



HOUSE OF LORDS

# International Relations and Defence Committee

Corrected oral evidence: Nagorno-Karabakh and Armenia-Azerbaijan relations (one-off session)

Wednesday 10 January 2024

10.35 am

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Members present: Lord Ashton of Hyde (The Chair); Lord Anderson of Swansea; Lord Boateng; Baroness Coussins; Baroness Cox; Lord Robertson of Port Ellen; Lord Soames of Fletching; Lord Stirrup; Lord Teverson.

Evidence Session

Heard in Public

Questions 1 - 14

## Witnesses

I: Thomas de Waal, Senior Fellow, Carnegie Europe; Marina Nagai, Caucasus Programme Director, International Alert.

## Examination of witnesses

Thomas de Waal and Marina Nagai.

**Q1 The Chair:** Good morning and thank you for coming. Today, the committee is looking at the Nagorno-Karabakh conflict and the future of Armenia-Azerbaijan relations. This is a House of Lords committee and we are here to listen to evidence. The committee as such has no preconceived view. We are joined by Baroness Cox, who is not a member of the committee but is a Member of the House of Lords and can therefore sit on the horseshoe. She is welcome too.

This session comes in response to the events of September last year, when Azerbaijan took control of the territory of Nagorno-Karabakh, which resulted in the displacement of the ethnic Armenian population. To discuss those events and to hear expert views on that, we are pleased to welcome two independent experts, Tom de Waal and Marina Nagai. We are very grateful to you for sparing the time to be with us.

I should emphasise that the committee is, separately, engaging with representatives of the embassies of Armenia and Azerbaijan. This is a one-off evidence session; it does not form part of an official inquiry. It is a public evidence session and is streamed live on the Parliament website, and we will send you a transcript afterwards to check that there are no errors of fact.

I remind members of the committee and Members of the House of Lords when first speaking to declare any interests that are pertinent to the discussion. As I said, we are very grateful to our witnesses. Perhaps when you answer the first question you could briefly introduce yourselves. When I say "briefly", that applies to the answers too, because we have a lot to get through, so please do not spend 25 minutes on the first answer. Thank you.

I will start with the first question. In September 2023, Azerbaijan took control of Nagorno-Karabakh in a rapid offensive. Could you outline for us as background the humanitarian impact of this, including obviously the exodus of ethnic Armenians to Armenia?

**Marina Nagai:** I am International Alert's Caucasus programme director. International Alert is a London-based, peacebuilding organisation.

According to the latest figures, 104,000 Karabakhi Armenians fled the area and found temporary accommodation in Armenia. It was an unprecedented event, and without international help or support the community essentially had to self-evacuate within a few hours. It was an arduous journey of 150 kilometres or so, staying in queues for up to 60 hours. Half the population are children and elderly people, and 52% are women and girls, so there are a lot of vulnerable people among them.

We have to take into account the fact that the event was preceded by a severe humanitarian crisis in Karabakh as a result of the blockage of the Lachin corridor, the only road connecting Karabakh with the rest of the world. For nine months, they were deprived of essential supplies of food,

fuel, medicines and so on, so the community is battered psychologically and physically exhausted.

It is on the shoulders of Armenia to support the community with all that. The Government are doing a great job. There is an interministerial committee led by the Deputy Prime Minister. There is a remarkable response from civil society volunteers. The whole of Armenian society is trying to help, but the magnitude of the problem is simply beyond what Armenia can cope with. If you think about it, the population of the country rose by 3.4% within a matter of days. The immediate emergency needs are being attended to, but Armenia will have medium and long-term problems to grapple with, dealing not only with humanitarian problems but with the integration of Karabakhi Armenians into Armenian social and, eventually, political life.

**Thomas de Waal:** For the sake of time I have nothing to add. That was a very comprehensive answer.

**The Chair:** Could you just introduce yourself then?

**Thomas de Waal:** I am a senior fellow with Carnegie Europe, the think tank that is part of the Carnegie Endowment for International Peace. I have worked on the south Caucasus for 30 years as a journalist, writer, analyst. I am also the author of a book on the Armenia-Azerbaijan conflict. It has been in several editions, and it is called *Black Garden: Armenia and Azerbaijan Through Peace and War*.

Q2 **Baroness Coussins:** You have already touched on how the Armenian Government has begun to respond to the humanitarian crisis, with the committee that is chaired by the Deputy Prime Minister and is looking at immediate emergency needs. Could you say a bit more about how the medium to long-term humanitarian issues might be dealt with by the Armenian Government, and whether humanitarian assistance is being provided by western countries? If so, is it sufficient, and what is most needed?

**Marina Nagai:** International humanitarian aid is mainstreamed mainly through the UN agencies. There are other organisations. The Red Cross is functioning there and doing a brilliant job. In fact, it was the only international organisation present on the ground in Nagorno-Karabakh, because other international organisations are not allowed to be there, so it was also the last one to leave the area following the exodus.

So, as I say, international support is there. The evidence I have seen is that the UN has a plan stretching up to March 2024, so obviously after that the resources as well as the attention will dwindle, as we know from other contexts. That is why it is crucial to sustain attention and support in the medium and long term.

