

South Caucasus in Focus of Global Rivalry: Challenges and Opportunities for Ukraine

Kostiantyn Kononenko



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General Overview

The end in 2023 of the protracted Armenian–Azerbaijani conflict, together with the geopolitical effects of the conflicts still under way around Ukraine and in the Middle East, has produced fundamental change in the regional balance of power in the South Caucasus.

Its defining features are, first and foremost, the diminishing regional role of Russia, which is rapidly losing its levers of military and political influence in the region as a result of the war in Ukraine and its international isolation. One consequence of this trend is the erosion of Russia's traditional mechanisms of control over Armenia, as well as the weakening of its instruments of pressure on Azerbaijan and Georgia, which has allowed these countries to diversify their foreign-policy priorities.

Against this backdrop, other influential actors – the United States (US), the European Union (EU), Türkiye and China – are strengthening their positions, accompanied by intensifying competition among them for resources and for control over logistics routes. At the same time, military instability around Iran, which for a long time sought to actively shape international relations in the South Caucasus, has further weakened that country's position and its role in the regional balance of power.

In this context, it is worth noting the marked intensification over the past year of US diplomacy, which has been advancing a series of regional initiatives designed to displace Russian and Iranian influence (such as the US–Armenia agreement on civil nuclear cooperation (the so-called Section 123 agreement) or the Trump Route for International Peace and Prosperity (TRIPP) project). In geopolitical terms, the aim of American policy towards the South Caucasus is Washington's ambition to control the logistics corridors across the strategically important space between the Black and Caspian Seas, thereby narrowing China's scope for implementing its Belt and Road Initiative (BRI).

The European Union is also showing growing interest in the region, viewing Azerbaijan as a key supplier of energy resources within the Southern Gas Corridor (SGC). The EU's policy in the South Caucasus today is focused on stabilizing the region through direct diplomatic mediation of the normalization of relations and the signing of a peace treaty between Armenia and Azerbaijan (including the presence on the Armenian–Azerbaijani border of the civilian monitoring European Union Mission in Armenia (EUMA) to prevent escalation), as well as on supporting projects aimed at strengthening Europe's logistical security and energy independence, above all in the context of diversifying the routes for supplying goods and resources from the Caspian region in circumvention of Russian territory. The EU is also seeking to counter Russian influence over the countries of the region by supporting their sovereignty, security, economic resilience and gradual integration into the European political space through the instruments of the Eastern Partnership, infrastructure investment, cooperation in “green” energy, digitalization and other areas.

In recent years, China has been paying ever greater attention to the South Caucasus, its interest centered above all on the security of transit routes within the Belt and Road Initiative. Beijing avoids direct involvement in regional conflicts and seeks to balance among Azerbaijan, Georgia and Armenia, investing in the development of ports, railways (notably Baku–Tbilisi–Kars (BTK)) and transport infrastructure, with Georgia serving as the main logistics hub. Another important strand of its regional policy is the development of an economic partnership with Azerbaijan (which Beijing regards as strategic), enabling it to use that country's logistics capacity to transport Chinese goods to Europe in circumvention of Russian territory. At the same time, China does not seek to displace the region's traditional players (Russia, Türkiye, Iran) outright; rather, it often acts in concert with them as a new influential force to be reckoned with, cautiously but confidently taking over the economic levers of influence that once belonged to Moscow. Overall, the strengthening of Beijing's position in the region is viewed by certain regional actors (Russia, Iran) as useful for containing the influence of

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the West, as well as of Türkiye, which aspires to take on the role of the region's main transit hub and security guarantor, curbing Russia's traditional influence. In recent years, however, China has had to compete for regional influence not only with the US, the EU and Türkiye, but also with India, which is expanding its presence in the region.

Türkiye and Iran, the largest regional powers with ambitions of their own, are likewise actively competing for influence over transport corridors and the security situation. At the same time, the states of the South Caucasus (Georgia, Armenia, Azerbaijan) are using the competition among the great powers to attract investment, strengthen their own agency and expand their economic opportunities.

An important consequence of the geopolitical changes is the growing geo-economic significance of the South Caucasus as a promising region in the context of building new logistics corridors between Europe and Asia. The transformation of transport routes amid geopolitical upheavals in Eurasia and the Middle East has turned this region into a key secure transit route for the Trans-Caspian International Transport Route (TITR), also known as the "Middle Corridor", which in the longer term determines its role as a critically important global logistics node.

Impact of Global Rivalry on Policies of South Caucasus Countries

The global rivalry among the US, the EU, Russia, Türkiye and Iran has turned the South Caucasus into an arena of complex geopolitical play. The weakening of Russia's traditional dominance as a result of its aggression against Ukraine, and the shift in the balance of power in favor of new players, is fundamentally transforming the policies of the South Caucasus countries (Azerbaijan, Armenia and Georgia), forcing them to rethink their security alliances and foreign-policy orientations, to construct multi-vector policies and to diversify their partnerships.

This trend is most clearly visible in **Armenia**, which in recent years has been engaged in a radical rethinking of its traditional role as Russia's principal ally in the region and in a search for new ways to position itself in a rapidly changing regional balance of power. The strategic pivot to the West initiated by the government of Nikol Pashinyan – prompted by Moscow's failure to honor its allied commitments during the Armenian–Azerbaijani war of 2020 and by the demonstrative passivity of Russian peacekeepers during Azerbaijan's military retaking of the territory of Nagorno-Karabakh in 2023 – is intended to reduce the country's critical dependence on Russia, to secure stability through Western institutions and to build an alternative security architecture in cooperation with the EU and the US.

Within this approach, Armenia has de facto completely frozen its participation in the Collective Security Treaty Organization (CSTO) and is actively diversifying its foreign policy, officially distancing itself from Russian foreign-policy concepts (including the aggression against Ukraine), while emphasizing European integration, raising the level of its engagement with the EU and stepping up a multidimensional dialogue with the US (on the basis of the Charter on Strategic Partnership of 14 January 2025 and the follow-on Charter on Comprehensive Strategic Partnership of 26 May 2026).

