



Middle East Mediterranean

An ELIAMEP Report

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The European Orientation of Azerbaijan

George
Tzogopoulos

Culture and Politics Interwoven

Evangelos
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Focus on Azerbaijan

An interview with

Azay Guliyev

Member of the
Parliament of
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Monitoring

the Middle East

A New Era for Greece and Azerbaijan

*Bilateral Relations Gaining
Momentum*

Opening New Horizons for
Bilateral Cooperation

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Middle East Mediterranean

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Middle East Mediterranean (MEM) is an unbiased bimonthly report of the *ELIAMEP Middle East Research Project*, focusing largely on geopolitical and economic developments, debates as well as policies, affecting the future of the Middle East. Having a global outlook MEM hosts analyses, commentaries, interviews and news, conducting research in the fields of politics, economics and culture in the Middle East and adjacent areas, such as the Eastern Mediterranean.

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Editor's Note

Given the strategic geographical location of Azerbaijan, Baku has a key regional role in promoting the message of multiculturalism and secularism. By being a part of the Muslim world and Europe it actually promotes interreligious and intercultural dialogue and is making progress in its democratic transition. Today the country looks to the future with the utmost optimism. For Azerbaijan the Silk Road still exists in its modern form: both cultural and economic corridors have enriched and strengthened the preexisting volume of commerce. In the territories which once trading houses and caravans acted, lived and stationed, today there is a multicultural secular Muslim society with a dynamic economy and open to contacts and investments. It also boosts economic developments in the Caucasus, for instance the Caucasian railway Baku-Kars-Tbilisi.

Greek-Azerbaijani relations are of particular importance for geopolitical stability in the Caucasus, the Black Sea and the Eastern Mediterranean. These relationships acquire another dimension given the interest of both sides to the EU's role as a stabilizing force in these regions.

Cooperation between Athens and Baku is much needed on crisis and geopolitical stability issues in areas of mutual interest, such as the Caucasus, the Eastern Mediterranean and the Black Sea. Increased cooperation between Greece and Azerbaijan and neighboring countries is a positive factor for enhancing geopolitical stability in the region. Bilateral contacts, exchange of views and cooperation in the context of geopolitical research are able to mutually benefit both countries, both in resolving critical issues related to geopolitical stability and security and the geopolitical configuration of a secure environment conducive to the economic development of these areas.

The current issue of the Middle East Mediterranean focuses on those aspects related to Azerbaijan and Greece that are expected to have a strong impact on future bilateral and regional developments.

MEM

Analyses

Azerbaijani-Hellenic Relations in 2013: Opening New Horizons for Bilateral Cooperation

H.E. Dr. Rahman Mustafayev,
Ambassador of the Republic of Azerbaijan to the Hellenic Republic

The year of 2013 opened new opportunities for the strengthening of cooperation between Baku and Athens.

Our countries do not share a common border but we have always considered Greece to be a friendly neighbouring country. In the previous year, friendship and neighbourhood relations not only strengthened, but also reached a new level. Political and economic relationships were developed, important decisions were taken in the energy sector, and communications between businessmen, students and scientists became more frequent. Direct links were established between youth organisations, universities, national libraries and cities in both countries. All these facts testify to increased interest by citizens of our countries in cooperation and the opening of new page of Azerbaijani-Hellenic relations.

I think I am not mistaken in saying that a new level of relationships between Baku and Athens started following the official

visit of Mr. Ilham Aliyev, President of Azerbaijan, to Greece in February 2009. That visit established a strong basis for friendship, cooperation and trust for future Azerbaijani-Greek relations, and has given rise to the gradual initiation of cooperation in all fields.

A strong boost was given to high-level political dialogue. The President of the country Mr. Karolos Papoulias paid an official visit to Baku in April 2011. The Ministers of Foreign Affairs of both our countries, Elmar Mammadyarov and Dimitrios Avramopoulos, went on official visits to Athens and Baku respectively in February 2011 and in April 2013, and Antonis Samaras, Prime Minister of Greece, paid a working visit to Baku on May 19.

Parliamentary contacts have been developed. Azerbaijani-Greek Friendship Group of the Milli Mejlis (Parliament) of Azerbaijan paid a return visit to Athens in the period of

November 24-27th last year.

At the same time, the legal basis for bilateral relations was strengthened - 18 basic documents have been signed. 13 documents are under consideration and currently work is under way to finalise these documents for the purpose of signing them within the context of high-level visits.

It is important to note that not only has the frequency of high-level negotiations changed, but so has the quality of those visits and their atmosphere. We managed to leave behind the stereotypes of the first decade in the history of our relations (1993-2003), when both countries looked at each other through the lens of “special” relations with their neighbours. Today, both Baku and Athens are on the same page in understanding that our bilateral relations must not depend on outside factors or on relations with other countries, but that they have to be adjusted to interests of the Azerbaijani and Greek peoples. That we should have our own strong agenda for bilateral relations and it should expand and cover new fields.

It is also noteworthy that Athens has taken a principled stance on the key security problem of Azerbaijan and the region of South Caucasus, Armenian-Azerbaijani Nagorno-Karabakh conflict, and supports the territorial integrity and inviolability of the borders of the Republic of Azerbaijan. As a nation

suffering from the occupation of its territories and forcible displacement of almost one million people by Armenia, Azerbaijan still witnesses grave and systematic violations of fundamental norms and principles of international law. Twenty years ago, in 1993, the UN Security Council adopted four resolutions demanding the immediate, complete and unconditional withdrawal of Armenian armed forces from the occupied territories of Azerbaijan. These resolutions also reaffirmed respect for the sovereignty and territorial integrity of Azerbaijan and its internationally recognized borders. Unfortunately, all four resolutions remain unfulfilled by Armenia.

Azerbaijan continues to stress that the effectiveness of the UN rests with its member states and their willingness to adhere to their obligations under the UN Charter. That is why Baku highly appreciates based on the principles of international law approach of Athens to this problem.