The pressure on the host community is enormous. Some 96,000 of the local population are hosting Karabakhi Armenians in their homes now. Whether that is temporary or permanent, those families need support. There is enormous pressure on local services, be that education or the

health service. The influx of this population is not just about adding a couple of beds in hospitals and putting extra chairs in classrooms. It all has to be rethought and reinvested in to accommodate the new arrivals.

Material and financial support is crucial. Those people uniquely depend on that at the moment because, as you can imagine, unemployment is very high and job opportunities are limited. The Government are able to provide a monthly allowance of \$100 per person, which is far from sufficient, particularly with the prices of rent and accommodation in Yerevan due to the relocation of some Russian citizens after the Ukraine war. So the overall pressure on social services is enormous, and that will continue, because the enormity of the problem will continue in the medium to long term. The biggest thing that those people want is jobs in order to provide for themselves, but those are in short supply at the moment.

I am aware that 30,000 people have already left because they cannot find suitable conditions for living. They leave mostly for Russia but also for Europe. Whether that is permanent relocation or they will come back we are yet to see, but it shows you that, although Armenian society is doing its best, that is not enough. The problem will go on for many years to come.

**The Chair:** Mr de Waal?

**Thomas de Waal:** I have nothing to add.

**Q3 Lord Boateng:** You have referred to the displacement of persons and the impact on the lives on those displaced people and the countries to which they have gone, Armenia in particular. What is the situation of the ethnic Armenians who have remained in Nagorno-Karabakh? What has been the impact on Armenian cultural heritage in the region? I know that satellite images compiled by Caucasus Heritage Watch show that the 14th-century St Karapet monastery in Nakhchivan was first destroyed and then replaced by a new mosque. Is that happening throughout the region?

**Thomas de Waal:** About two weeks after the Azerbaijani military takeover of Nagorno-Karabakh in September, a UN mission went there after the mass exodus and estimated that between 50 and 1,000 people had remained. I do not know where those numbers came from, but we should assume that the numbers are on the lower side. The number of those who remained, perhaps because they were simply unable to move, is extremely small. At least 99% of the Armenian population has fled.

As for cultural heritage, there are indeed issues, which we have not seen—not yet, at least—with regards to the monuments in Karabakh. There has been well-documented evidence of the erasure of Armenian monuments in the Azerbaijani province of Nakhchivan. We do not want to get too distracted into these historical stories and narratives, but the Azerbaijani narrative is that these churches are not Armenian but Caucasian Albanian and are part of a different Azerbaijani heritage. That

means that there may be threats to some Armenian inscriptions there, but hopefully we will not see the erasure of monuments as a whole.

**Q4 Lord Robertson of Port Ellen:** I want to ask about the domestic politics of both Azerbaijan and Armenia. Obviously, this has been hugely controversial. The Armenian Prime Minister has taken some pretty bold steps in the recognition of Azerbaijan, but there is also an Azeri point of view that is triumphant and maybe even seeks to go beyond that. Would you comment on the domestic politics of both countries following this particular event?

**Thomas de Waal:** I shall try. You will probably have to ask some follow-up questions, because this is a huge topic. On the Karabakh issue, we should recall that Nagorno-Karabakh was an Armenian-majority region located within Soviet Azerbaijan, a compromise made in the 1920s by the Bolsheviks that pleased neither side: the Armenians hoped that Karabakh would be allocated to Soviet Armenia, while the Azerbaijanis regarded the creation of that autonomous territory as a fifth column of Armenians within Soviet Azerbaijan.

That unstable arrangement broke down with perestroika and liberalisation in the 1980s, with the Karabakh Armenians demanding that the arrangement be annulled and the territory transferred to Soviet Armenia. The Azerbaijanis protested. There was no dialogue and it broke down into conflict, first within the Soviet Union and then in 1991 between the two newly independent states, Armenia and Azerbaijan.

Obviously, there is much more to say there, but the important point about domestic politics is that this issue has been central to the domestic politics of both modern Armenia and Azerbaijan. In Armenia, there was support for their ethnic kin in Karabakh, which resulted in territorial gains at the expense of Azerbaijan way beyond Karabakh, including the occupation of large amounts of Azerbaijani territory, supposedly in defence of the Karabakh Armenians. In Azerbaijan, which lost that war in the 1990s, there was an experience of loss, displacement and trauma. Of course there was trauma on both sides, but [especially] strongly on the Azerbaijani side. So this issue has dominated domestic politics on both sides.

We have seen a rather erratic policy from Nikol Pashinyan, who came to power in Armenia in 2018, but he has been a bit more proactive in wanting to see this problem solved. His offer in recent years was therefore to recognise the territorial integrity of Azerbaijan, including Karabakh, as long as the "rights and security" of the Karabakh Armenians were respected. That was part of the European and American negotiation effort. Clearly that failed, because Azerbaijan wanted the whole of Karabakh and, as we have now seen, has got it back without the Armenian population. That has been destabilising for Armenia, as Marina set out—the mass displacement, the trauma of the loss of this territory and its people—and a victory for Azerbaijan.

