



Feature Article  
January 22, 2025

## The Convergence of the South Caucasus and Central Asia: an Opportunity for a New EU partnership

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*In a time of geopolitical uncertainty, the South Caucasus and Central Asia have become more interconnected, forming a new Trans-Caspian area. As trade along the Middle Corridor is gaining in importance, the Caspian Sea is becoming a unifier rather than divider of the regions. All countries on the eastern and western side of the Caspian pursue multi-vector foreign policies to avoid overreliance on any single external actor. As the EU is seeking to assert itself geopolitically, it is in its strategic interest to support the evolving Trans-Caspian cooperation. To elevate its engagement with the countries in the South Caucasus and Central Asia, the EU should replace the outdated Eastern Partnership with a new Trans-Caspian Partnership. Such partnership would enhance regional connectivity and cooperation and give regional states greater collective weight in their dealings with different powers.*

**H**istorically, the European Union has primarily wielded international influence as a normative power<sup>1</sup> that acts to promote and spread its principles and values through its foreign policy. However, Russia's war against Ukraine led the EU to abandon its previous denial of strategic competition and attempt a foreign and security

policy befitting a geopolitical actor.<sup>2</sup> To develop a foreign policy for a geopolitical world, the place to start is along the EU's eastern neighborhood where the interests of Russia, China and other powers intersect with those of the EU. This is especially the case in the South Caucasus and Central Asia. Strategically located at the crossroads between Europe and Asia and possessing coveted natural resources,

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<sup>1</sup> Ian Manners, "Normative Power Europe: A Contradiction in Terms?" *Journal of Common Market Studies*, vol. 40 no. 2, 2002. (<https://www.princeton.edu/~amoravcs/library/mannersnormativepower.pdf>)

<sup>2</sup> Josep Borrell, "Europe in the Interregnum: our geopolitical awakening after Ukraine," *Revue Européenne du Droit*, no. 5, 2023. (<https://shs.cairn.info/journal-red-2023-1-page-106?lang=en&tab=texte-integral>)

these regions are emerging as key links in the east-west trade of energy and goods as well as focal points of great power competition. Geopolitical uncertainties are forcing the states to rebalance their diplomatic alliances and trade relations. As part of these shifts, the South Caucasus and Central Asia are moving closer together, forming a new Trans-Caspian region. How could the EU build a strategy of engagement that embraces the new realities across the Caspian Sea?

### The Middle Corridor

The emerging Trans-Caspian connection predominantly revolves around the development of the Trans-Caspian International Transport Route, also known as the Middle Corridor. This land and sea transport corridor connects Southeast Asia and China to Europe passing through Central Asia and the South Caucasus. It provides an alternative transport route to the well-established but now disrupted Northern Corridor that connects Europe and Asia

through Russia. Cargo transit volumes along the Middle Corridor have grown significantly since Russia's full-scale invasion of Ukraine. In the first nine months of 2024, trade volumes reached 3.4 million tons representing an increase by 70 percent compared to 2023.<sup>3</sup> This is still below the total capacity, which is currently estimated at 5.8 million tons annually.<sup>4</sup>

For the countries of the South Caucasus and Central Asia, the Middle Corridor reflects their vision of intercontinental trade between China and Europe, linking them up with the EU's Global Gateway initiative<sup>5</sup> and China's Belt and Road Initiative.<sup>6</sup> Amid growing demands for non-Russian transport routes<sup>7</sup> and a deteriorating security situation around the Suez Canal,<sup>8</sup> recent initiatives include investments and agreements to enhance the Middle Corridor's infrastructure and operational efficiency. Azerbaijan, Georgia, Kazakhstan and Turkey have agreed on a roadmap for the development of

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<sup>3</sup> Yaver Kazimbeyli, "President Aliyev Says Azerbaijan Aims to Boost Middle Corridor's Potential," November 8, 2024. (<https://caspiannews.com/news-detail/president-aliyev-says-azerbaijan-aims-to-boost-middle-corridors-potential-2024-11-6-5/>)