Strategic context of Greek-Azerbaijani relations

Global strategic context also plays an important role and has an impact on the development of Azerbaijani-Hellenic relations.

The role of Greece, as a member of the EU and NATO, and as an important player in the Balkan

region has steadily grown in the list of Azerbaijan's foreign policy priorities, since Baku is interested in establishing a strategic partnership with those organisations in a wide range of political, economic, and humanitarian fields. Such a partnership has a very significant meaning for Azerbaijan in terms of modernising society, enhancing social, economic and legal reforms, providing security for the country and strengthening its role in regional and international relations.

However, Azerbaijan is equally important for NATO and the European Union, including Greece. Along with the growing importance of Azerbaijan as energy security provider to Europe, the rise in significance of the Asian region in world politics and economy will result in increase of the role of Azerbaijan in European policy as well. Our country is a strong partner for NATO in the area of providing security for Afghanistan and the whole region and plays the role of a reliable transportation "gate" for the EU to the Central Asia. This year the modern Kars–Tbilisi–Baku railway will be launched. In the first phase of this transportation project, funded by Azerbaijan, we will see Azerbaijan, Georgia, and Turkey connected, and in the second phase Kazakhstan (via ferry), Uzbekistan and Afghanistan will also join this project, and in the future connections to China will be made.

Thus, the vast markets of the Caucasus, Central Asia, and China will be opened up for European and Greek goods. For this reason, both Athens and the EU as a whole consider Azerbaijan to be not only a key partner in the Caucasian region, but also an important bridge between Europe and Asia.

The role of energy

Another important aspect was added to the political and strategic contexts of Azerbaijani-Greek relations in 2013: an energy one. Important events took place in 2013, including the success of SOCAR - State Oil Company of Azerbaijan - in the tender for the privatisation of 66% of the shares of DESFA company at the beginning of June, and the decision made by the Shah-Deniz-2 Consortium on June 28 to select TAP project as the main route for exporting Azerbaijani gas to Europe.

Thanks largely to the political, economic, and cultural rapprochement between the two countries that started in 2009, favourable atmosphere was created for SOCAR's entering to the Greek market. For the first time in European energy history, a non-EU member country will get access to the gas network of an EU Member State. This is also a symbol of growing mutual trust both between

the EU and Azerbaijan and between Baku and Athens.

On December 21 Sale-and-purchase agreement between SOCAR and the Hellenic Republic Asset Development Fund was signed in Athens, which became the first important step towards implementation of that deal.

Thus, the cooperation between our countries in the energy sector has reached a new level. For many years to come, Azerbaijan will be a strategic partner for Greece in the area of energy security. And Greece will become the first country in the EU, through which Azerbaijani gas is to be exported to European markets.

Bringing Azerbaijani-Greek relations in energy sector to the level of strategic partnership could become a strong catalyst for further developing relations between Baku and Athens in the political, economic, investment and other fields.

It is worth mentioning that the main export route selection was not an easy process at all. It was especially difficult for Azerbaijan, which as a provider of gas was at the epicentre of this process and was subject to serious risks from the viewpoint of its regional security. These risks were related to the fact that the opening of the Southern Corridor would break the monopoly on natural gas delivery, and as a result of that, the "window" could be

opened to gas-rich Central Asian countries to deliver their natural resources to European markets, which could then have long-term strategic consequences for the whole region.

For that reason, over the long period from the signing of the Azerbaijan-EU Memorandum on Strategic Partnership in the Field of Energy on November 7, 2006 till the signing the Final Investment Decision document on the Shah Deniz-2 project on December 17, 2013, Azerbaijan and its partners were passing through "turbulence zone", created by disagreements between the EU and Russia concerning energy security for Europe, the lack of unity inside the EU, constant "infighting" between projects of Nabucco, ITGI and TAP and companies supporting them, as well as competing interests between the countries and companies within each of these gas-pipeline projects.

Now that period is far behind us. The Baku Summit of December 17 has become a historic milestone since it launched the Southern Corridor Project. For the first time in the history of Europe, it has opened up an alternative route for gas delivery from the Caspian Sea to the European market.

There will definitely be a positive effect on the economy of Greece in the future after both these projects are commissioned. More specifically, there will be more

investments, jobs and infrastructure created in Northern Greece, orders provided for Greek companies and enterprises. Also, Azerbaijani gas will be supplied at a competitive price, which could be beneficial both for industrial enterprises and household consumers.

Greece will also have an opportunity to become a regional gas hub. After the first stage (2019-2020) when the supply of gas is planned for export to Italy – 7-8 billion m³, and to Greece and Bulgaria – 1 billion m³, there will be a second stage (2020-2021), during which scenarios for gas supplies to other countries in the Balkan region will be considered, subject to availability of gas volumes and appropriate infrastructure.

Implementation of those projects would be also beneficial for Azerbaijani-Greek bilateral relations. Commissioning of an enormous project such as TAP will inevitably result in strengthening of Azerbaijani-Hellenic cooperation in the related adjacent sectors of the economy. Many other kinds of services will be provided while constructing the pipeline - transportation, construction, engineering, financial services and others. Azerbaijani companies are expected to more actively participate in those processes and cooperate with Greek companies, which should result in an increased flow of

Azerbaijani investments into the Greek economy.

There is another, no less important aspect of TAP project – the regional one. Its implementation will result in strengthening of the atmosphere of cooperation between the transit countries, will bring stability and security along the pipeline route (Azerbaijan-Georgia-Turkey- Greece-Albania-Italy).

Trade relations

Trade turnover in our bilateral relations is not lagging behind the pace of cooperation in the political and energy sectors. In 2012, it reached 850 million dollars, which is almost four times higher than the figure for 2011. Although this increase happened entirely due to growth of Azerbaijan's exports to Greece (mainly oil and oil products, the cost of which amounted to about 830 million dollars), it is a figure to be reckoned with. The commodity structure of Greek exports to Azerbaijan includes more than 30 items but the volume of supply is not significant. The volume of Greek exports to Azerbaijan in the previous year was about 15 million dollars. Therefore, the most acute task in our trade relations today is to diversify exports and imports at the expense of non-oil trade.