The adoption of European-integration legislation by the Armenian parliament in March 2025 launched the process of Armenia's accession to the EU. In this context, the enshrinement in the final declaration of the first EU–Armenia summit (4–5 May this year) of the EU's official recognition of the “European aspirations of the Armenian people” as a first step along this path can be regarded as a significant success for the government of Nikol Pashinyan.¹ It should be noted, however, that Brussels is taking a cautious position on this issue, in effect offering Armenia gradual sectoral integration, approximation to EU legislation (the *acquis*), visa liberalization, security assistance and financial support for reforms on the basis of the Comprehensive and Enhanced Partnership Agreement (CEPA) signed in 2021, without granting candidate status. On 21 April this year, the Council of the EU approved the establishment of the civilian European Union Partnership Mission in Armenia (EUPM Armenia) within the framework of the EU's Common Security and Defence Policy (CSDP), which will provide advisory and resource support to the Armenian government in countering multi-level threats such as foreign information manipulation and interference (FIMI), cyberattacks, illicit financial flows and others. The Resilience and Growth Plan for Armenia for 2024–2027, approved by the European Commission, provides for €270 million in economic and infrastructure assistance to the country, as well as for mobilizing €2.5 billion in European investment.² In addition, since 2024 the EU has allocated €30 million through the European Peace Facility (EPF) to support Armenia's armed forces.³

The past year has seen substantial movement in Armenia's relations with the US, driven in large part by the focus of Donald Trump's right-wing populist administration on supporting peace efforts on the Armenian–Azerbaijani track and by its ambition to take part in regional projects in logistics, energy

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and security (above all the TRIPP project) that will compete with the corresponding Russian and Chinese initiatives. For Armenia, cooperation with the US in these areas is strategic, given the need to reduce dependence on Russia and to strengthen integration ties with the West. It is in this light that one should view the Armenian–American agreement on civil nuclear cooperation (Section 123) of 9 February 2026, which provides for the export of American nuclear technology, equipment and services worth \$9 billion to modernize the Metsamor Nuclear Power Plant (NPP) and is critically important for strengthening Armenia’s energy independence. Given the official support extended to the government of Nikol Pashinyan by the administration of US President Donald Trump ahead of the parliamentary elections in Armenia (7 June this year), one can speak of a strengthening of the American vector in the country’s foreign policy in the years ahead.

Cooperation on the European and American tracks is also aimed at strengthening Armenia’s own security capabilities within the framework of the Pashinyan government’s policy of diversifying military ties in order to overcome one-sided dependence on Russia in the security sphere. In this context, one can speak of the launch of new security partnerships with France, as well as with India, which has become an important alternative to Russia in the supply of weapons (artillery, air-defense systems, armoured vehicles). Armenian–American cooperation also has a security component, including US support for reforms of the Armenian defense sector, joint military exercises and other activities.

The central focus of Armenian foreign policy remains the signing of a peace treaty with Azerbaijan mediated by the EU and the US, the delimitation of borders and mutual recognition of territorial integrity (including the Azerbaijani status of Nagorno-Karabakh), as well as the completion of the difficult process of normalizing relations with Türkiye. This would make it possible to open the borders and lift Armenia out of the logistical isolation in which it has found itself since gaining independence in 1991, turning it into a fully fledged participant in, and beneficiary of, the new architecture of Eurasian logistics corridors. At the same time, Armenia is seeking to preserve a stable and deep level of bilateral cooperation with Iran, which remains for Yerevan an important trading partner, an alternative supplier of energy resources and a weighty factor in ensuring regional stability and maintaining balance in relations with other players, above all Russia, Türkiye and Azerbaijan.

Georgia is also in a process of transformation: in recent years its policy has been marked by a “Euroskeptic” turn away from its traditional pro-Western orientation towards rapprochement with Russia, China and other authoritarian regimes, despite the formally declared goal of joining the EU and the North Atlantic Treaty Organization (NATO) and the official EU candidate status obtained in 2023.

The attempts of the ruling Georgian Dream party to build elements of authoritarianism into Georgia’s political system through the implementation of a series of controversial laws that copy Russian repressive norms and substantially restrict civil liberties (such as the law on transparency of foreign influence, a package of laws against “lesbian, gay, bisexual and transgender (LGBT) propaganda”, the criminalization of criticism of the authorities and the “ban on extremism”, and the introduction of legal mechanisms for dissolving and banning opposition parties) have provoked a split in Georgian society and led to a deep crisis in the country’s relations with the EU and European institutions, above all the Parliamentary Assembly of the Council of Europe (PACE). Its consequences have included the suspension of EU and US financial assistance to Georgia, the freezing of their political dialogue with the Georgian government, the imposition of personal sanctions and visa restrictions on senior Georgian officials, and the weakening of the country’s engagement within NATO.

In view of this, the Georgian Dream government headed by Prime Minister Irakli Kobakhidze (de facto controlled by the pro-Russian oligarch Bidzina Ivanishvili) has resorted to a multi-vector foreign policy that reflects a complex balancing act in relations with geopolitical players: from January 2025 it discontinued the active participation of the Georgian parliamentary delegation in PACE; it has officially suspended the EU accession process until 2028 while retaining European-integration

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rhetoric; and at the same time it declares a “pragmatization” of relations with Russia and a deepening of partnership with other influential players, notably China and Türkiye, while also trying to restore cooperation on the American track, seeking approaches to the administration of Donald Trump.

