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Caspian Sea issue in Iran-Azerbaijan relations: security and delimitation aspects

The report will discuss the issues related to Iranian-Azerbaijani relations in the Caspian Sea basin, in particular, the features of the foreign policies of the countries in this direction, will highlight the contradictions and dynamics of relations between them after the signing The Agreement of the Legal status of the Caspian Sea in 2018 between the "Caspian Five".

The collapse of the USSR disrupted the mechanism of Soviet-Iranian interaction in the Caspian. With the increase of the number of coastal countries, the Caspian Sea has transformed from a Russian-Iranian closed water space into a region of new geopolitical rivalry. The new independent states Kazakhstan, Azerbaijan and Turkmenistan received their national sectors in the Caspian Sea, and did not want to adhere to the previous Russian-Persian (1921) and Soviet-Iranian (1940) agreements. They advocated for the development a new legal status format of the sea and independent exploitation of hydrocarbon resources.

Due to its favorable geographical position, significant hydrocarbons, the intersection of transport corridors and a strategic springboard for pressure on Russia, Iran and China the Caspian Sea region became the manifestation of close interest of the leading world powers. For the Russia and Iran, the priority in the negotiation process for development the new legal regime of the Caspian Sea was to ensure security and preventing the military presence of non-regional forces. For Azerbaijan, Kazakhstan and Turkmenistan, the issue was considered in the economic dimension, in other words, from the point of view of

the extraction of energy resources and their supply to international markets. Thus, the new geopolitical realities that have developed in the Caspian basin prompted Russia and Iran to rebuild their security architectures and search alternative forms of interaction with the independent republics.

The most radical position regarding the determination of the new legal status of the Caspian Sea was Azerbaijan. Before the establishment of the new legal status Baku began to actively implement an "open door" policy, ensuring the inflow of capitals from Western oil and gas companies, getting involved in Western and Turkish energy projects bypassing Russia and Iran (the Baku-Tbilisi-Ceyhan, the Baku-Tbilisi-Erzurum pipelines). Iran became interested in its oil and gas fields in the Caspian Sea much later, as its oil and gas exploitation and revenues are mainly concentrated in the southern fields of the country. Tehran worked to preserve the framework of the previous regulations and advocated not dividing the water area into national sectors, was in favor of the principle of condominium (joint realization of resources and wealth) in the basin. At least he saw the solution of the problem by dividing the sea into five equal shares, 20% between five countries. Unlike Azerbaijan, for whose economic and political survival the exploitation of energy resources was paramount, Tehran firstly promoted the principle of not allowing the entry of extra-regional players, including in the form of energy corporations.

Despite some contradictions in the Iranian-Russian approaches, these states managed to fix the clause, in the Convention on the Legal status of the Caspian Sea, signed by the presidents of all the Caspian states in 2018, according to which the parties undertake not to provide their territory to armed forces not belonging to the parties (Caspian five). However, the following consensus did not finally resolve the

contradictions and problems at sea. Tehran will have to come to terms with its two neighbors, Turkmenistan and Azerbaijan. After the signing of the convention, sharp domestic political discourse and criticism of the Rouhani government that signed the document unfolded in Iran. Many representatives of Iranian experts and political circles continue to insist that Iran does not abandon its previous position on dividing the sea into five equal 20 % shares, despite the fact that, according to the 7-th article of Convention, the border of states is the outer border of territorial water. According to this principle, Iran gets from 11 to 14 %. Iran is the only country of the "Caspian five" that has not yet ratified the Convention.

The northern regions of the sea divided between Russia, Kazakhstan and Azerbaijan is based on bilateral and trilateral agreements; only the southern part remains, which Iran, Turkmenistan and Azerbaijan should divide among themselves. It is important to note that, an active negotiation process has already launched between Turkmenistan and Azerbaijan to determine the starting points of their water borders and the principles of exploitation of disputed mines, and have tactile progress in this direction. However, Tehran and Baku have been arguing over the Alov-Araz-Shargh (Persian: "Albroz") oil and gas sector for many years, as well as the rich gas field "Sardar Jangal". The issues of demarcation of national parts and settlement of subsoil use disputes between Tehran and Baku and mutual obligations imply a rather complicated process, considering the problems that arise regularly in Azerbaijani-Iranian relations.

The Iranian side continues appeals to the lack of clear security guarantees from Azerbaijan and stresses the need to prevent the build-up of any foreign military presence in the region. Azerbaijan maintains diplomatic, economic, and security

contacts with two of Iran's key adversaries, Israel and Turkey. Azerbaijan's increase in naval capabilities, active military-political cooperation with the USA, Israel, Turkey, and recently Pakistan, fundamentally contradicts Iran's security and geopolitical interests and prompts Tehran to consistently strengthen its military presence at sea. After the 2020 war in Artsakh (Karabakh), Azerbaijan generally ignored the obligations under the 2018 Convention not to give up its water territory to the armed forces of third countries, and conducted joint exercises with Turkey at sea, which forces Tehran to regularly contain Baku, using diplomatic tools and statements by the military-political leadership that Iran will not renounce the use of force at sea. Those realities indicate an arms race in the southern part of the sea, as well as serious contradictions in Iranian-Azerbaijani relations, not excluding a possible military-political escalation between these two countries with external interference.