The growth rate of Azerbaijan's economy is creating very favourable conditions for the

development of bilateral cooperation in the areas of trade and investment. Over the last 10 years, Azerbaijan has been one of the most rapidly developing economies in the world. In the 2000-2010 period, average growth rates of GDP were 5-10%. As a result of that, over the past six years, the country's GDP has grown by more than four times. The growth of GDP in 2013 reached 5.8%. In general, Azerbaijan today is an apparent economic leader in the region – the volume of its economy amounts to almost 75% of the GDP of the whole Southern Caucasus region.

The investment climate is favourable in the country. As a result of that, a total amount of 28 billion dollars was invested in the economy of the country in 2013. This is a record indicator. Of that figure, 17.5 billion dollars are domestic investments. In other words, from attracting foreign loans and investments Azerbaijan is gradually switching to development based on its own funds – about 60% of all investments have national origin. This fact creates huge opportunities for implementing bilateral and even multilateral investment projects with the participation of Greek businesses and without foreign borrowing.

Another important priority is the development of the non-oil-and-gas economy, and a decrease in dependency on income from oil and gas. In 2013, the rate of growth of the non-oil-and-gas sector of the

economy was 9.8%. It primarily related to growth in infrastructure, agriculture, agro-industry, small and medium-sized production and services sectors. As a result of that, the share of the non-oil-and-gas sector in GDP exceeded 50%.

Our foreign exchange reserves achieved record levels - almost 50 billion dollars. That is 70% of GDP. Our external public debt is only 8% of GDP. All the aforementioned figures lay strong foundations for the development of trade between our countries outside of the energy sector, and for implementing mutual investment projects with the participation of Greek companies.

Cultural and Human Resources

Bilateral humanitarian cooperation throughout 2010- 2013 continued to grow very dynamically. Communications between students, people of culture and science have become more frequent. Direct connections between universities and national libraries as well as the cities of Ganja and Thessaloniki have been established. Verses of Constantine P. Kavafis, a well-known Greek poet, have been translated into the Azerbaijani language by Azerbaijani students learning Greek. Currently, the novel entitled "Tahmina" ("The Sixth Floor of the Five-Story Building") by Anar, a popular Azerbaijani writer, is being translated into Greek.

Greek representatives have become frequent visitors at regular international cultural forums hosted in Baku. Cooperation in the fields of the Olympic movement and education is ongoing. The Memorandum of Understanding between the Ministry of Youth and Sports of Azerbaijan and the International Olympic Academy based in ancient Olympia, motherland of Olympic Games, was signed on April 16, 2013. It will provide our youth with access to high-quality education on Olympic subjects and serve as a legal basis for implementing a diverse range of projects concerning Sport and the Olympic movement as a whole.

During the past three years, five concerts of Azerbaijani symphonic, classic, and jazz music have been arranged in various Greek cities – Athens, Thessaloniki and Xanthi, as well as on Tinos island. The Azerbaijani Orchestra played the music of Manolis Kalomiris, a popular Greek composer, in October 2011, in Baku. And another one example of successful music cooperation between Azerbaijan and Greece is the 2nd place for Azerbaijani performance at the 2013 Eurovision Song Contest, which was prepared with the support of our Greek friends.

Youth cooperation is developing dynamically. It is not only about mutual visits, meetings and contacts, but also about long-

term joint projects. In particular, the Greek-Azerbaijani Youth Centre was established in Athens with the purpose to conduct research projects in a wide range of topics relevant to Azerbaijani-Greek bilateral relations. I'm sure that the year of 2014 will be a period of even more active cooperation in this field, since we plan to take an active part in the programme of "Thessaloniki - European Youth Capital 2014", and to organise the Days of Azerbaijani Culture in Greece.

Concluding remarks

Azerbaijani-Hellenic relations are experiencing nowadays the period of growth. This process is driven not only by abovementioned developments, but also by the political will of the leaders of two countries. They are implementing historical mission of rapprochement between two friendly nations, which is important not only for Azerbaijan and Greece, but for the whole region. We in Azerbaijan strongly believe, that this positive trend will continue in 2014 and upcoming years, and are ready to go in the bilateral cooperation as far as our Greek partners are ready to. 🤝

Energy Cooperation and Long term Planning: The Pivotal Role of Greece in Azerbaijan's Gas Exports Outreach to Europe

Dr. Costis Stambolis,
Executive Director of the Institute of Energy for South East Europe (IENE)

Through its new base in Greece Socar can begin to play a far more influential role than so far appreciated, which will make it part of the European energy scene and further enhance its prospects as a global player.

As global attention is turned to USA's phenomenal oil and gas boom where production has peaked beyond all predictions giving rise to expectations for sizeable gas exports in few years, European policy makers are grappling to figure out an effective policy to secure long term energy supplies for the EU. The choices appear limited in the sense that Europe being committed to restrictive targets for a sharp reduction of greenhouse gas emissions-currently under revision following a lot of pressure by Industry- coupled by a clear hostility against nuclear energy it does not have that many real options. With thermal coal and lignite being gradually phased out and oil used primarily for transportation and industrial applications, natural gas appears as the only viable and environmentally acceptable alternative.