The question then is what that means going forward. There are lots of questions here, and maybe I should pause so that you can ask more specific questions. Does Azerbaijan stop here or continue to push and threaten Armenia itself? That is what many Armenians would say. There are many unresolved issues that could result in a peace agreement, possibly this year, 2024, or in new fighting. It is still a very unstable situation overall.

**Lord Robertson of Port Ellen:** What does it mean for Mr Pashinyan, who has been pretty bold in what he has done up to now? Is he likely to survive the actual loss of Nagorno-Karabakh?

**Thomas de Waal:** It is obviously a huge trauma for Armenians. This is a territory that has had an Armenian presence for centuries, and the cultural heritage has been alluded to, so to lose the territory is clearly a big trauma for Armenia and a big set-back for Mr Pashinyan, who is judged, probably correctly, to have made many mistakes.

However, if there is anger against Mr Pashinyan for losing Karabakh, there is even greater anger against the Russians. There is a feeling that the Russian peacekeeping force simply stepped aside. There is a perspective in Armenia, possibly a correct one—it is obviously very opaque—that a deal was cut between Russia and Azerbaijan to allow the Russians to step aside and the Azerbaijanis to take over.

So in that respect there is anger against Mr Pashinyan, but there is also a big breakdown and reset in Russian-Armenian relations, and a lot of Armenians think that this is not the time to jettison Mr Pashinyan, who is also making moves towards the West and trying to reset the relationship with Russia.

**Marina Nagai:** It is important to zoom in on the internal politics, not least the peace negotiations and how the leaders will be able to deliver whatever they negotiate in the peace process.

For Pashinyan, paradoxically, many outside observers thought that making all those moves and recognising the territorial integrity of Azerbaijan and so on was the end of his political career. However, he has an enviable political longevity and, if you think about it, there are few alternatives, and there is no political contestation coming from anywhere. After the crisis in September, it could have come from, say, the crowd, the Karabakhis themselves, but we do not see protests on the streets; we do not see that pushback on the societal level. One might say that people are still in shock and are busy sorting out their everyday emergencies. We do not know how that dynamic will move forward.

The second front of contestation could come from the de facto authorities, but their biggest political problem is that they do not have legitimacy among Karabakhis themselves, for many reasons, including how the exodus was organised. They proved themselves to be completely dysfunctional, so Karabakhis have many questions about their leadership, and the authorities have no political currency at the moment.

Thirdly, the opposition, which we often look at, is related to the old oligarchic regime—indeed, as Tom suggests, it is perceived to be the conduit of Russian policy in Armenia—and, following the falling out with the Kremlin, there is little public support for parties that are believed to be corrupt and which allowed the army to deteriorate to the extent that, in 2020, the territories were lost.

That environment allows Pashinyan to be bold, and at the moment he and his Government are quite comfortable, which again is important for his legitimacy in the peace talks and what he will be able to deliver.

I will also mention Azerbaijan. After the victory, President Aliyev now enjoys large popular support, as we can imagine. Not only is he the victor who returned its territories; he is also offering the country a vision of the future, with a massive middle corridor north-south. Now, it will host COP 29. This is a coming of age for Azerbaijan, and people are inspired by his leadership. The regime is stable, which again is important for the peace negotiations' prospects.

**The Chair:** Following on from some of the things you have said about the prospects for a peace agreement, Lord Soames has a question on that.

**Q5 Lord Soames of Fletching:** On 7 December last year, Armenia and Azerbaijan released a joint statement saying that they share the view that there is a historical chance to achieve a long-awaited peace in the region. What, in your view, are the prospects for achieving a comprehensive peace deal along those lines, and what are the main obstacles? What is the extent of public support for peace in both countries?

**Thomas de Waal:** Obviously, if everyone is asked the yes or no question, "Do you want peace or war?", the majority would say peace, but there is a lot of devil in the detail. When we say "peace agreement", that may be slightly confusing and possibly not the right term. We are talking really about a bilateral agreement between Armenia and Azerbaijan on mutual recognition. A lot of the detail is very unclear. There are issues about the delimitation of the Armenia-Azerbaijan border, which was never delimited with the end of the Soviet Union. There are Azerbaijani troops on that border, and since September 2022 about 100 square kilometres of some highland regions has Azerbaijani troops in it. The Armenians say that those troops should withdraw.

There is a particularly contentious issue that we may return to, which is about a corridor between Azerbaijan proper and the exclave of Nakhchivan across Armenian territory. So in geographical terms, if in no other terms, Nakhchivan is, as it were, the Alaska of Azerbaijan and can be crossed only via Armenian territory. That has not been possible for 30 years. The Azerbaijanis have been talking very tough about that corridor. They are doing everything they can for the Armenians to have minimal control over that, and there is an issue as to whether the Russians would be the ones guarding that corridor. The Armenian Government currently says no. The Azerbaijani Government says yes. This obviously also has

international implications, which hopefully we can return to. This is not just a route between Azerbaijan and Nakhchivan; it is also an international east-west route. So that issue is undecided.

Obviously, there is a huge deficit of trust; we are talking about nations that have been at war for more than 30 years.