<sup>4</sup> Elvira Mami, "The Middle Corridor: trends and opportunities," ODI Global, January 22, 2024. (<https://odi.org/en/insights/the-middle-corridor-trends-and-opportunities/>)

<sup>5</sup> European Commission, "Global Gateway." ([https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en))

<sup>6</sup> Embassy of the People's Republic of China, "Belt and Road Initiative: A Road of Prosperity for the New Era," October 16, 2023. ([http://se.china-embassy.gov.cn/eng/zgxw\\_0/202310/t20231016\\_11161735.htm](http://se.china-embassy.gov.cn/eng/zgxw_0/202310/t20231016_11161735.htm))

<sup>7</sup> Stefan Antić, "Central Asia Emerges as the Hub of a New Global Trade Era," *National Interest*, January 19, 2024. (<https://nationalinterest.org/blog/silk-road-rivalries/central-asia-emerges-hub-new-global-trade-era-208725>)

<sup>8</sup> Melissa Cyrill, "Red Sea Security Concerns Hit Suez Canal Earnings," *Middle East Briefing*, July 25, 2024. (<https://www.middleeastbriefing.com/news/red-sea-security-concerns-hit-suez-canal-earnings/>)

the corridor until 2027 with the ambition to increase the capacity of the corridor to ten million tons.<sup>9</sup>

Ultimately, success depends on the route's cost-effectiveness compared to alternative routes. States along the Middle Corridor need to address several constraints upon the route's attractiveness,<sup>10</sup> such as cumbersome transit and trade procedures, bottlenecks at border points and seaports, as well as insufficient container and vessel fleet capacity to handle large volumes of goods. Continuous investments and cooperation in these areas of hard and soft infrastructure are necessary to ensure the economic viability of the corridor. Regional states have established several recent initiatives to that effect. Kazakhstan, Azerbaijan and Georgia have for example set up a joint logistics company to simplify all processes to carry out cargo transportation along the route.<sup>11</sup> Another recent initiative, the Tbilisi Silk Road Forum

brings together political and business leaders with an interest in the growth of the Middle Corridor.<sup>12</sup> In January 2024, EU officials took their most powerful stance yet by announcing that European and international investors would commit to invest ten billion euros in a development program for the Middle Corridor.<sup>13</sup> The EU has also established a Coordination Platform to ensure effective cooperation among participants.<sup>14</sup>

Energy cooperation is another key feature of Trans-Caspian collaboration. Disruptions in transport and logistics are particularly challenging for Kazakhstan's energy-dependent economy. About 80 percent of its oil exports pass through Russian territory, and Kazakhstan is actively working with Azerbaijan to redirect energy supplies to Europe. Turkmenistan, with its vast natural gas reserves, has made efforts to renew discussions with Azerbaijan, Turkey and the European Commission

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<sup>9</sup> Assel Satubaldina, "Cargo Transportation Along Middle Corridor Soars 88%, Reaches 2 Million Tons in 2023," *Astana Times*, December 28, 2023. (<https://astanatimes.com/2023/12/cargo-transportation-along-middle-corridor-soars-88-reaches-2-million-tons-in-2023/>)

<sup>10</sup> World Bank, "Middle Trade and Transport Corridor," November 2023. (<https://openknowledge.worldbank.org/server/api/core/bitstreams/7e6a216e-eb56-4783-ba1b-b7621abddcd9/content>)

<sup>11</sup> "Kazakhstan, Azerbaijan, Georgia to Set Up Joint Logistics Company to Facilitate Cargo Transportation Process," *Astana Times*, June 23, 2023. (<https://astanatimes.com/2023/06/kazakhstan-azerbaijan-georgia-to-set-up-joint-logistics-company-to-facilitate-cargo-transportation-process/>)

<sup>12</sup> Nicholas Castillo, "Take Aways from Tbilisi's Silk Road Forum: Caucasus Lean into Regional Connectivity," Caspian Policy Center, November 7, 2023. (<https://www.caspianpolicy.org/research/south-caucasus/take-aways-from-tbilisis-silk-road-forum-caucasus-lean-into-regional-connectivity>)