On the other hand, the EU appears to be highly dependent on gas imports as in 2012 out of 513

BCM's (billion cubic meters) it imported in the form of piped gas and Liquefied Natural Gas (LNG) some 66 per cent of its supplies with half the imports coming from Russia, approx. 130 BCM's. Hence USA's and European strategists strong preoccupation against increasing further gas import dependence from Russia especially following the two gas crises of 2006 and 2009 when in both cases gas deliveries to the west were blocked because of apparent price disputes with Ukraine, which in reality as we have been experiencing today, is due entirely to Moscow's primordial struggle to keep Kiev, its ancestor, tightly pinned down to its camp. Hence the pressure to diversify European gas imports has acquired a new urgency. With this strategy in mind the European Commission in Brussels has been promoting over the last ten years the development of the Southern Corridor with the clear objective of enabling substantial gas quantities from the Caspian region

and elsewhere to be transported to Europe. In this respect Brussels has over the years supported the development of the necessary gas infrastructure by promoting several competing schemes. In June 2013 the consortium of companies, which will be developing the huge Shah Deniz II gas field in offshore Caspian Sea within Azerbaijan's sector, reached an historic decision whereby the Trans Adriatic Pipeline system (TAP) was selected against competition from other schemes, to move gas from Baku through Turkey, Greece and Albania to South Italy and from there to the main European market.

Although the original European plan was to use the preferred south corridor pipeline to take in gas from other sources, in addition to gas from Azerbaijan, mainly from Iraq and Iran, the prevailing political situation has precluded the entertainment of such options. In the case of Iran which indeed represents a very promising long term option in view of its huge gas potential, whose reserves are estimated at 33.6 trillion cub. meters and are the largest in the world corresponding to 18 per cent of global reserves, the rift with USA and Europe over its nuclear programme has prevented any such thoughts. In the case of Iraq which also has size able gas reserves the current political instability is also proving a negative

factor. That leaves Azerbaijan as far as pipeline gas transmission is concerned. Although its gas reserves, currently standing at 0.9 trillion cub. meters, may sound trivial in comparison to other energy suppliers, it has managed thanks to a consistent pro business and investment friendly policy to develop a very credible export infrastructure with pipelines running through Turkey. Azeri oil is reaching the global markets through the BTC pipeline and some 8.0 BCM's of gas is delivered to Turkey via the South Caucasus pipeline. Most of this gas is used by Turkey to cover its own growing consumption but some 0.75 BCM's are finding their way to Greece, delivered through the Greek-Turkey interconnector which has been in operation since 2007. Thus Greece is in effect the first and only, right now, EU country to use Azeri gas which augments some 3.3 BCM's it imports from Russia and via LNG from Algeria and other sources.

There is no doubt that Turkey's role is key in Azerbaijan's gas exports to Europe scheme, since a brand new gas pipeline known as TANAP will be built through its territory, to be largely financed by Socar, Azerbaijan's state hydrocarbons company. But Greece is the first EU country through which the TAP pipeline will go through. Greece which itself will obtain some 1.0 BCM'S of Azeri gas from TAP, in addition to the 0.75 it is already receiving via the existing Greek-

Turkish interconnector, is significant because through its gas pipeline system and most importantly via the Greek-Bulgarian interconnector which will be operational by 2016, that is two years before TAP shall start delivering Azeri gas to Europe, will help route Caspian gas to the north Balkan region which has been traditionally relying on heavily subsidized Gazprom deliveries. The 10.0 BCM's of Azeri gas which will be delivered via the TAP system may look really small given EU28 gas needs but the prospects are that this amount will be doubled as Shah Deniz production will keep expanding beyond 2018 and other Azeri fields soon to be developed, including Umid and Absheron, will provide extra quantities. According to some estimates we could see some 25.0 BCM's of Azeri gas flowing into European destinations by 2025. Again, not a big input for European gas demand which many expect to have increased further and likely to exceed 600 BCM by the above date.

However, Azerbaijan's real contribution to the differentiation of European gas supply is not necessarily restricted to utilizing its own gas resources. As Baku has amply demonstrated over the last 20 years it has both the political versatility and the business acumen to forge its own energy policy both in terms of exploiting its considerable hydrocarbon reserves but also developing an effective export policy. In that sense it is not inconceivable

for Baku could to emerge tomorrow as an important energy hub channeling both Iranian and Turkmenistan gas to Europe by expanding the TANAP-TAP gas pipeline system but also through the construction of liquefaction facilities in the East Mediterranean. The purchase by Socar last summer of a controlling interest in Greece's Gas Transmission Operator (DESFA), with the deal to be finalized later this year pending European Commission approval, shows Baku's determination to enter decisively the European gas market since this strategic move will place it at the centre of regional developments in SE Europe. From this vantage point Azerbaijan will no doubt seek an expanded role in determining future developments through investment and participation in decision making. An example being the development of the East Med gas pipeline which is promoted by Greek state gas company DEPA which when developed it could be capable of delivering some 10.0 BCM'S of gas to Greece and through South Italy to Europe proper. Through its new base in Greece Socar can begin to play a far more influential role than so far appreciated, which will make it part of the European energy scene and further enhance its prospects as a global player. 🍷

Comments

The European Orientation of Azerbaijan: Seeing the glass half-full

Dr. George Tzogopoulos,
Post-doctoral fellow, ELIAMEP

As an oil and gas producer and transit country, Azerbaijan has a pivotal role to play in the EU security strategy while Brussels has both direct trade and political interests in fostering regional cooperation in various sectors including energy and transport.

European foreign policy is multidimensional. Although problems of internal cohesion are evident, Brussels has attempted to play a significant international role in various fronts. An interesting aspect of this role is related to its approach vis-à-vis Azerbaijan. In particular, EU relations with Azerbaijan have been governed by the EU-Azerbaijan Partnership and Co-operation Agreement (PCA) which entered into force in 1999. The country has been also part of the European Neighborhood Policy since 2004.

Additionally, the new Country Strategy Paper (CSP) 2007-2013 covers financial assistance to Azerbaijan under the new European Neighbourhood and Partnership Instrument (ENPI). It is

accompanied by a new ENPI National Indicative Programme (NIP) for 2007-2010 whose main priorities are: (1) Democratisation, rule of law and fundamental freedoms; (2) Socio-economic reforms and legal approximation to the EU; (3) Energy and transport. Azerbaijan also participates in different regional and thematic programmes under the ENPI, such as the European Instrument for Democracy and Human Rights (EIDHR).