**The Chair:** Is it of significance that they have released a joint statement?

**Thomas de Waal:** Clearly, the joint statement is a positive step. This is part of bilateral talks without any mediators, and this also signifies that other international tracks—the Europeans, the Americans or the Russians—have not been working, so they have been talking to each other. I think the statement was significant as a signal that they are still working on it—as it were, to push back against a conflict narrative.

However, it is important to emphasise that there is huge asymmetry here. This asymmetry used to be on the other side, but now Azerbaijan holds pretty much all the cards. It is the militarily dominant country and therefore is the one that tries to dictate terms. The Armenian side says that it really wants to see not so much the signing of a peace agreement but the implementation. And whether there are international guarantees, whether by the United Nations or by western powers – that is really important.

So the statement is positive, but there is still a lot of road to travel before, first, a signing and, secondly, a successful implementation.

**Marina Nagai:** I share Tom's cautiousness. Yes, the region has been starved of positive news and this is better than nothing. We have not seen this kind of breakthrough in the negotiation process for decades, so it is extremely welcome and a great motivational impetus for the societies. However, from the perspective of peacebuilding and conflict resolution, the main drivers of the conflict remain in place.

Part of the framework agreement is nearly completed—the text has been negotiated, and it will be signed—and it would probably be in Azerbaijan's interests to sign it before COP, because it would be another great achievement for its international image.

However, the main issues that go to the very heart of the conflict will not be discussed—issues such as unblocking the roads in the transport corridor, the delimitation and demarcation of the borders, whether Karabakh refugees will return to Nagorno-Karabakh and, equally, whether refugees in Azerbaijan wish to return to Armenia. Those drivers, the main enablers of the conflict, are still there.

I would add another nuance to that. We talk about peace between Armenia and Azerbaijan, but I would talk about peace between Armenians and Azerbaijanis. In those societies there is no other word than hatred. The social and public attitudes to the other side are deplorable. The dehumanisation of the other side, the rejection of their humanity, is one of the main drivers of the conflict. Bringing those

peoples together will require more than just signing a piece of paper; it will require a lot of work from both Governments and civil society on both sides, and courage.

To conclude, it is good that they are together and talking but, looking medium to long term, it is far from the end of the journey.

**Lord Soames of Fletching:** Are there any institutional arrangements to back this up? Does the peace arrangement provide for any institutional organisations to work to produce a bedrock for it to proceed?

**Thomas de Waal:** Do you mean internationally?

**Lord Soames of Fletching:** Yes.

**Thomas de Waal:** This is an area of dispute. If you listen to the Azerbaijanis, you will find that they say, "It should be sufficient just to sign a bilateral agreement. We don't necessarily trust international mediators", while the Armenians say, "We need some kind of guarantees". There is talk of a United Nations Security Council resolution to back this up.

To answer a slightly different question, the south Caucasus has long been plagued by a lack of international attention and organisational support—the kind of institutional support that, as we saw, stabilised the Balkans, even if it did not completely resolve the problems there. The south Caucasus simply has not had that, and that is one reason why this conflict was allowed to fester.

**Lord Soames of Fletching:** Because there is no Dayton structure.

Q6 **Lord Boateng:** That touches on my question for you both. Are we as the West doing enough to support the peace process and deter further military conflict? You indicate that there has been a lack of interest in the past. Is that changing? What leverage do we, the US and the EU have to ensure that human rights are upheld in Nagorno-Karabakh? The right of displaced people to return is at the heart of that, but we do not have a particularly good track record of protecting the rights of displaced people globally. I wonder what your response to that is.

**Thomas de Waal:** I am sure Marina will have some good things to say. This issue is key. We are living in an international environment where multilateral organisations such as the UN—not to mention the OSCE, which has almost completely broken down—unfortunately lack capacity. The Council of Europe is another [example]. Also, we are dealing with Azerbaijan, a non-aligned state that is very much pushing back against western norms. It is an autocracy that is very much saying, "We don't need your liberal framework here". It is not a benevolent environment, for sure, which is not to say that more should not and cannot be done.

One point I will mention is that the south Caucasus is important, beyond its rather small geographical and demographic size, as an east-west as well as a north-south transport hub—Azerbaijan plays both sides. If

Armenia, which has been excluded from that for the last three decades, became part of that, that would be stabilising. Here we are mentioning normalisation between Armenia and Turkey, which has proved elusive, and the opening of that border would be extremely important here.

The western leverage here is to offer funding and expertise on helping to rebuild these closed transport routes as international routes that belong to everyone, not just to one party or another. That is something that I have been advocating for a while. The take-up has been rather slow, but hopefully this year there could be more attention to that.

**The Chair:** Marina, do you want to comment on that?

**Marina Nagai:** I shall quickly cover the right to return, which will be at the heart of a comprehensive resolution of this problem.

**The Chair:** Sorry, I wanted to go back to the peace agreement, because we jumped on to external powers. The prospects for a peace agreement are incredibly important, albeit that you have talked about their being difficult. Lord Stirrup, we have mentioned the corridor. Is there anything you would like to add?