<sup>13</sup> Assem Assaniyaz, "EU-CA Investors Forum Announces €10 Bln Commitment for Development of Trans-Caspian Transport Corridor," *Astana Times*, January 29, 2024. (<https://astanatimes.com/2024/01/eu-ca-transport-forum-kicks-off-in-brussels-eib-global-allocates-over-1-6-bln/>)

<sup>14</sup> Nicholas Castillo, "EU Unveils New Middle Corridor Coordinating Platform," Caspian Policy Center, October 9, 2024. (<https://www.caspianpolicy.org/research/category/eu-unveils-new-middle-corridor-coordinating-platform>)

on supplying its gas westward, including the long-proposed plan for a Trans-Caspian pipeline taking natural gas from Turkmenistan to Azerbaijan across the Caspian Sea. Thus far, these discussions have not been followed by any concrete steps to establish export of Turkmen gas to Europe.<sup>15</sup>

### Foreign Policy Alignment

The states in the South Caucasus and Central Asia have converged in multi-vector foreign policies to ensure a diversity of options.<sup>16</sup> Kazakhstan led the way in this approach. Already in 1997, current President Kassym-Jomart Tokayev outlined the principles of Kazakhstan's multi-vector foreign policy: to balance close relations with Russia by fostering strong ties with China, the United States, and Europe. This strategy has since been adapted by other Central Asian states, each with their own specific nuances.

In the South Caucasus, multi-vectorism has evolved from vastly different initial policies. On one end, Georgia marked itself out as the first former Soviet state outside the Baltics to

actively try to break away from Russian domination and seek Euro-Atlantic integration. Since 2022, however, the Georgian Dream government has altered this trajectory culminating with the decision to pause its EU accession efforts until 2028. Instead of an unequivocal alignment with the West, the Georgian government has normalized relations with Russia and concluded a strategic partnership with China.

On the other end, Armenia's reliance on Russia for military security and economic support for long left it with little choice than serving as Moscow's minion. This changed when Russia ultimately failed to support Armenia in the conflict with Azerbaijan over Nagorno-Karabakh. Disillusioned with Russia, Armenia has recently attempted a cautious pivot towards the EU while concomitantly valuing its strong ties with India, Iran, and others.<sup>17</sup>

Azerbaijan, much like the Central Asian states, has more consistently maintained a balancing policy. Its special relationship with Turkey is complemented by close ties with other powers, including Russia, Israel, and China. Its energy exports, military strength and indispensable

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<sup>15</sup> Svante E. Cornell and Brenda Shaffer, "Central Asia in the Energy Transition," *Central Asia-Caucasus Analyst*, December 4, 2024. (<https://www.silkroadstudies.org/publications/joint-center-publications/item/13546-central-asia-in-the-energy-transition.html>)

<sup>16</sup> Emil Avdalani, "Central Asia and the South Caucasus Draw Closer Together," Carnegie Endowment, October

6, 2023. (<https://carnegieendowment.org/russia-eurasia/politika/2023/10/central-asia-and-the-south-caucasus-draw-closer-together?lang=en>)

<sup>17</sup> Hugo von Essen and Jakob Hedenskog, "Threading the needle: Boosting Armenia's resilience and deepening EU cooperation," Stockholm Center for Eastern European Studies, Report no. 17, December 4, 2024. (<https://sceus.se/publikationer/threading-the-needle-boosting-armenias-resilience-and-deepening-eu-cooperation/>)

position in all transport networks on the western shore of the Caspian Sea have enabled Baku to acquire a level of strategic autonomy that is unparalleled in the South Caucasus and Central Asia. To the west, it has strengthened its ties with Europe by offering an alternative to Russian energy. To the east, its role as the gateway to Central Asia has bolstered Azerbaijan's bilateral relations with all Central Asian states. The presidents of the Central Asian countries now include Azerbaijan's president in their regular consultative meetings, effectively redefining regional cooperation to encompass Azerbaijan.<sup>18</sup>