In the context of policy towards Russia, one can speak of a gradual normalization of Georgian–Russian relations. Against the backdrop of the effective halt of Georgia’s European integration, the Georgian Dream government has set a course for “pragmatic engagement” with Russia, avoiding any trigger issues capable of provoking direct confrontation in bilateral relations. Under this strategy, Georgia has not joined international sanctions against Russia; economic, energy and logistics ties between the two countries are actively expanding; and direct air links (earlier cancelled by Moscow) have been restored, which has increased the flow of Russian tourists and business into Georgia. Despite the absence of official diplomatic relations, severed after the 2008 war over Moscow’s recognition of the “independence” of the occupied Georgian regions of Abkhazia and South Ossetia, Russia still remains one of Georgia’s main trading partners (accounting for around 10.4% of its total foreign-trade turnover). By the end of 2025, trade between the two countries had reached \$2.69 billion (an increase of 6.3% on the previous year), with a substantial trade deficit for Georgia of \$1.19 billion (1.7% more than in 2024).⁴

In recent years, the Chinese factor has exerted an ever greater influence on Georgia’s foreign policy. The Georgian Dream government regards China as a geopolitical counterweight to the West and, to a certain extent, to Russia, as a key investor and as its main partner in developing logistics routes. In July 2023, the two countries adopted a joint statement elevating their relations to the level of a strategic partnership. Given the strained relations between the current Georgian authorities and the West, China is a convenient partner for official Tbilisi, since Beijing traditionally attaches no political conditions (such as compliance with standards of democracy, human rights and the like) to its assistance and loans. Another important factor is Chinese diplomacy’s non-recognition of the “independence” of the Russian-occupied Georgian territories.

With the assistance of the Georgian government, China is becoming an ever more active player in the country’s economy. In recent years, China has consistently ranked among Georgia’s three largest trading partners, aided in large part by the bilateral free-trade agreement concluded back in 2017. Over these years, total trade between the two countries has grown by 148%, reaching \$2.313 billion by the end of 2025 (with an almost sixfold imbalance in China’s favor)⁵. Georgia officially supports China’s Belt and Road Initiative, positioning itself as the main regional transit hub on the logistics route for delivering Chinese goods to Europe within the “Middle Corridor”. Chinese companies are being brought into the implementation of critically important infrastructure projects on Georgian territory (such as the construction of the strategically important deep-water port at Anaklia on the Black Sea and of a new airport at Vaziani, and the build-out of digital infrastructure under Huawei’s 5G project), and are acquiring an ever larger ownership share in the country’s industrial assets. Overall, one can say that the deepening economic integration of the two countries is increasingly creating a risk of Georgia’s one-sided dependence on China.⁶ In this context, it is also worth noting the Chinese government’s efforts to increase investment in Georgian educational and cultural projects with the aim of popularizing and promoting the Chinese language and culture (notably through the network of Confucius Institutes), and its support for the creation of joint business associations, which should be seen as instruments of “soft power” for advancing Chinese influence in Georgia.

At the regional level, partnership relations with Türkiye and Azerbaijan remain important for Georgia. The cooperation of the three countries is strategic in nature in the context of the functioning of global transport routes between Asia and Europe (the “Middle Corridor”, the Baku–Tbilisi–Kars railway) and of the network of pipelines that ensure the diversification of energy supplies to the EU (the Baku–Tbilisi–Ceyhan and Baku–Supsa oil pipelines, the Southern Gas Corridor), as well as of maintaining regional security and regional economic integration.

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Azerbaijan has adapted most successfully to the changes in the regional balance of power in the South Caucasus, having managed to build its own effective model of balancing in relations with global centers of power and – thanks to a multi-vector foreign policy, diversified partnerships and financial independence – to achieve regional strategic autonomy and acquire agency in regional international relations.

By avoiding accession to military-political and integration blocs, relying on its strategic alliance with Türkiye and skillfully using energy diplomacy as a weighty instrument of “soft power”, Baku has managed to build a system of durable regional economic dominance, which has created opportunities for developing pragmatic relations with all strategically important partners – Russia, the EU, the US, China and Iran. A key factor in this context is, to a large extent, Azerbaijan’s leading role in international cooperation on the implementation of transcontinental transport and energy corridor projects, which allows it to maintain with the aforementioned actors a pragmatic and at the same time self-assured dialogue based on the principles of mutual respect, aimed at minimizing security risks in the region and underpinned by joint integration into a series of large-scale economic projects (such as the North–South transport corridor linking Russia and Iran, the Southern Gas Corridor, the American TRIPP project, China’s Belt and Road Initiative, the development of the Trans-Caspian International Transport Route/“Middle Corridor” and others).

A positive role has also been played by the end of the protracted Armenian–Azerbaijani conflict following the restoration of Azerbaijani sovereignty over Nagorno-Karabakh. Successful progress in the peace settlement process with Armenia, aimed at concluding a peace treaty, delimiting borders and reopening regional transport communications (notably the Syunik/Zangezur corridor), creates the necessary conditions for lasting peace and stability in the region and will contribute to the further growth of Azerbaijan’s geopolitical role as a key link in the new balance of power in the South Caucasus.

Another weighty factor is the country’s growing geopolitical importance for the energy security of the European Union as an alternative and reliable supplier of energy resources, in view of the European diversification policy driven by the rejection of Russian energy carriers as a result of Russia’s aggressive actions against Ukraine and EU countries, as well as amid geopolitical instability in the Middle East.

In recent years, Azerbaijan’s role as a strategic energy partner of the European Union has been transformed from that of a regional supplier of energy resources into one of the guarantors of European energy security. It currently provides around 4.3% of the EU’s oil imports,⁷ as well as 8.1% of its total imports of pipeline gas,⁸ which is transported through the Southern Gas Corridor (including the Trans-Adriatic Pipeline) to the countries of Southern and Central Europe (Italy, Greece, Bulgaria, Romania, Hungary, Austria and Germany). In the EU’s overall energy balance, in which natural gas accounts for approximately 24% of all energy consumed, Azerbaijani gas makes up about 2% of total consumption (12–13 billion cubic meters (bcm) a year).⁹ This makes Baku one of the key alternative suppliers, alongside Norway, Algeria and other countries, in the context of the EU’s diversification policy.