Q7 **Lord Stirrup:** I shall put to you a proposition, on which I would be interested in your views, and then I shall ask you a question. It seems to me that this is yet another example of the confused and confusing national and sectarian intermixtures that are left behind after the collapse of empires. We see that in north Africa, the Balkans, the Middle East and other parts of the world. From none of those areas can we draw comfort that there are easy, or indeed difficult, solutions to these problems, at least in the short term.

Given that, although one particular issue might seem to have been solved rather brutally by the forced removal of Armenians from Nagorno-Karabakh, we still have, as you mentioned, the Azeri exclave and the proposed corridor to it. It does not seem to me that there is much prospect of that happening in the same way that the corridor to Nagorno-Karabakh was sustained, because there at least you had the Russians, for a while, proposing to sustain it. That clearly has now disappeared—that prospect has gone out of the window—so why would anyone trust anyone else to keep a corridor of that nature open? There seems, therefore, to be even more motivation for the Azerbaijanis to impose some sort of corridor by force. One cannot help reflecting on such corridors in the past and the inglorious history of these things. All this seems to be a recipe for conflict in the not too distant future.

While it would be nice to have a peace agreement that settled all this, is that not simply unrealistic? We are faced with the management, almost on a day-by-day basis, of these continuing tensions and potential conflicts in order to keep them suppressed as much as possible, and then moving step by step, over a process of many years, to a more long-term political resolution. Are we not in the era of nudging rather than wholesale resolution?

**Thomas de Waal:** There is a lot to respond to there. I agree with your broad analysis that this is the legacy of the collapse of empires. In a way, Armenia and Azerbaijan are trying to do in the 21st century what a lot of European nations managed to do, often rather bloodily, in the 20th century, which is nation building—defining who they are and defining their borders—often at the expense of conflict with their neighbour. Both sides here have failed to do that nation building. Unfortunately, Azerbaijan still seems to be very bellicose towards Armenia; even the reconquest of Karabakh seems not have persuaded it to turn the page there. So yes, it is a worrying outlook.

Even if all these smaller nations in eastern Europe could join a larger framework, notably the European Union, that offer is not open. One positive to note is that Georgia now has a membership perspective for the European Union. In the medium term, one could see the EU arriving in the region as a stabilising force.

If the problem of corridors and demarcation is not tackled, then I think the situation is the reverse: conflict will break out. One should seize the opportunity to push the parties to get over the line, but there has to be some kind of international support and guarantees. Does Azerbaijan want to take this part of Armenia by force to enforce a corridor? That is what Armenians fear. There have been some threatening statements by Azerbaijan, so we should take that seriously.

Personally, I see this more as pressure tactics. Azerbaijan wants respectability; it wants to be the chair of COP 29. I do not think it wants to invade the sovereign territory of another country, like Russia in Ukraine, but there is a difficult Russian element here in that there is a shared agenda with Russia: it would be Russian border guards and troops guarding that corridor. That is something we need to pay a lot more attention to.

**Marina Nagai:** It is a very difficult question, but if you speak to the Armenians—we are speaking about them a lot today, because they are in the much weaker negotiating position—it is more about how they might manoeuvre in the process. In the foreseeable future, thinking about a sustainable peace, Armenia's defence capability will be far inferior to Azerbaijan's. Armenia cannot counteract Azerbaijan in that sense, so it hopes that the economic and transport connectivity and the interdependence between Armenia and Azerbaijan might be some kind of guarantee that Azerbaijan will not choose war. It is very difficult to manoeuvre between their national interests—again, Tom mentioned Russia—but a lot of Armenia's political thinking hinges on how that issue will be resolved, because one of the very few pieces of leverage that the Armenians might have to keep peace with Azerbaijan is sorting out the borders and the corridor.

Q8 **Baroness Coussins:** The exact location of this prospective land corridor is right on the border with Iran. What is Iran saying about it? Does Iran have a stated position, either publicly or behind the scenes?

**Thomas de Waal:** It is an interesting and rather opaque question. Iran has an historical rivalry with Turkey and Azerbaijan, and therefore values Armenia as a northern neighbour and a route to the north. Iran has said that it wants Armenia to have sovereign control of any railway. However, at the same time, Iran is wary of Armenia's move towards the West. That is another factor. We see Iran trying to play a role in the south Caucasus and not quite sure how to do it. Separately, there has been talk between Azerbaijan and Iran about building a route, but I do not think that will go very far, to be honest. There are many factors that would disallow the building of a railway route across Iran—funding and so on. Iran is certainly one to watch, but it is opaque on many issues on this topic, even more than most.

**The Chair:** Marina, do you agree?

**Marina Nagai:** Yes.

Q9 **Baroness Cox:** I will introduce myself. I try to use my role in the House of Lords to be a voice for people whose voices are not heard. Obviously, the people in Nagorno-Karabakh come within that category. I have visited a lot of local partners there many times since the 1990s, and I think they would be grateful if I highlight just two issues, because they have raised them with me.

The first is the situation regarding the prisoners or people who have been abducted in Azerbaijan—the members of the Armenian leadership who are currently imprisoned by Azerbaijan. What can be done to try to encourage their release?