Furthermore, the energy parameter should be taken into account. In particular, agreements signed in Baku, will see a BP-led consortium start work on Shah Deniz II – a 28 billion US dollars natural gas project in the Azeri sector of the Caspian. The gas they produce will

be sent through two enormous pipelines, one called Tanap and running the length of Turkey, and the other stretching across Greece and Albania into Italy, called TAP. This venture is of high significance taking into account the priority of Brussels to have alternative energy sources and avoid its complete dependence on Russia.

There is certainly criticism on the EU's approach vis-à-vis Azerbaijan. Critical voices, for example, focus on the alleged sustainability of the economic model of the country as well as on human rights. Nonetheless, what is more important is to ponder whether the glass should be seen as half-empty or half-full. In that regard, it has to be acknowledged that Azerbaijan has already covered a significant part of the way in emerging as a democracy. The experience of international observers in the recent presidential elections was encouraging as Dr Evangelos Venetis explains in a research note he published. All in all, the government of Azerbaijan is pursuing an evolutionary reform strategy to develop democracy and a market economy in order to bring

the country closer to Europe. Although more is to be done for this objective to be fulfilled, the effort has to be endorsed and further assisted.

One of the key policy implications of the European Security Strategy is the need for the EU to “promote a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations”. In addition to this, the Strategy clearly acknowledges the importance of promoting an international order based on effective multilateralism. The Strategy also identifies the challenges for the EU to ensure security of energy supply. As an oil and gas producer and transit country, Azerbaijan has a pivotal role to play in this while the EU has both direct trade and political interests in fostering regional cooperation in various sectors including energy and transport. 🇦🇿

Culture and Politics Interwoven: The Partnership of Athens and Baku

Dr. Evangelos Venetis
Middle East Research Project - ELIAMEP

The bilateral cultural awareness can contribute to a balanced policy of Athens and Baku at regional and international level, thus forming the basis for promoting security in the Caucasus and beyond.

Over the past two decades, relations between Greece and Azerbaijan have developed their major potential with both sides enjoying warm and friendly relations in a special geopolitical environment. Due to regional political and economic challenges the further development of relations between Athens and Baku is a reality. Special role to such a development are expected to play both favorable winds in the area of economic cooperation as well as relations between the two peoples and cultures dating back centuries ago. With regard to bilateral cultural relations, these begin in ancient times and have become systematic in Azerbaijan in the last two centuries, as manifests the presence of the Greek community in Baku.

Culture

Besides the importance of cooperation in terms of economy and politics, the development of bilateral

relations needs to be based on mutual understanding of each other's cultural identity. In this case it is possible to construct strong and long-lasting transnational partnerships.

This cultural understanding is based on knowledge and research, arising mainly from the institutional functioning of universities and research centers. It becomes apparent that the Greek-Azerbaijani cultural cooperation at a research and educational level, i.e. universities, research centers, museums, libraries and other cultural institutions, is expected to be built on solid foundations.

It is encouraging that so far there have been some efforts in this direction, e.g. the establishment and operation of the Center for Modern Greek language and Culture in Baku University (2004), working at the level of National Libraries (December 2012) and the activation level of artistic events (concerts, exhibitions, etc.). However these

positive efforts need to be systematized in the context of reciprocity, structuring the operational framework for the formulation of this perspective. To this end ELIAMEP participated in the Second and Third Meetings of Non-Governmental Organizations of the Countries of the Black Sea Economic Cooperation Countries in Baku (November 2012) and Ankara (May 2013).

Today Greece and Azerbaijan are in the transitional process of strengthening their relationships at every level. It must be underlined that even if TAP was not selected by the Shah Deniz Consortium, bilateral economic relations would have been based at a high level of long term cooperation. Additionally, it is the mutual knowledge of the other, through which a long-term approach and collaboration between Athens and Baku could be ensured. It is now up to both countries to work together more closely in designing, planning and implementing. In this context the promotion of bilateral cultural relations is expected to play a major role in raising bilateral awareness and boosting bilateral political relations to address regional and global challenges.

Geopolitics

In this context Greek-Azerbaijani relations are of

particular importance for both countries at various levels with reference to the western and European foreign policy dimension of Baku and the opening of Greek foreign policy towards the Caucasus.

As far as the former is concerned, Baku has developed policy cooperation with the U.S. and Israel and in terms of economic and technological cooperation in various fields both in the energy sector and beyond. The Atlantic and European dimensions of foreign policy of Azerbaijan aim to strengthen its positions both bilaterally with key regional players, and within the wider region of the Caucasus and the Middle East.

Regarding the geopolitical interest of Greece about the Caucasus region, this is analysed mostly in an economic policy which is closely associated with regional security as a condition for the development of the booming economic relations in the region. Having this in mind, it could be suggested that both Greece and Azerbaijan share common regional interests and could embark on a joint effort to amplify the angles on various important regional issues.

Located in a highly strategic regional environment Baku needs to address the major issue of its national security, Nagorno-Karabakh, which is the main source for regional instability.

Azerbaijan believes that peaceful resolution of the Nagorno-Karabakh conflict within the framework of the resolutions of the UN Security Council, adopted in 1993 - on the basis of immediate, complete and unconditional withdrawal of Armenian armed forces from the occupied territories of Azerbaijan, respect for the sovereignty and territorial integrity of Azerbaijan and its internationally recognized borders - will not only bring peace to Azerbaijani-Armenian relations, but will also provide security and development to the wider Caucasus region.

In such a perspective and given the close relations between Greece and Armenia, Athens could contribute to exploring ways for minimizing the regional impact of the Nagorno-Karabakh conflict and establishing mutual trust and confidence between Baku and Yerevan.