The pursuit of multi-vector foreign policies to assert sovereignty demonstrates that the states in the South Caucasus and Central Asia aim to avoid choosing sides in the ongoing geopolitical confrontation. But to mitigate one-sided dependencies on an aggressive Russia and a rising China, they want more of a western presence, not less.<sup>19</sup> While they oppose certain aspects of the post-Cold War international system and welcome a multipolar world, this concept holds a different meaning for these states than for Russia and China. Far from inherently

anti-Western, they are non-polar in the sense that they reject a binary choice between aligning exclusively with either a supposed Russian sphere of interest or the Western camp.<sup>20</sup>

Multi-vectorism, thus, creates opportunities for the West to engage with these countries, as evidenced by Central Asian leaders enthusiastically welcoming high-level EU representatives and leaders of European countries for a growing number of bilateral and regional meetings. For the EU, the costs of failing to build on this opportunity are significant: an unopposed Russia linking up with China and Iran to form an axis of revisionist states extending from the Pacific Ocean to the Mediterranean, subjugating numerous states in the process, including those in Central Asia and the South Caucasus.<sup>21</sup>

### Converging Relations with the EU

Following its big bang enlargement in 2004, the EU introduced the European Neighborhood Policy<sup>22</sup> (ENP) to support democracy, economic growth, and cross-border cooperation among the countries along its eastern and southern borders. While the South Caucasian

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<sup>18</sup> Cavid Veliyev, "Azerbaijan, Central Asia merge paths for new frontier," *Daily Sabah*, September 11, 2024. (<https://www.dailysabah.com/opinion/op-ed/azerbaijan-central-asia-merge-paths-for-new-frontier>)

<sup>19</sup> Johan Engvall, "Central Asia Moves Beyond Russia," *Current History*, October 2023. (<https://online.ucpress.edu/currenthistory/article-abstract/122/846/261/197318/Central-Asia-Moves-Beyond-Russia>)

<sup>20</sup> Johan Engvall, "Eurasia: Between Russia and Turkey," *National Interest*, May 27, 2024. (<https://nationalinterest.org/blog/silk-road-rivalries/eurasia-between-russia-and-turkey-211159>)

<sup>21</sup> Svante E. Cornell, "I Vårt Intresse," *Axess*, no. 3, 2024. (<https://www.axess.se/artiklar/i-vart-intresse/>)

<sup>22</sup> European External Action Service, "European Neighborhood Policy." ([https://www.eeas.europa.eu/eeas/european-neighbourhood-policy\\_en](https://www.eeas.europa.eu/eeas/european-neighbourhood-policy_en))

states were included in this initiative, Central Asian states were not. Brussels reinforced this dividing line with the subsequent establishment of the Eastern Partnership<sup>23</sup> (EaP) in 2009, which included Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The EaP set the task to promote and intensify political association and deepening economic integration between the EU and these countries. Further east, the EU developed a separate Strategy for Central Asia<sup>24</sup> in 2007 to manage its relations with Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. The updated strategy from 2019 identified EU engagement with the Central Asian states as a partnership focusing on resilience, prosperity and regional cooperation.

Thus, the EU has effectively drawn a hard line in the Caspian Sea, acknowledging the European aspirations of the countries in the South Caucasus while approaching the Central Asian countries as more distant partners. These distinct strategies made sense at the time of inception, but nowadays they mean that the EU lacks the tools to take full advantage of the emerging cross-regional dynamics tying both sides of the Caspian together.

Moreover, as a policy platform operating through both bilateral and multilateral tracks, the EaP has become obsolete.<sup>25</sup> Its one-size-fits-all character did not stand the test of time. In 2014, Georgia (along with Moldova and Ukraine) signed the Association Agreement (AA) and Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU. Armenia concluded its own customized Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU, while Azerbaijan is still negotiating its own distinct bilateral framework, which will be very different from the original AA and DCFTA. Thus, the generic approach of the EaP has given way to tailored relationships with varying degrees of association with EU norms and regulations. The leading reformers among the EaP countries – Ukraine and Moldova – have even started EU accession negotiations and have diminishing interests in the old EaP framework.