The other point, which we have touched on, refers to Azerbaijan's encroachment into Armenia itself. I was in Goris recently—a town well within Armenia. Azerbaijan had an emplacement that was visible from Goris, and three more in the region. The other question is whether Azerbaijan's encroachment into Armenia's sovereign territory with impunity is a cause for concern. If so, what can be done about it?

**Thomas de Waal:** I think you are referring to several of the Karabakh Armenian leaders who were detained in September and are now in detention in Azerbaijan. I think they fall into different categories. One or two of them went there voluntarily; the Russian-Armenian businessman Ruben Vardanyan falls into that category. Others are locals. This is a difficult issue which I hope will be resolved if there is a successful peace agreement. I do not see any other way of doing that.

I think I mentioned Azerbaijani encroachment into Armenia. Obviously, it is not a clearly demarcated border, but I think most people will accept that Azerbaijani troops crossed that border in September 2022 and are located in some strategically important highland regions in very small areas on the Armenian border. That is an issue of concern. They potentially pose a threat by being there. That definitely should not be overlooked. Again, if there is a peace agreement, that border should be fully demilitarised.

**The Chair:** We briefly talked with Lord Boateng about the role of external powers. It might be worth talking a little about that. Lord Robertson had a question concerning peace agreements.

- Q10 **Lord Robertson of Port Ellen:** It might be connected, in any event. I want to explore further the potential for military action. The Azerbaijan embassy sent a document to members of the committee the other day, which is largely very peaceful and points out the concordat that has been achieved up to now, but you have already mentioned the potential for armed conflict that might occur over the future of this. Its statement says that Armenia agreed to open a land transportation link through Armenian territory between the main part of Azerbaijan and Nakhchivan, and that although Azerbaijan has put many diplomatic efforts and resources on the implementation of this project, Armenia has failed to respond to these efforts positively and did not even start a feasibility study. That appears to be Azerbaijan's position at present. Given that we can expect Azerbaijan to be pretty peaceful and accommodating until COP 29 at least, what is your estimation of the chances of some serious conflict breaking out after that period?

**Thomas de Waal:** That question falls into many parts. People have been urging President Aliyev to be magnanimous and generous and to turn a page since his successful military offensive of 2020. Although we are talking about a peace agreement, the rhetoric on the Azerbaijani side is still pretty strong; one sees in the speeches of Azerbaijani officials that there is still a feeling of anger and humiliation in the past that needs to be expunged, and there is bellicose rhetoric towards Armenians. As long as that continues there is a threat of conflict, even though the bar is higher in the sense that we would be talking about an attack on a sovereign county rather than an attack on a disputed territory. We need to take that seriously, but I hope the fact that Azerbaijan wants to be a respectable member of the international community and to host COP 29 will be effective in persuading it to de-escalate the rhetoric.

Specifically on the corridor issue, both sides say that they have come quite close—the EU says that they even had a draft document—but there are two issues that complicate that. The first is the security issue: if the road and rail links are to be reopened then there needs to be security, because Azerbaijanis will be crossing Armenian territory and Armenians will be crossing Azerbaijani territory—enemy territory, as it were—so there needs to be some kind of security provision for them.

Secondly, I return to a fact that I have mentioned already: Russia's claim. Russia is very interested in this corridor, on its terms. We really need a map here, but I will say that there is a railway junction at a town called Julfa in the Azerbaijani territory of Nakhchivan, which in Soviet times was the big Soviet-Iranian railway junction. It was the Soviet Union's route to the south. The Soviet railways went to Julfa, through Iran and right down to the Persian Gulf and the Middle East. For the Russians, that is now extremely important. Their routes to the West are cut off and they are reorienting their trade to the south and the east. You can read a piece written by the head of Russian customs in October last

year that makes it absolutely explicit that this is a whole reorientation of their external economy.<sup>1</sup>

In that context, Azerbaijan is suddenly an extremely important partner in this trade and connectivity railway route across the Caspian Sea and across railways. If the railway goes across Azerbaijan and wants to get to Julfa and then down to the Persian Gulf, it only has that 43 kilometres of Armenian territory to cross. That is the key issue here. Although that little 43 kilometres is important as an east-west transit route, it is also perhaps even more importantly a north-south transit route for Russia, which is why it is so important.

**Marina Nagai:** The risk of potential escalation is certainly there. We see that the multilateral international institutions have not been able to deter military coercion. Experts on the ground point out two key geopolitical events that might determine the conflict dynamics. One is the American elections that are coming up and how the world order will look after that, and the second is the outcome of the Ukraine war. If some sort of negotiation starts towards the end of this year or next year, what kind of position will Russia come out of that process in and how will it subsequently behave in the south Caucasus? All those geopolitical elements are part of the calculations by Azerbaijan.