Similarly the promotion of the geopolitical profile of Azerbaijan in the energy map of Europe through

the TAP construction marks the beginning of a new era for the emerging role of Azerbaijan as a stabilizing economic power with political ramifications beyond the Caucasus, for instance in the Balkans and the Eastern Mediterranean. In this framework, given the positive status of bilateral relations that Azerbaijan enjoys with Turkey, Baku could play a constructive role in addressing differences on the Cyprus problem.

Generally, the bilateral cultural awareness can contribute to a balanced policy of Athens and Baku at regional and international level, thus forming the basis for promoting security in the Caucasus and beyond. The Greek-Azerbaijani ties are motivated by reciprocity, thus forming the geopolitical legacy for harmonious cooperation and focusing on security and development. 🇬🇷



Focus on *Azerbaijan*

Azerbaijan is building and further enhancing mutually beneficial relations with its neighbours and international organizations giving priority first and foremost to securing its national interests. The construction of natural gas pipeline under this project covering the period between 2015- 2018 will bring 320 million Euro to Greece and create 2700 new jobs. Greece can be more active diplomatically in terms of its involvement in conflict-solving process in the South Caucasus.

In this context, **Mr. Azay Guliyev**, Member of the Parliament of Azerbaijan, highlights key aspects of Azerbaijan’s policy.

Q: *How do you see the perspectives of political and social- economic developments in Azerbaijan following recent presidential elections?*

A: The citizens of Azerbaijan voted for *re*-election of Mr. Ilham Aliyev as President of the Republic of Azerbaijan in 9 October 2013 and thus expressed their full support for those activities, which encompass all spheres aimed at development and building in the country. Along with the important steps towards expanding partnership with Europe in the sphere of energy, President Ilham Aliyev also attaches special importance to the development of non-oil sector. New technological

parks are well under construction in Azerbaijan and our country gradually becomes exporter of manufacturing goods. In the period of recession in many European countries caused by global crisis, the momentum of development gained in Azerbaijan is the result of this successful economic policy. I am confident that by developing non-oil sector in near future Azerbaijan will be a developed nation with even more sustainable economy.

Policies aimed at continuing reforms launched in many spheres, in particular improving social wealth, organizing higher quality service for citizens, full eradication of negative cases have been declared by

President Ilham Aliyev as major priorities for next 5 years. Among those priorities I would like to emphasize - full transition to the project "electronic government" and "ASAN" service, which has made more convenient most of the services provided by state bodies to population.

Q: *Do you foresee any changes in the foreign policy priorities of Azerbaijan, especially with regard to EU?*

A: Azerbaijan is building and further enhancing mutually beneficial relations with its neighbours and international organizations giving priority first and foremost to securing its national interests. Our country has approved this policy for last two years as non-permanent member of the UN Security Council. There is close cooperation of Council of Europe and European Union with Azerbaijan in energy supply, human rights, democracy, humanitarian issues as well as in other spheres. We are interested in further expansion of our cooperation with the European institutions based on equal rights. Participation of President Ilham Aliyev in III Eastern Partnership Summit in Vilnius few days ago and the Visa Facilitation Agreement signed between Azerbaijan and European Union during the Summit can be considered as very important basics

for further enhancing our cooperation.

Q: *Given the ongoing TAP energy cooperation scheme between Baku and Athens, how do you view future bilateral political relations?*

A: As you know Shahdeniz consortium has chosen Trans-Adriatic Pipeline (TAP) as the project for transporting Azerbaijan`s gas to Europe. We have to note that TAP project as continuation of Baku-Tbilisi-Erzurum South Caucasus gas pipeline project and Trans-Anatolian gas pipeline (TANAP) enables transporting gas produced in Shahdeniz-2 field to Italy and further Western Europe via Greece, Albania and Adriatic Sea. It is expected that this pipeline will transport initially 10 billion cubic metres of gas with and later approximately 20 billion cubic metres of gas. Transportation of Azerbaijan`s gas to Europe by this pipeline is planned in 2019.

Mostly limited capacities of energy supply which is strategic for energy security of nation obviously encourage European nations to search for alternative energy sources. From this perspective, cooperation with Azerbaijan which has proved itself as the reliable partner of Europe is in line with interest of countries in the region. As far as Greece is concerned, I have to underline that the choice made by Shahdeniz consortium in favour of

TAP project has very important implications for Greece. The construction of natural gas pipeline under this project covering the period between 2015- 2018 will bring 320 million Euro to Greece and create 2700 new jobs. Mr Christos Panagopoulos, Ambassador of Greece to Azerbaijan has characterized Azerbaijan as the most reliable ally of Europe in energy supply. Identifying TAP project as the issue of priority for Greece the Ambassador stressed that implementation of the project will give impetus to development of his country which suffers from hardships of economic crisis. All of these will play important role in upgrading political relations between two nations and undoubtedly can be considered as the basic for new and even strategic cooperation between Greece and Azerbaijan.

Q: *What is the role of the cultures of Azerbaijan and Greece in the context of their flourishing ongoing bilateral relations?*

A: Globalization of culture implies synthesis of universal cultural values and emergence of their new shapes. Cultural relations are one of main components in the system of diplomatic relations. Currently cultural relations of Azerbaijan with international community have gained significant momentum both in terms of quality and quantity.

Main goal of this policy is improving mutual cultural relations and cooperation as well as building equal and mutually beneficiary partnerships.

The word “Greece” bares reminiscent of ancient Greek and Hellenic civilization. Ancient Greek culture had great impact on development of global civilization making enormous contribution in all spheres. Currently cultural relations between Azerbaijan and Greece are gaining momentum and we are interested in this cooperation. It is also a very strong tool for bringing together our people, getting familiar each other as well as for humanizing mutual contacts.