The Memorandum of Understanding on a Strategic Partnership in the Field of Energy between the European Union and the Republic of Azerbaijan, signed on 18 July 2022, designates Azerbaijan an integral component of the EU’s energy-security strategy, providing in particular for the expansion of the Southern Gas Corridor with the aim of increasing natural-gas exports to EU countries, as well as for the joint development of hydrogen and renewable energy. In practical terms, this means doubling annual exports of Azerbaijani natural gas to the EU through the Southern Gas Corridor by 2027 – to at least 20 bcm, with subsequent growth to come from renewable energy sources – along with joint commitments to reduce methane emissions and improve energy efficiency across supply chains. This process will be accompanied by large-scale modernization and expansion of the throughput capacity of the Southern Gas Corridor infrastructure and its constituent links – the South Caucasus Pipeline

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(Baku–Tbilisi–Erzurum), which transports natural gas from Azerbaijani fields in the Caspian Sea through Georgia to Türkiye, the Trans-Anatolian Pipeline (TANAP) and the Trans-Adriatic Pipeline (TAP) – as well as by the modernization of networks in South-Eastern Europe, including the construction of new compressor stations, interconnectors and other facilities. Total investment in the implementation of this ambitious project is estimated at more than \$35 billion.¹⁰ An important factor is the involvement of new geopolitical players in the project (such as, for example, the United Arab Emirates (UAE), which through the Abu Dhabi National Oil Company (ADNOC) has acquired a stake in the Southern Gas Corridor), which strengthens its investment foundation.

An additional avenue for investment and transit is the Trans-Balkan route, which allows Caspian gas to be delivered through new interconnectors to the countries of Central and Eastern Europe (Hungary, Romania, Slovakia). Ukrainian infrastructure could also be drawn into these projects: Azerbaijan is using European investment to optimize the routes for supplying energy resources in circumvention of Russia, considering, among other options, Ukraine's gas transmission system and underground gas storage facilities.

In view of this, Azerbaijan's long-term energy strategy is oriented towards a so-called "two-vector" model (dual energy strategy), which includes both an accelerated increase in natural-gas production to reach the target volumes set out in the Memorandum and a long-term transition to exports of "green" electricity and hydrogen, as well as investment in the modernization of domestic pipeline infrastructure.

To implement this strategy, the government of Azerbaijan, in cooperation with international energy corporations (Shell, Chevron, BP and the American gas producer Comstock Resources), plans to increase annual domestic gas production by 10 bcm by 2028–2029 through investment in the development of new and deep-lying fields.¹¹ Thus, the first phase of production has already been launched at the Absheron field, with a planned output of 1.5 bcm a year. Investment projects are being implemented at the promising Babek (reserves of ~400 bcm) and Umid (reserves of ~200 bcm) gas fields. Within the Shah Deniz project, the expansion of production phases (Shah Deniz 2 and Shah Deniz 3) has been financed; in 2024, Hungary's state-owned MVM Group bought a 5% stake there for direct financial participation. Investment resources are being mobilized to extract deep-lying gas from the Azeri–Chirag–Gunashli (ACG) block of oil fields. At the same time, according to expert calculations, Azerbaijan will not be able to meet the planned targets: it objectively lacks the resources for a rapid and substantial increase in gas exports to the EU sufficient to offset the loss of energy supplies from the Middle East. By the end of 2026, exports through the Southern Gas Corridor are expected to amount to no more than 12.8 bcm, roughly in line with the figures for 2025. In 2027, this figure may reach at most 13.5 bcm of gas. The country will be able to reach the planned export volumes no earlier than 2030, provided the relevant Southern Gas Corridor pipeline infrastructure is ready.¹²

For its part, Azerbaijan is investing in the modernization of its domestic gas transmission system with the aim of expanding its throughput capacity, eliminating gas leaks, upgrading flaring systems and fully capturing methane that was previously flared. This allows the "saved" volumes of gas to be redirected to exports to the EU without an increase in actual production. This strand is also important in light of the EU's adoption of new environmental standards introducing strict regulation of the methane emissions of imports, and of the corresponding commitments undertaken by the Azerbaijani government under the Memorandum with the EU. To fulfill them, in March 2024 Azerbaijan joined the Global Methane Pledge – a joint initiative of the US and the EU under which participating countries voluntarily commit to reducing methane emissions by 30% by 2030.¹³

In addition, Azerbaijan is actively reinvesting revenues from fossil fuels in a post-carbon economy, synchronizing its strategy with the European Green Deal. This involves large-scale projects to develop the potential of renewable energy sources (RES), including increasing the production and export of "green" electricity (above all wind and solar generation on the Caspian shelf and in the territory of Nagorno-Karabakh) and hydrogen, with leading international RES companies (Masdar, ACWA Power)

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involved in their implementation. For its part, the EU is also mobilizing private investment and bringing in European companies working in clean technologies to support Azerbaijan's energy transformation.

As part of the government's course towards adopting European environmental standards, Azerbaijan joined the Eastern Europe Energy Efficiency and Environment Partnership (E5P) in 2019. It cooperates with the EU within the EU4Energy initiative and a number of regional programs in the field of environmental protection and the achievement of climate goals, such as the European Union Water Initiative Plus (EUWI+), the Shared Environmental Information System II (SEIS II), EU4Climate and EU4Environment, as well as bilateral projects on air quality and industrial emissions. These initiatives help Azerbaijan fulfill its national commitments under the Paris Agreement and achieve the United Nations Sustainable Development Goals.¹⁴

Looking ahead, Azerbaijan is positioning itself as a key link in future "green" energy corridors connecting the South Caucasus, Central Asia and Europe. It is in this context that one should view the project to build a high-voltage submarine cable in the Black Sea for the transmission of renewable electricity from Azerbaijani and Georgian RES to the EU, which has been under implementation since 2022 with the participation of Azerbaijan, Georgia (which is playing an ever more visible role in this initiative), Romania and Hungary. This "Black Sea Green Energy Corridor" project has been highly rated by the European Commission, which has made it possible to attract \$35 million in credit financing from the EU for its implementation.¹⁵

It should also be noted that Azerbaijan's energy strategy towards the EU is closely tied to the development of the Trans-Caspian International Transport Route ("Middle Corridor") and the TRIPP project, which makes Azerbaijan the main transit hub between Central Asia and the EU. At the same time, given the persistently high level of conflict potential in the South Caucasus region, security cooperation, aimed in particular at protecting critical infrastructure, remains an important strand of bilateral engagement between the government of Azerbaijan and the EU.