**The Chair:** Talking about external players, Lord Anderson has a question that follows on directly from that.

Q11 **Lord Anderson of Swansea:** The external actors that I am concerned with now are Russia and Turkey. Before the conflict, Armenia was largely within Russia's orbit. Does it legitimately feel let down by the Russia's inaction at the time of the conflict? Do you feel that Russia has made an overall strategic decision to move closer to Azerbaijan than to Armenia? What is the effect of Armenia's relations with the West? Has it, for example, affected Armenia's voting pattern in respect of Ukraine? I have forgotten whether it abstained or voted with Russia at the UN on Ukraine. Similarly, after the brief mention of Turkey—given the baggage of Armenia and Turkey from the past—what has been the effect of the conflict on relations between Armenia and Turkey?

**Thomas de Waal:** Those are extremely important and central questions, and I thank you for raising them. Armenia certainly feels let down. It has, or at least had, a military alliance with Russia, and was relying on Russian peacekeepers to remain in Karabakh protecting the locals there until 2025. Russia has been extremely weak in its response and, either through inactivity or through collusion—we do not know, but perhaps one day we will—allowed the Azerbaijanis to take over Karabakh. I have already alluded to the strategic importance of Azerbaijan in the context of

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<sup>1</sup> Ruslan Davydov, 'Glava FTS – o tom, kak "neob"yavlenaya voyna', izmenila rabotu tamozhni' [The head of the Federal Customs Service on how the "undeclared war" has changed the work of the customs service], October 2023, [https://www.rbc.ru/opinions/economics/25/10/2023/6537845e9a7947415caa4074?from=article\\_body](https://www.rbc.ru/opinions/economics/25/10/2023/6537845e9a7947415caa4074?from=article_body)

the Ukraine war, and that has meant a downgrading of the relationship with Armenia.

Mr Pashinyan leads a pro-western Government. Society is a bit more divided, but he has made significant moves towards the West—some would say rather reckless moves, given his dependence on Russia. I highlight the fact that Armenia has now acceded to the International Criminal Court, which means that, technically speaking, if Mr Putin were to land in Yerevan, he could be arrested on Armenian soil. Mr Pashinyan also publicly met President Zelensky at the Granada summit last year. So there are some pretty clear signals that Armenia wants to move west, even though it remains extremely dependent on Russia.

This is where Turkey gets quite interesting and complicated. Obviously, Russia and Turkey have had a huge rivalry over the centuries in the region, but it seems to have been a kind of managed rivalry. One might say that, although they disagree on much, they agree on keeping the West at arm's length in the region. For me, as someone who has worked a lot on the Armenian/Turkish issue on normalisation and possible reconciliation, that is frustrating.

For years, Turkey had the position that it would open the border with Armenia and normalise relations when Armenia withdrew from the illegally occupied Azerbaijani territories. It did so more than three years ago and it [now] has no claim even on Karabakh, yet Turkey has shifted the goalposts and has still not normalised relations with Armenia, and an informal compact with Azerbaijan would be the only explanation there. Many people in Turkey, in business, in the east of the country and so on, want to see that happen because they see it as a stabilising factor, but key figures in the Turkish elite—I guess, starting with President Erdoğan—are still resisting it. That is something that outsiders in the UK and the EU should be trying to put our weight behind, urging Turkey to do the right thing and return to its previous policy of seeking normalisation with Armenia.

**Q12 Lord Boateng:** This question comes back to you, Ms Nagai, in the sense that I do not think you had the opportunity to give us your view on the role of external powers in seeking to protect and to advance the rights of displaced persons to return. I do not think either of you have actually opined upon that issue and what we can do practically in that regard—or is it just pie in the sky?

**Marina Nagai:** The right to return to their homelands lies with refugees on both sides, in Armenia and in Azerbaijan. As I said, it is one of the fundamental issues of this conflict. Azerbaijan has given reassurances that the rights of Karabakhis will be respected and protected when they come back to Nagorno-Karabakh. However, as you can imagine, following years of distrust and trauma, this is not just a matter of, "How do we convince Karabakhis to go back?", as one European official asked me recently. It is not a matter of convincing them to believe some kind of story. It is about providing serious security guarantees. They want to see international security guarantees in place. From their perspective, that

should be organised under the auspices of the United Nations, including a temporary administration in Nagorno-Karabakh, Russian peacekeeping forces being removed and replaced with a UN peacekeeping force, and control of the Lachin corridor—the connecting road between Karabakh and the rest of the world.

This is one of the points where the international community could step in and make a stronger commitment to provide those security guarantees, at least until some stronger indigenous mechanisms are found on the ground and Karabakhis feel confident staying there without UN protection. Equally, conversations have to happen about how the Azerbaijani refugees would see their return to Armenia, although that happened generations ago now. That has to be equally considered in an equitable process.

**The Chair:** As a committee, we are here to hold the Government to account, so we always end with a similar question. Today, Lord Teverson will put it.

**Q13 Lord Teverson:** At the end of the day, we are the UK Parliament. One of the areas we are most interested in is what role the UK Government and Parliament more broadly can play to help move towards a sustainable, peaceful relationship, in whatever form, between these two nations. What should we be doing as a Government and as a Parliament to reinforce this position, if anything at all?