Q: *Could tourism play a pivotal role in bilateral economic and culture relations?*

A: Our cooperation in various spheres represents great importance both for two countries, for the region as well as even for larger geographical area. As we know several steps have already been taken in recent history. Referring to talks and documents signed during quite frequent visits paid to Azerbaijan by Greek officials, I can state with confidence that the relations between Azerbaijan and Greece will further expand in future. Azerbaijan has big potential in non-energy sector. In this regard, tourism can be mentioned as a perspective sphere

for cooperation. I think that there are many citizens of Azerbaijan who would like to see ancient Hellenic culture, to have personal experience of exciting environment of Ancient Ages by visiting the motherland of Homer. On the other hand, Azerbaijan with its Ancient and Medieval Ages monuments such as Gobustan scripts, Maiden Tower, Shirvanshah palace can attract attention of Greek tourists as well. Visitors can enjoy not only Azerbaijan`s great history but also its hospitality.

Q: *In the context of the NGO Black Sea Forum you have been quite instrumental in promoting regional cooperation and development. What is the main goal of your efforts in this regard?*

A: The Black Sea region is critically important in the world geopolitical map. Despite close cooperation between governments and parliamentarians in the region, it is not the case as far as civil society institutions and NGOs are concerned. NGOs have great potential from perspectives of maintaining and developing peace and cooperation between peoples of the region, securing public support for international projects implemented by our states, further expanding contacts and cooperation between our peoples. Actually purpose for establishment of NGO Forum of the Black Sea Economic

Cooperation Organization was consolidating this potential fully in order to ensure that it works for interests of the region`s countries. I believe that we have managed to lay out a good foundation as we continue our activities aimed at achieving our goal.

Q: *How do you view Greece's role in the Caucasus and the Black Sea?*

A: The Caucasus has been the region of geostrategic importance since the ancient times. Current problems existing in the South Caucasus as well as perspectives of cooperation have been among the issues most discussed by academicians, politicians, civil society institutions and media representatives for last 20 years from various aspects. Extremely serious security issues have emerged in the region since the disintegration of Soviet Union as Nagorno-Karabakh, South Ossetia and Abkhaziya conflicts represent challenge for us still waiting for just solution.

Armenia has yet failed to implement so far four UN Security Council resolutions on unconditional withdrawal of all occupying forces from Nagorno-Karabakh and 7 surrounding districts, as well as documents of the same content adopted by PACE, OSCE PA and European Parliament. From this perspective, Greece has big responsibility as the member of

European Union. Along with participation in major international projects of the region, certain contribution should be made in resolving problems as well. Stability and security are two most important factors for economic development.

Greece must be more active diplomatically in terms of its involvement in conflict-solving process in the South Caucasus. It is true that European Union carries out programmes within Eastern Partnership aimed at protecting democracy and human rights, building market economy, securing social equality and stability in South Caucasus. Meanwhile one of its main goals should be assistance in resolving regional conflicts because settlement of conflicts existing between nations of this region is in line with strategic interests of Europe. I hope that Greece will put maximum efforts in this direction becoming more active participant in the process of resolution of these problems which are serious threats for the region.

Q: *Do you have optimistic view with regard to solution of Nagorno-Karabakh conflict for a short period of time?*

A: With your permission I will have to make changes to your question. It is not simply solution of Nagorno-Karabakh conflict rather just solution. In reality Armenia has

occupied certain territory of Azerbaijan and under this circumstance just solution means unconditional withdrawal of the aggressor from the occupied territory of Azerbaijan. The international community should be seriously concerned about ongoing occupation of Nagorno-Karabakh region and 7 adhering districts resulted in 1.3 million internally displaced persons from those territories.

Mediation efforts by respective international organizations and states have been stalled due to non-constructive position of Yerevan. Armenia is not willing to liberate the occupied territories and even initiate new territorial claims against Azerbaijan.

In general terms, I think that Armenia-Azerbaijan Nagorno-Karabakh conflict can be resolved by three ways. The first way of solution means peace talks and resolution of the conflict by Armenia and Azerbaijan based on international legislation and on international documents adopted in connection with the conflict. The second way of solution includes pressure on the aggressor by international organizations and in case of necessity even imposing political and economic sanctions by those organizations. And the third way of solution is military operation as the relevant article of the UN Charter provides legal basis for that.

khan and the administrative center of the Khanate. This town played critically important role in the history of statehood of Azerbaijan, in its socio-economic and cultural-political life. Liberation of Shusha can lay out a good foundation for overall settlement of the conflict. Therefore the NGOs of Azerbaijan

have launched an international campaign under the name “Liberation for Shusha” since last year. Today many NGOs from all over the world have joined this campaign. We would like to see our colleagues from Greece supporting this humanistic action. 🇬🇷

Monitoring the Middle East

Afghanistan

Deterioration of Afghan security by 2017 (30, Dec. 2013)

The US National Intelligence Estimate Report mentions that Afghanistan might fall into chaos if Kabul refuses to sign the Bilateral Security Agreement (BSA) that allows the US forces to remain in Afghanistan beyond the planned 2014 pullout.

Afghanistan frees 500 Taliban prisoners (24, Dec. 2013)

Afghan security sources said at least 536 Taliban militants including several Pakistani nationals and close aides of the Taliban fugitive leader Mullah Omar, were released on presidential decrees and on the request of the Afghan high peace council to assist peace process in the war-torn country.

Bahrain

Leader arrest condemned by Bahrain opposition (29 Dec., 2013)

Bahraini opposition parties have condemned the Al Khalifa regime's arrest of Sheikh Ali Salman, the head of the main opposition group, al-Wefaq National Islamic Society, in the Persian Gulf kingdom, targeting political activism and the freedom of expression and opinion in the kingdom.

Comment: The crisis in Bahrain has been on going for almost three years.

Cyprus

The Cyprus-Israel Maritime Borders (19 Dec., 2013)

The agreement between Israel and Cyprus regarding its maritime border and the EEZ for offshore activities was incorporated in Israeli law. The Israeli Ministry of Justice of the country distributed on 17/12 a memorandum entitled "Law on maritime zones."