Russia's Policy in South Caucasus: Attempts to Preserve Remnants of Influence

For three decades after the collapse of the Union of Soviet Socialist Republics (USSR), Russia's policy in the South Caucasus was aimed at maintaining its monopoly of geopolitical dominance in the region. Over this time, it managed to build here a multi-component and multidimensional system of influence using a set of hybrid instruments (military, economic, political and informational) designed to keep the regional states in the Russian orbit.

The concentration of Russia's military and financial resources on the war against Ukraine has substantially constrained its capacity for dominance in the regional projection, gradually leading to the loss of its positions, the decay of the Russian security architecture (the CSTO and "peacekeeping" formats) and a systemic transformation of Russian influence in the region to the benefit of other geopolitical players (the US, the EU, China and Türkiye).

In today's geopolitical realities, Russia is trying to preserve the remnants of its influence in the South Caucasus through a combination of military blackmail, energy dominance, diplomatic manipulation and economic pressure, viewing relations with the regional states through the prism of countering the West, controlling transit corridors and searching for effective mechanisms capable of improving its position in the new regional balance of power.

Azerbaijan is the most difficult, independent and financially self-sufficient factor in Russia's plans for the South Caucasus – one that Moscow is forced to treat as an equal player rather than an object of manipulation. Unlike Armenia or Georgia, Baku possesses a powerful army and relies on a strategic alliance with Türkiye and on economic potential independent of Russia. The elimination of Karabakh separatism and the withdrawal in June 2024 of the Russian "peacekeeping contingent", which had been deployed in the territory of Nagorno-Karabakh as a "security guarantor" under the trilateral agreement of 10 November 2020, deprived Moscow of its main military instrument of blackmail and lever of influence over the policy of the Azerbaijani government. Under current conditions, Moscow is forced to reckon with the full restoration of Azerbaijan's sovereignty over Nagorno-Karabakh and is trying to preserve its partnership with Baku as a key transport and logistics node for circumventing Western sanctions.

Moreover, for a sanctions-isolated Russia, Azerbaijan is today an irreplaceable land bridge to Iran, the Persian Gulf and India via the North–South transport corridor. The Kremlin's main interest lies in building out the railway and road infrastructure within this route. Moscow is trying to bind Baku firmly into joint logistics projects in order to minimize Azerbaijan's interest in Western transport initiatives, notably the American TRIPP project.

No less important for the Kremlin is engagement with Baku in the energy sphere. Given that Azerbaijan is a direct competitor of Russia on the European gas and oil market, Moscow is interested in concluding tacit cartel arrangements with it in order to prevent the complete displacement of Russian energy carriers by Azerbaijani exports. It is also offering Baku "coordination schemes" and the use of Russian infrastructure for re-export, in an effort to preserve at least indirect influence over the Caucasus energy sector.

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Thus, in the Kremlin's approach to relations with Azerbaijan, one can speak of a paradigm shift from "imperial control" to forced pragmatism and balancing, with the aim of preserving critical economic transit and preventing the complete regional dominance of other influential players, above all Türkiye and the US. This approach is dictated by Baku's current positioning as an independent regional power with which Russia has to reckon and negotiate. The crisis in bilateral relations that arose at the beginning of this year as a result of the incident involving the downing of an Azerbaijan Airlines aircraft by Russian air defenses and the provocative harassment of Azerbaijani businesspeople and migrants in Russia, and which led to a serious diplomatic escalation, demonstrated in full the limits of the Kremlin's toolkit for exerting pressure on Baku. Virtually the only remaining levers of Russian influence in this context are instruments of "soft power", including the use of the factor of the large Azerbaijani diaspora in Russia.

At the same time, Armenia occupies a key place in Moscow's plans to preserve its geopolitical influence in the South Caucasus, having historically been Russia's principal military-political ally in the region and a member of Russian integration formats (the CSTO and the Eurasian Economic Union (EAEU)).

Yerevan's current rapprochement with the EU, initiated by the government of Nikol Pashinyan, has provoked a sharp reaction from the Kremlin. In an effort to keep Armenia within its sphere of geopolitical influence and to halt its pivot to the West, Moscow has chosen a traditional confrontational strategy involving a comprehensive set of instruments of hybrid, economic and political pressure, including direct threats of "consequences, as in Ukraine", should the country's authorities continue their European-integration course.

In this context, priority is given to the use of levers of economic blackmail, given that Armenia remains critically dependent on Russian gas, on the sales market within the EAEU and on logistics links with Russia. Russian state companies (including subsidiaries of Gazprom) own key facilities of the country's energy and transport infrastructure, and a significant share of Armenian big business and oligarchic circles has historically been integrated into the Russian economy and financial system. Accordingly, Moscow makes active use of tariff pressure, price mechanisms, artificial sanitary and customs restrictions on the export of Armenian goods to Russia (for example, blocking supplies of fruit, brandy and dairy products) and "technical border closures" to destabilize the Armenian economy.

In the context of political pressure, this concerns above all the creation of artificial political instability and hybrid interference in electoral processes during the parliamentary elections in Armenia (7 June this year) with the aim of overthrowing (or maximally weakening) the government of Nikol Pashinyan and changing the state's foreign-policy course. One can speak of the Kremlin's attempt to implement a scenario of political revanche by pro-Russian forces through large-scale covert disinformation and propaganda campaigns aimed at discrediting the incumbent prime minister, Nikol Pashinyan, and supporting pro-Russian candidates (above all the "Strong Armenia" alliance of the Russian-Armenian oligarch Samvel Karapetyan); the manipulation of public opinion through networks of fake news sites, bot farms and sham media platforms; the use of an "electoral landing force" technique (referring to attempts at the large-scale airlifting of up to 100,000 ethnic Armenians from the diaspora in Russia in order to influence the results of voting inside the country, for which, according to Western intelligence services, up to \$50 million had been allocated¹⁶); and other methods. The convincing victory of the pro-government Civil Contract party (around 50% of the vote) broke this scenario and became a geopolitical defeat for Russia, forcing it to shift to a tactic of long-term sabotage of European-integration reforms and the provocation of artificial destabilization.

Against this background, a weighty lever of pressure that creates long-term risks for Armenia's sovereignty remains the Russian military presence on its territory (notably the 102nd Russian military base in the city of Gyumri), which under certain circumstances may become a convenient instrument of security blackmail by Russia.

