies in their differing interpretations of the constitutional reform process in Armenia, which underlines a major pitfall for the future of the peace process.

Azerbaijan's President Ilham Aliyev expects a top-down constitutional reform, where Armenian Prime Minister Nikol Pashinyan would unilaterally impose changes, regardless of public consultation or the Constitutional Court's opinion. In contrast, Prime Minister Pashinyan, in his speeches, has emphasized adherence to the rule of law and constitutional due process.

Pashinyan's recent discourse revealed pessimism regarding Azerbaijan's commitment to signing and complying with a peace accord. During the Dialogue, both the Prime Minister and the Foreign Minister of Armenia cited **Azerbaijan's territorial and irredentist claims on 60% of Armenia's territory** and characterized Azerbaijan's actions in Nagorno-Karabakh as ethnic cleansing.

Armenia's Commitment to International Law and the Norm-Based Order

A key objective of the Dialogue was to bolster Armenia's foreign policy by positioning it as a leader in promoting democracy and a liberal, norm-based order in the South Caucasus. The Dialogue underscored Armenia's strong commitment to international law, featuring several panels with representatives from the International Criminal Court (ICC), as well as other high representatives of the European Union (EU). Armenia's strategy aims to present itself as a beacon of democracy in a region often characterized by authoritarianism and democratic backsliding. Discussions at the Dialogue highlighted the EU's crucial role in fostering democracy and international law within the South Caucasus, as well as the EU's engagement in the Eastern Neighbourhood.

Armenia's representatives described the country's path forward as rooted in democracy, enhanced connectivity, economic collaboration, and unwavering respect for international law. This approach signals a clear opposition to power politics and a determination to move past grievances in favour of peace, emphasizing the importance of respect for sovereignty and international borders in line with the March 2025 draft agreement. While such a strategy would have been highly advantageous in the past, it faces challenges today as the liberal international order, along with the primacy of human rights and democracy, is being questioned by some Western countries. Even with its highly-repressive and authoritarian regime and its recent violations of international law in the Karabakh, Azerbaijan remains in an advantageous diplomatic position with the United States and many European countries. Furthermore, Azerbaijan has also extended its diplomatic relationship with Global South countries like Pakistan, **China**, and **the United Arab Emirates** (UAE), as well as Central Asian countries like **Kazakhstan**.

At the same time, the speeches delivered by both Armenia's Prime Minister and its Foreign Minister did not address the future of Armenian refugees from Nagorno-Karabakh or the ongoing disagreement regarding their right to return. The topic was barely mentioned by any participants, including members of the international legal community. This strategic omission indicates Yerevan's careful approach to the peace process and its acceptance of the *fait accompli* of the ethnic cleansing in Nagorno-Karabakh. The Armenian government appears to have sacrificed the refugees' fate and its commitment to international law in the hope of reaching a peace accord with Baku. Yerevan has taken the stand that regional stability and economic development take precedence over an overly nationalistic position on territorial and refugee claims.

Connectivity and the Crossroads of Peace

The two most recent conflicts between Azerbaijan and Armenia have fundamentally altered their military dynamic, compelling Yerevan to adopt a stance centered on regional stability and cooperation. This was evident in September's inaugural Dialogue, as well as the second edition in May, where Armenia advanced its "Crossroads of Peace" initiative.

The "Crossroads of Peace" is Armenia's policy plan to implement a key clause of **the November 2020 trilateral agreement with Russia and Azerbaijan**, which ended the **Second Karabakh War**. The agreement contains provisions for the creation of infrastructure and communication network linking Armenia to the Nagorno-Karabakh (Lachin corridor), as well as Azerbaijan to its exclave of Nakhchivan (Zangezur corridor).

Despite Azerbaijan's violations of the ceasefire agreement, including the blockade of the Lachin corridor and the 2023 one-day war, Armenia remains committed to fully implementing the agreement. This plan endeavors to enhance connectivity, trade, and collaboration across the South Caucasus, directly refuting the notion of the region being Eurasia's least economically integrated region.

The proposed "Crossroads of Peace" agreement would connect Azerbaijan with Türkiye, while also boosting Armenia's geopolitical importance. Armenia's plan insists on maintaining its full sovereignty over the Zangezur corridor and leading the organization of cargo transportation between Azerbaijan and Türkiye. Through fostering regional stability, Armenia aspires to normalize relations with Azerbaijan and Türkiye, thereby reorienting regional politics from a geopolitical and military rivalry toward mutually beneficial geoeconomic relationships. Additionally, presented as an alternative to the "Middle Corridor" (linking China to Europe via Central Asia, Azerbaijan, Georgia, and Türkiye), the "Crossroads of Peace" allows Armenia to compete with Azerbaijan as a **gateway** in the South Caucasus and a connection point between Iran and the Black Sea. Armenia is poised to play a crucial role, linking the Persian Gulf to Europe and even Russia. The "Crossroads of Peace" would position Armenia as a critical link in this new road, transforming the South Caucasus into a hub connecting Europe and Asia, as well as the Caspian, Mediterranean, and Black Seas, and the Persian Gulf. The normalization of relations with Azerbaijan and Türkiye is paramount for Armenia to achieve this strategic position, as it risks being bypassed and isolated in broader regional dynamics if it does not.

Overall, both the "Crossroads of Peace" and the "Middle Corridor" initiatives aim to reduce the dominant position of the Northern Corridor and Russia as well as decreasing transit time for cargo heading north, offering a solution to supply chain crises. The "Crossroads of Peace" also highlights the demands from Asian countries to address existing bureaucratic hurdles within the "Middle Corridor", specifically the overreliance and saturation of current transportation hubs like the Port of Baku, which serves as the sole connection point between Central Asia and the South Caucasus. India's involvement in connectivity discussions and the Dialogue, along with its close relationship with Yerevan, underscores its strategic interests in the South Caucasus and the North-South Transport Corridor.

Despite Armenia's efforts to garner diplomatic support for its plan, it largely remains overlooked by most countries and participants at the Dialogue this year. Informal discussions with many participants have underlined a general pessimism with the possibility to implement such an initiative as it requires a full normalization with both Türkiye and Azerbaijan, **an agreement on the Zangezur corridor**, and international actors' confidence in the stability of the South Caucasus. Azerbaijan's rhetoric toward Armenia, its increasing demands to sign the peace accord, and the military escalation on both sides cast

an important doubt on the Crossroads of Peace and its implementation. Furthermore, the ongoing conflict between Israel and Iran casts a shadow over Iran's participation in this regional connectivity project. This uncertainty could diminish one of Yerevan's key comparative advantages when contrasted with other Eurasian connectivity initiatives.

Conclusion

The second Yerevan Dialogue proved an immediate success for Armenia, solidifying its position as a pivotal regional player. The event effectively highlighted the recent strides in normalization between Armenia and Azerbaijan and championed Armenia as a beacon of democracy and liberal order within the South Caucasus. It powerfully illustrated how a smaller nation like Armenia can significantly boost connectivity, trade, and collaboration between Asia and Europe, actively working to challenge the perception of the South Caucasus as Eurasia's least economically integrated and connected region.

Despite this symbolic triumph, the Dialogue's concrete achievements are tempered by Armenia's challenging geopolitical situation, its relative international isolation, the reluctance of its partners to pressure Azerbaijan regarding the normalization process and peace agreement, and the armed conflict in the Middle East. Ultimately, Armenia's continued success in fostering regional and global trade hinges on Ilham Aliyev's willingness to compromise and reach a lasting accord with Yerevan.