The EaP has also fallen into obscurity as a multilateral instrument for the EU's eastern policy. As a platform for addressing common challenges and promoting regional cooperation, the EaP does not correspond to the new regional dynamics emerging in the wake of war

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<sup>23</sup> European External Action Service, "Eastern Partnership." ([https://www.eeas.europa.eu/eeas/eastern-partnership\\_en](https://www.eeas.europa.eu/eeas/eastern-partnership_en))

<sup>24</sup> European External Action Service, "EU-Central Asia Relations." ([https://www.eeas.europa.eu/eeas/eu-central-asia-relations\\_en](https://www.eeas.europa.eu/eeas/eu-central-asia-relations_en))

<sup>25</sup> Johan Engvall, "Why the EU Should Replace the Eastern Partnership with a Trans-Caspian Partnership," *Desk Russie*, July 21, 2024. (<https://desk-russie.info/2024/07/21/why-the-eu-should-replace-the-eastern-partnership.html>)

and sanctions. For instance, small and vulnerable Moldova has very little in common with geographically distant Azerbaijan, a rising middle power pursuing an increasingly assertive foreign policy.<sup>26</sup>

In the meantime, bilateral relations between the EU and the Central Asian states are finding another gear. An Enhanced Partnership and Cooperation Agreement (EPCA) between Kazakhstan and the EU entered into force in 2020.<sup>27</sup> Kyrgyzstan followed suit by signing an EPCA in June 2024<sup>28</sup> and Uzbekistan appears next in line.<sup>29</sup> These Central Asian states' agreements with the EU differ in degree rather than in nature from the individual agreement that the EaP state Armenia signed or the one that Azerbaijan might eventually conclude with Brussels.

### **A Trans-Caspian partnership for a geopolitical EU**

A proactive EU should encourage the further development of Trans-Caspian collaboration. However, the EU currently lacks an effective multilateral platform to achieve this. The EaP,

established in a different era, has become obsolete as a regional approach for countries that have diverged widely in their relations with the EU. On the contrary, the states in South Caucasus and Central Asia have converged rather than diverged in their relationships with the EU. The proposal advanced here is that replacing the now defunct EaP with a new Trans-Caspian Partnership represents the most effective and forward-leaning way of advancing European interests and priorities within a coherent regional policy framework.

By establishing a Trans-Caspian Partnership, the EU would be better positioned to diversify supply chains and expand access to critical raw materials and energy. As the route to the West through Russia closes, the Caucasus becomes Central Asia's only passage to the European market, making Trans-Caspian connectivity of vital importance for the development of trade. Thus, without coordinated European engagement, the states of the region risk becoming overly dependent on China and Russia for trade and investment. Still, the purpose of a new EU regional policy would not be to substitute for relations with other countries. Rather,

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<sup>26</sup> Svante E. Cornell, *Centripetal vs Centrifugal Forces and Emergence of Middle Powers in Central Asia and the Caucasus*, Silk Road Paper, Central Asia-Caucasus Institute & Silk Road Studies Program, June 2023. (<https://www.silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13484>)

<sup>27</sup> Delegation of the European Union to the Republic of Kazakhstan, "The European Union and Kazakhstan," October 19, 2023. ([https://www.eeas.europa.eu/kazakhstan/european-union-and-kazakhstan\\_en?s=222](https://www.eeas.europa.eu/kazakhstan/european-union-and-kazakhstan_en?s=222))

<sup>28</sup> Catherine Putz, "Kyrgyzstan, EU Sign Enhanced Partnership and Cooperation Agreement," *Diplomat*, June 28, 2024. (<https://thediplomat.com/2024/06/kyrgyzstan-eu-sign-enhanced-partnership-and-cooperation-agreement/>)

<sup>29</sup> "Uzbekistan, EU eager to speed up signing Enhanced Partnership and Cooperation Agreement," *Gazeta.uz*, January 19, 2024. (<https://www.gazeta.uz/en/2024/01/19/uzbekistan-and-eu/>)

by offering a complement to China and Russia, the EU would help to strengthen regional states' connectivity, resilience and, ultimately, sovereignty.