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Towards Georgia, Russia is acting according to a scenario of “soft absorption”, seeking – through a combination of geopolitical blackmail, economic privileges, political pressure on the ruling elite and the comprehensive application of instruments of “soft” and “hard” power – to secure Tbilisi’s “voluntary” renunciation of integration with the EU and NATO, the country’s return to the sphere of Russian geopolitical influence and its gradual hybrid annexation. In this context, one can speak of Moscow’s transition from its former tactic of direct military pressure to a strategy of “selective and creeping integration”, combining political influence over the Georgian leadership with the complete absorption of the occupied Georgian regions – Abkhazia and South Ossetia.

The Kremlin uses economic ties as a powerful instrument of hybrid influence over Georgia, given the structural dependence of its economy on Russia. Russia remains one of the country’s main trading partners: for Georgian business, notably producers of wine and agricultural products, the Russian market has historically been a priority, which makes these sectors vulnerable to artificial trade embargoes. Georgia depends critically on imports of Russian gas and petroleum products, as well as on substantial volumes of capital arriving through remittances from Georgian labor migrants in Russia and the spending of relocants – citizens of Russia who moved to Georgia after the start of Russian aggression against Ukraine and who open businesses and buy property there. The restoration of direct flights and the abolition of visa requirements by Russia have led to a mass influx of Russian tourists into Georgia, generating additional revenue for the country’s state budget and for a significant part of Georgian society.

The development of cooperation with Russia allows the Georgian government to ensure stable growth of gross domestic product (GDP), but it makes the revenues of the Georgian economy dependent on the Kremlin’s decisions. It is precisely the economic sphere that forms the key levers of influence opening up broad opportunities for Moscow to exert pressure on the Georgian leadership with the aim of imposing Russian political interests. It is in this light that one should view the adoption by the government of Georgia (controlled by the Georgian Dream party) of a series of political decisions that have marked the country’s turn away from the West towards Moscow.

This concerns, first of all, the refusal of the Georgian Dream government to impose economic sanctions against Russia after Russia’s full-scale invasion of Ukraine in 2022, which effectively turned Georgia into a convenient logistics hub through which Moscow seeks to partially neutralize sanctions restrictions.

At the same time, the Georgian leadership agreed to the restoration of direct air links and of a visa-free regime with Russia, initiated by Moscow in 2023, which became a serious step towards the further legitimization of the Russian presence in the country. At the beginning of this year, the Kremlin began publicly demanding the restoration of bilateral diplomatic relations (severed after the 2008 war in response to Russia’s occupation of Abkhazia and South Ossetia), but for now the government of Georgia is refraining from this step.

Another pro-Russian step by the government can be considered the adoption by the Georgian parliament in May 2024 of the law “On Transparency of Foreign Influence”, despite mass protests and sharp criticism from the US and the EU. The passage of this law, which almost entirely duplicates its Russian analogue and is aimed at suppressing civil society and independent media, provoked a deep and protracted political crisis in the country and an internal political split in Georgian society, and became a blocking factor on the path of Georgia’s European and Euro-Atlantic integration.

A visible trend of Russia’s hybrid war is the amplification of anti-Western and pro-Russian rhetoric in Georgian public discourse, which manifested itself especially during the parliamentary elections in the autumn of 2024. During the elections, the ruling Georgian Dream party built its campaign on intimidating society with a “global war party” (the West) and on promises to preserve peace thanks to trade with Russia. The election results led to the consolidation of the authoritarian rule of Georgian Dream and to a constitutional crisis that arose from the rollback of democracy and the suppression

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of protests after the elections. A logical continuation of this policy can also be considered the official announcement by the Georgian government at the end of 2024 of the decision to suspend the European-integration process until 2028, the consequences of which were the freezing of financial assistance to Georgia from Brussels and Washington, a halt to the process of its accession to the EU, the deepening of its isolation from the democratic world and the strengthening of the Kremlin's hybrid control over it.

The Georgian Dream government justifies these steps by "pragmatism" and the protection of the national economy, but, in the view of experts, they are the result of direct and indirect pressure from Russia.

In this context, a weighty lever of blackmail remains the factor of the occupied territories (Abkhazia and South Ossetia). Despite Georgian Dream's overtures to the Kremlin and its statements about "reconciliation" with the puppet governments of these regions, Russia categorically refuses to withdraw its military contingents from the occupied territories, is demonstratively building up military infrastructure there, is accelerating the process of issuing Russian internal passports to their population and is taking other steps aimed at their gradual assimilation and annexation. Moscow uses the threat of unfreezing the conflict as a permanent instrument of security blackmail. As an element of additional pressure on Tbilisi in this context, one should also mention so-called "borderization" – the process of the constant creeping advance of the occupation line deeper into Georgian territory, accompanied by abductions and detentions of Georgian citizens by Russian security forces. The process of "borderization", together with the "propaganda of fear" that has become part of the hybrid information war unleashed by Russia in Georgia, is aimed at intimidating a Georgian society traumatized by the 2008 war with the prospect of a new war and a "repetition of the Ukrainian scenario", should the country attempt to leave the Kremlin's political orbit. Russian and pro-government Georgian media successfully exploit this narrative to demonize the pro-Western Georgian opposition and the European vector of the country's development.

In the projection of "soft power", Russia supports the activities of various pro-Russian proxies from among Georgian radical, ultra-conservative and Orthodox organizations and parties that push anti-Western narratives and promote traditionalism. In addition, it is trying to use citizens of Russia who moved to Georgia after the start of the full-scale war in Ukraine with the aim of creating an agent network and as an instrument for advancing Russian influence inside the country.

According to the National Research Institute for the Development of Communications (Russia), Moscow regards today's Georgia as a "relatively friendly" country, with relations characterized as a pragmatic, "managed" neighborhood.¹⁷ In geopolitical terms, it evidently assigns Georgia the role of a kind of lobbyist for its influence in the South Caucasus, seeking to prevent the country's transformation into an alternative energy and logistics node bypassing Russia and to use the pro-Russian trend in the country's domestic politics to block or slow down logistics projects within the "Middle Corridor" that are outside Moscow's control, as well as European infrastructure initiatives (such as the "Black Sea Green Energy Corridor"). Moreover, in the event of Armenia's complete exit from the Russian orbit, Russia may come to regard Georgian territory as a potential bridgehead for military projection.