Egypt

Egypt's main opposition coalition boycotts election (31 Dec, 2013)

Suspected militants have blown up a pipeline in Egypt's Central Sinai Peninsula feeding an industrial area in the volatile peninsula. No injuries were reported.

Mansoura Police Headquarters attack (24 Dec., 2013)

More than 15 people were killed in an attack against police headquarters in Mansoura a provincial capital 110 kilometers (70 miles) north of Cairo. A day later, a group calling itself Ansar Bait al-Maqdis took responsibility for the assault

Comment: The lack of security in Egypt is deteriorating.

Iran

Kidnapped Iranian diplomat in Yemen safe (31 Dec., 2013)

A diplomatic delegation has been dispatched to Yemen to investigate the fate of Nour Ahmad Nikbakht, the kidnapped administrative staff member at the Iranian Embassy in the Yemeni capital Sana'a who was abducted on July 21 2013.

Geneva interim agreement on Iranian nuclear programme signed (24 Nov., 2013)

The agreement sets a six-month time frame for a more comprehensive follow-up agreement between Iran and the P5+1 negotiators to formalize Iran's nuclear relationship with the world. All uranium enriched beyond 5% will either be diluted or converted to uranium oxide. No new uranium at the 3.5% enrichment level will be added to Iran's current stock. No new centrifuges will be installed or prepared for installation. 50% of the centrifuges at the Natanz enrichment facility and 75% at the Fordow enrichment facility will be left inoperable. Iran will not use its advanced IR-2 centrifuges for enrichment. Iran will not develop any new uranium enrichment or nuclear reprocessing facilities. No fuel will be produced, tested, or transferred to the Arak nuclear power plant. In addition, Iran will share design details of the reactor. The IAEA will be granted daily access to Natanz and Fordow, with certain sites monitored by 24-hour cameras. The IAEA will also have access to Iran's uranium mines and centrifuge production facilities. Iran will address IAEA questions related to possible military dimensions of the nuclear program and provide data expected as part of an Additional Protocol. In exchange, Iran will receive relief from sanctions of approximately US\$7 billion (£4.3 billion) and no additional sanctions will be imposed.

Iraq

The Anbar province unrest (31 Dec., 2013)

Reports said al-Qaeda-linked militants controlled parts of the city of Fallujah. Iraqi security forces and local tribesmen have started a sweeping operation against militants linked to the al-Qaeda terrorist group in the western province of Anbar.

Kuwait

Kuwait after higher level of cooperation with Nigeria (24 Dec., 2013)

Kuwait Chamber of Commerce and Industry (KCCI) aspire to lift the long-time political-social ties with Nigeria to a new level for cementing commercial and economic bonds.

Lebanon

Saudi donation to Lebanon's army (29 Dec., 2013)

Saudi Arabia has pledged \$3 billion for the Lebanese army to buy equipment from France.

Libya

Libya releases four US military personnel (28 Dec., 2013)

The Libyan government has released four US military personnel accused of carrying weapons in the west of the country. Libyan officials said on Saturday that the four were detained for several hours after part of their convoy failed to stop at a checkpoint near the town of Sabratha and was found to be carrying weapons.

Palestine - Israel

Fatah condemns Jordan valley bill (30 Dec., 2013)

The Palestinian Fatah movement has condemned approval of proposed legislation by Israeli cabinet ministers for annexing the Jordan Valley region of the occupied West Bank. Fatah issued a statement on Sunday, calling the decision by the ministerial committee "null and void" and a "crime against humanity."

Qatar

Qatar set to boost LNG sales as gas trades at seven year high (24 Dec., 2013)

Qatar is poised to boost contracted liquefied natural gas exports to Europe by the most in five years as prices in the region are at their highest since 2006.

Saudi Arabia

French president in Riyadh (29 Dec., 2013)

French President Francois Hollande has met with Saudi King Abdullah bin Abdulaziz Al Saud in Riyadh to discuss Paris-Riyadh financial ties and latest developments in the Middle East.

Somalia

Mogadishu blasts kill 11 (31 Dec., 2013)

At least 11 people have been killed and 17 others wounded in three bomb blasts that hit the Somali capital Mogadishu. The attacks were carried out late on Wednesday near Jazeera hotel, which is located in a heavily fortified district and is popular with government officials. No group has claimed responsibility, but al-Shabab has carried out similar attacks in Mogadishu over the past years.

Syria

International flotilla ready to remove Syria chemical arsenal (30 Dec., 2013)

A Danish-Norwegian flotilla is conducting emergency rescue exercises off the southern coast of Cyprus to prepare for moving Syria's chemical weapons to a designated site for destruction.

Tunisia

Tunisia assembly vote on new constitution (31 Dec., 2013)

Tunisia's national assembly has started voting on the country's long-delayed new constitution. On Friday, the majority of the lawmakers approved the title of the charter named "Constitution of the Republic of Tunisia, which is to be voted on article by article. Some 175 lawmakers out of 184 MPs present voted in favor, while five voted against and two abstained. The new constitution could end the impasse between Tunisia's divided political factions. Tunisia's constitution is set to be ratified by Jan. 14.

Turkey

Erdogan criticizes the judiciary over graft probe (28 Dec., 2013)

Turkish Prime Minister Recep Tayyip Erdogan has criticized the judiciary as a high-level graft probe has shaken his government and prompted a new wave of anti-government demonstrations. Erdogan once again described the corruption investigation as a "very serious smear campaign" against his government.

Yemen

Tribesmen bomb major oil pipeline in Yemen (26 Dec., 2013)

Tribesmen in Yemen have bombed the country's main oil pipeline in the central oil-producing province of Ma'arib, interrupting the flow of oil there. The attack halted oil flows from the Ma'arib fields to the Ras Isa oil terminal on the Red Sea, the officials also said, adding that it will take several days to repair the pipeline and resume crude pumping. 🇻🇪



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