A new Trans-Caspian platform would provide a framework for tailoring EU projects to address the specific issues faced by these countries. In addition to focusing on connectivity and cooperation in areas such as energy and infrastructure, the resilience of these nations could benefit from EU initiatives related to, for example, security, quality of governance, human capital, youth programs and scholarships. By adopting a regional policy that encourages these states to work together, the EU would avoid the pitfalls of creating winners and losers. This would build security and stability from within the region, thereby reducing regional states' vulnerability to manipulation from revisionist powers. In this context, it is a strong European interest to support Armenia's and Azerbaijan's work towards a normalization of relations and a peace agreement. A peace treaty could open an entirely new dynamic in the Caspian region, benefitting security and stability and lead to a surge in transit trade across the South Caucasus.

The EU already possesses a financial foundation for the Trans-Caspian partnership through existing funds from the EaP, particularly for multilateral initiatives, and funding allocated for the regional strategy for Central Asia. Investments will nonetheless be needed in several areas to realize the new region. In a 2023 assessment, the European Bank for Reconstruction and Development estimated that a total of 18.5 billion euros of investments in Central Asia's hard and soft connectivity are needed for a sustainable Middle Corridor.<sup>30</sup> Since then, a significant step was taken when international and European investors committed ten billion euros in the form of low interest loans and grants for developing the Middle Corridor. The EU should aim to mobilize further public and private funds, including those from international financial institutions, to fully harvest the fruits of free-flowing transport connections between Europe and Central Asia.

The greatest challenge to advancing this proposal is likely to be bureaucratic rather than financial.<sup>31</sup> The South Caucasus falls under the European External Action Service's (EEAS) Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR), while

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<sup>30</sup> European Bank for reconstruction and Development, "Sustainable transport connections between Europe and Central Asia," June 16, 2023. [https://transport.ec.europa.eu/document/download/4360ea36-a75a-47e5-8b6f-84a9bde66a02\\_en?filename=Sustainable\\_transport\\_connections\\_between\\_Europe\\_and\\_Central\\_Asia.pdf](https://transport.ec.europa.eu/document/download/4360ea36-a75a-47e5-8b6f-84a9bde66a02_en?filename=Sustainable_transport_connections_between_Europe_and_Central_Asia.pdf)

<sup>31</sup> S. Frederick Starr, *Greater Central Asia as a Component of U.S. Global Strategy*, Silk Road Paper, Central Asia-Caucasus Institute & Silk Road Studies Program, October 2024. (<https://www.silkroadstudies.org/publications/silkroad-papers-and-monographs/item/13538>)



Central Asia is managed by the EEAS' Directorate-General for International Partnerships (DG INTPA). Bureaucrats everywhere tend to prefer the status quo and resist change. The challenge will be to convince senior EU officials that a Trans-Caspian partnership is a practical and feasible path forward. This would require reorganizing the EEAS to bring all the countries in the South Caucasus and Central Asia under a single roof, logically by transferring Central Asia to DG NEAR. Such a move would foster stronger Trans-Caspian expertise in Brussels and improve the EU's collective understanding of how to leverage the new dynamics on the ground.

In sharp contrast to the end of the Cold War, the Western model of liberal democracy and free market economy no longer stands unopposed. Contemporary adversaries are aggressively promoting their own political and economic models in the ambition to reshape world politics. To be successful in this competitive environment, the EU cannot afford to be complacent. Unless it can offer an attractive partnership associated with growth, welfare, and investments, countries will look elsewhere. In the

proposed new partnership, it is imperative that the EU strengthens its strategic communication to make its engagements visible among citizens of the countries. In comparison to Russia, China or even Turkey, the EU lags far behind in promoting and branding its activities. In short, for a Trans-Caspian partnership to deliver on its full potential, the EU needs to close the lingering gap between visibility and non-visibility in the South Caucasus and Central Asia.

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