In view of this, the Kremlin has a stake in the conservation of Georgia's current pragmatically loyal course and is betting on the preservation of power by the ruling Georgian Dream party, which, while avoiding formal allied relations with Russia (in view of its occupation of Abkhazia and South Ossetia), pursues a political course that in effect reflects Russian interests. It is from this angle that one should view Russia's demonstrative support for the actions of Georgian Dream aimed at establishing an authoritarian regime in Georgia. At the same time, Moscow tolerates Tbilisi's creation of alliances with other authoritarian regimes and plays along with it. Telling in this regard is the elevation of relations between Georgia and China to a "comprehensive strategic partnership", which has the aim of additionally pushing the US out of the South Caucasus region.

New Logistics Corridors of South Caucasus as Element of Global Rivalry

The geopolitical changes in the South Caucasus have radically altered the global significance of this region in the context of building new secure logistics corridors between Europe and Asia, which, amid the decline of Russia's transit role and the growth of conflict potential in the Middle East, are becoming ever more important for the world economy. This concerns above all the project of the so-called "Middle Corridor" (also known as the Trans-Caspian International Transport Route (TITR)), which is intended to create a reliable multimodal trade route between China and the countries of Europe in circumvention of Russian territory. Amid the rapid growth of freight flows on this axis, this logistics corridor of roughly 4,000 km – combining rail, road and maritime transport routes from China through Kazakhstan, across the Caspian Sea, and via Azerbaijan, Georgia, Türkiye and the Black Sea onwards to the EU – is increasingly becoming an important element of the new architecture of Eurasian logistics.

After 2022, this corridor turned from a theoretical alternative into a real logistics route. Thus, in 2021 the volume of freight it carried amounted to just 840,000 metric tons, whereas by the end of 2025 it had grown more than fivefold – to a record 5.2 million metric tons.¹⁸ Container traffic increased 2.6-fold (to more than 50,500 twenty-foot equivalent units (TEU)), which testifies to the involvement of major international operators (Maersk, the Mediterranean Shipping Company (MSC), CMA CGM).¹⁹

All of this points to a gradual structural reconfiguration of Eurasian logistics in recent years. According to the World Bank's forecast, provided bureaucratic and infrastructure barriers are removed, the throughput capacity of this route could reach 10–11 million metric tons by 2030 and, in the longer term, rise to 20 million metric tons, creating favorable conditions for expanding infrastructure, attracting investment and strengthening regional logistics ties. This would still be considerably below the annual throughput capacity of the Russian route, which stands at around 100 million metric tons.²⁰

One of the main advantages of the TITR is transit-time savings. Whereas traditional overland routes from China to Europe via Russia currently take 20–25 days, and maritime options 35–45 days, the average transit time along the "Middle Corridor" is only about 18 days and could, in the longer term, be cut to 12–14 days provided transport infrastructure is modernized.²¹ The main current challenges in this context remain the unresolved issues of final border delimitation and other security risks, as well as logistics and infrastructure problems related to the need to increase railway capacity, build new vessels, modernize ports (Aktau and Kuryk in Kazakhstan, Alat in Azerbaijan, Poti in Georgia), and introduce digital tools and customs reforms (including a single TITR digital platform) to speed up the movement of freight – all of which requires substantial capital investment to eliminate bottlenecks. The bulk of financing comes from the EU (under the Global Gateway program), China and Arab funds.

New opportunities are opening up thanks to the prospective implementation of the TRIPP project (The Trump Route for International Peace and Prosperity), which was agreed by US President Donald Trump, Azerbaijani President Ilham Aliyev and Armenian Prime Minister Nikol Pashinyan at a trilateral meeting in Washington in August 2025 and acquired practical shape in a series of Armenian–American framework agreements signed during the visit of US Secretary of State Marco Rubio to Yerevan on 26 May 2026. This project (which is a diplomatic and infrastructural reformatting of the Russian project of the so-called "Zangezur corridor") envisages the creation of a transport, energy and digital node 43 km long in the south of Armenia (Syunik Province) that will connect the main part of

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Azerbaijan with its exclave of Nakhchivan and with Türkiye. Its infrastructure is to be transferred to the management of an international consortium (under US auspices, with the US holding 74% and Armenia 26%) for a term of up to 99 years, minimizing the security risks of military escalations in the region. Direct US political involvement makes investment in TRIPP predictable for large private Western funds, insuring freight flows against regional crises.

In the context of the “Middle Corridor”, it acts as a powerful catalyst, since it makes it possible to resolve one of the most difficult geopolitical and logistical disputes of the South Caucasus, and also creates an alternative overland rail and road route running directly through Armenia to Türkiye and onwards to the EU, reducing critical dependence on the Baku–Tbilisi–Kars railway (via Georgia) or on maritime shipping across the Black Sea. The emergence of a competing southern branch deprives the route of the monopoly of individual transit operators and optimizes transport costs, while the laying of new oil and gas pipelines, power transmission lines and trunk fibre-optic communication lines will in essence turn it into an integrated multi-resource hub with high competitiveness.

At the same time, in geopolitical and geo-economic terms, the “Middle Corridor” (including the TRIPP project) is radically changing the balance of power in Eurasia, reducing Russia’s influence and creating new alliances.

First, against the backdrop of the Russia-Ukraine war and the crisis in the Middle East, it has become the safest overland bridge between East and West, allowing European and Chinese companies to trade without the risk of falling under sanctions. At the same time, it serves as a strategic commercial alternative for world trade, reducing its dependence on the traditional “Northern Corridor”, which runs through Russia, and on the critically vulnerable transit routes through the Strait of Hormuz and the Suez Canal.