**Thomas de Waal:** I have been asked this question so many times over the years. We have to be modest, unfortunately. This is due both to external factors and to the domestic politics of the south Caucasus: if they do not want our help, which they sometimes do not, it is very difficult to offer it. There is an opening now with Armenia, which is sending clear signals that it wants to be a democracy to strengthen ties with Europe. There is now a UK-Armenian strategic dialogue. I am not sure what substance that has, but we should support it.

For various historical reasons, the UK still has a good record in Azerbaijan. Critics would say that that is partially because foreign policy was outsourced to BP. That would be the cynical answer, but it does mean that links have been forged with Azerbaijan and there are good interlocutors there. Britain is listened to in Azerbaijan, let us say, in a way that other countries are not.

Those are some opening comments. Given the demise of the OSCE, the UN instruments need to be used. Again, Britain, as a Security Council member, can use that leverage to get the UN more involved, whether by underpinning a peace agreement or other ways. That is another thing I would note.

Finally, I return to the issue that this is potentially an east-west transport hub. The financing is there in western institutions, whether the World Bank, the development banks and so on, to put money and expertise into making that happen. That process is often rather slow, but if there is

political will and a strategic vision that this so-called Middle Corridor is important, that will influence the parties. The route from east Asia to Europe via Russia is obviously problematic now. The maritime route is also compromised: crossing the Red Sea and the Suez Canal is not so easy. This so-called Middle Corridor through central Asia, the Caspian Sea and the south Caucasus has many difficulties but is more attractive than it has been for some time. There are different ways of making that Middle Corridor. A positive vision of a regional corridor in which Armenia, not just Azerbaijan and central Asia, is given a say is something that we can promote through strategic planning and possible funding.

**Marina Nagai:** I agree. I shall highlight a couple of points. We have seen the crisis of multipolarity and countries trying to establish relationships in a bilateral format. Britain has quite a lot of leverage in bilateral relationships with both Governments. On Azerbaijan, which is a harder actor to handle in this situation, I highlight that Britain has been the largest individual investor in Azerbaijan's economy. According to the UK Department for Business and Trade, investments surpassed \$84 billion.

**Lord Teverson:** Is that all hydrocarbons, or are there other areas as well?

**Marina Nagai:** Predominantly, yes, but there are also multiple architectural firms. A lot of rebuilding is happening in Azerbaijan, including in the newly acquired territories. There are demining companies. The place is heaving with British businesses. If the transactional part of that relationship is working so well, there should surely also be some opportunities on the diplomatic track if Britain decides that this is one of its foreign policy priorities, apart from money, business, energy security, et cetera. There is an underestimation from the British side of how much soft power and allure it still has in the region.

It would be remiss of me not to mention support to civil society, which really needs a lot of support—not only financial support, which is provided partly by the European Union, but moral support from the outside world. The vital work that our partners are doing on the ground—the Armenians and Azeris who are really brave in coming to dialogue together to discuss the peace process and how the societies can coexist—needs to be supported, not only in grants and funding but morally and politically to shield those people, who risk their own security and life prospects by engaging in that type of work. Peacebuilding and civic peacebuilding would be one of the priorities where I would call for more support.

One element not to forget is the UK's rich experience in conflict resolution with Northern Ireland. We had small projects where we took civil society groups to look at that context. It was fascinating for them to see some of the examples, even leaving aside the political side of it, of how civil society engaged in multitrack diplomacy. As I said, Britain has a lot to offer, and I hope, with this crisis now getting more attention, that the region may indeed get more attention from the UK.

**Q14 Lord Teverson:** Thank you. Can I come back very quickly to Mr de Waal on the economic side? The European Union used to have the European Neighbourhood Policy, which Armenia effectively opted out of because it became a member of the Eurasian Economic Community, which is dominated by the Russian Federation, as you are aware. I was in Georgia last year, and the Russia-Georgia border must have had 25 miles of queuing of Armenian vehicles trading with Russia. Will that fray? Is that dominance, that single market with Russia, now under threat? Are there opportunities for the UK and the EU to strengthen economic ties with Armenia, or is it too locked in?

**Thomas de Waal:** Russia and Armenia do not have a land border. That is one reason why we need to press for Armenia-Turkey normalisation, because instead of those queues across mountain roads in Russia, Armenian goods could be going directly across Turkish territory to Europe. Obviously, they can also go via Georgia or to Georgian ports, but that is more expensive.

Size is an advantage here. Armenia is a relatively small country, so helping it economically would not take so much. Geography is a big challenge, however. There is a small and quite thriving Armenian IT sector, which is also positive.

**Lord Robertson of Port Ellen:** In the light of that discussion, I should declare that I am an adviser to BP, although I have never had anything to do with its interests in Azerbaijan. I am also a member of the Global Leadership Foundation, which in recent years has been making determined efforts to intervene between Azerbaijan and Armenia in an attempt to bring the two countries together.

**The Chair:** I will finish now by thanking you both very much for giving us your time and making it a very interesting and productive session. We can only hope that, for the benefit of the citizens of both countries, the respective Governments make some progress in peace, albeit with the difficulties that you have alluded to. I think there is a huge incentive to try to do so. I remind you that we will send you a transcript of what you have said in case you need to make any corrections. With renewed thanks, I declare the session closed.