Second, this project also serves the deeper interests of global and regional players:

- › the EU views it as a guarantee of its economic (above all energy) security and an important component of the Global Gateway strategy through the diversification of trade routes and the minimization of dependence on transit via Russia, as well as an instrument for strengthening its geopolitical influence in the South Caucasus and Central Asia, investing in the development of the region’s logistics nodes, ports and railway networks;
- › the US is strengthening its position at the strategic crossroads between the Black and Caspian Seas, gaining through the TRIPP instrument a long-term lever of influence in the South Caucasus, securing for itself an unprecedented role as diplomatic arbiter and security guarantor in the region and the ability to influence the regional logistics routes for delivering Chinese goods to Europe;
- › China, which focuses on economic expansion in the context of its own global geopolitical “Silk Road” strategy, is diversifying routes for the safe delivery of its goods to Europe in circumvention of sanctioned zones within the Belt and Road Initiative, integrating new railway corridors (such as China–Kyrgyzstan–Uzbekistan) into the TITR;
- › Türkiye is strengthening its role as the main logistics and energy hub between Asia, the Caucasus and Europe, creating a secure alternative, especially in view of the complications of transit through other Black Sea countries;
- › the countries of Central Asia and the South Caucasus (Kazakhstan, Uzbekistan, Azerbaijan, Armenia, Georgia) are turning from a geopolitical periphery into indispensable transit links, obtaining financial resources to strengthen their sovereignty and enhance their independence from Russia. Participation in the TITR allows them to break out of transport isolation, attract billions in infrastructure investment (railways, ports, telecommunications) and integrate into the global economic system. In addition, Kazakhstan and Azerbaijan gain the ability to supply oil and gas to Europe in circumvention of the Russian pipeline system, which fundamentally changes the balance on the European energy market

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Third, for the US and the EU the “Middle Corridor” is an important uninterrupted supply chain providing them with stable access to critically important raw materials (energy resources, rare-earth metals, minerals, lithium, cobalt, copper and uranium, which are needed for the defense industry and the “green” transition) from Central Asia (above all from Kazakhstan and Uzbekistan), reducing technological dependence on China. In the absence of logistics corridors, these resources would remain locked inside the continent under the control of Russia or China.

Fourth, this project serves as a weighty diplomatic instrument aimed at turning the conflict-ridden South Caucasus region into a zone of economic interdependence that would serve as a guarantee of long-term peace. It fosters regional stabilization, integration and reconciliation, “stitching together” the peace agreement between Armenia and Azerbaijan through shared economic interests and replacing protracted enmity with cross-border cooperation.

At the same time, its development is also a weighty factor in the consolidation of the Turkic world: the TITR route geographically unites the countries of the Organization of Turkic States (OTS) – Türkiye, Azerbaijan, Kazakhstan, Uzbekistan, Kyrgyzstan – into a single geopolitical and digital bloc, turning it into an independent center of power.

The non-participation of Russia and Iran in the projects of the “Middle Corridor”, and especially TRIPP, is of fundamental geopolitical and economic significance: it substantially reduces transit risks and limits the ability of these two states, which pursue aggressive policies and are under international sanctions, to use transport routes as an instrument of political blackmail or transit pressure. It also deprives Moscow and Tehran of substantial revenues from transit fees and investment, which they could use to circumvent sanctions or finance their own military programs.

In geopolitical terms, the build-out of the TITR/TRIPP radically changes the role of both countries in the new balance of power in the South Caucasus and Central Asia, reducing their geostrategic presence in the region, negating their ability to influence political processes in the regional states and to compete there with other geopolitical players, and deepening their isolation from regional economic relations. In this context, one can speak of the role of the aforementioned projects as instruments of geopolitical containment of Russia and Iran. At the same time, such isolation is pushing these states to develop their own alternative projects more actively, such as the international North–South transport corridor, relying on partnership with India and other countries that do not support Western sanctions regimes. They are also trying to counteract logistics integration without their participation, seeking – through intimidation, diplomatic pressure and economic and infrastructure sabotage – to block the implementation of the TITR/TRIPP and to impose on transit countries their own logistics formats, such as the Russian project of the “Zangezur corridor” (under the management of the Federal Security Service (FSB) of Russia) or the Iranian freight-transit route, which are being promoted as an alternative to TRIPP.

Challenges and Opportunities for Ukraine

For Ukraine, the changes in the balance of power in the South Caucasus open up a range of opportunities for projecting a strengthening of its presence in this strategically important region.

One promising avenue in this context could become military-political partnership. Ukraine, which acts as a key catalyst of change in the South Caucasus by containing Russian expansionism and helping to push Russia out of regional processes, is turning – for the states of the region interested in restraining the Kremlin’s imperial ambitions – into an important geopolitical partner, an alternative center of power capable of guaranteeing security and stability.

In the security dimension, such a partnership can rest on our state’s substantial military potential and on the unique military experience it has gained in the process of countering Russian aggression, the study of which could be useful for the countries of the South Caucasus. Today, Ukraine serves as a “shield” that ties down the bulk of Russia’s military resources, making it impossible to use them for pressure on the countries of the South Caucasus – which, in particular, has allowed Armenia and Azerbaijan to pursue more independent policies without looking over their shoulders at Moscow. This makes it not merely an important partner and a symbol of a successful struggle for independence, but also a potential contributor to regional security that could play a weighty role in the process of shaping a single security belt from the Black Sea to the Caspian.

Among the factors favorable to the deepening of regional security cooperation with Ukraine’s participation, one should note the high level of our state’s relations with the South Caucasus countries (relations with Azerbaijan and Georgia are defined in Ukrainian normative documents as strategic) and their considerable potential, its direct stake in the stabilization of the region, including Ukrainian diplomacy’s consistent support for the principle of the territorial integrity of Georgia and Azerbaijan and for the process of peace settlement between Armenia and Azerbaijan, which is taking place with the mediation of the US and the EU. Despite differences in their foreign-policy positioning, Azerbaijan, Armenia and Georgia generally hold neutral/cautiously pro-Ukrainian assessments of the Russia-Ukraine war, and the participation of volunteers from these countries in the ranks of the Armed Forces of Ukraine (AFU) strengthens informal ties and solidarity between the peoples. High-level diplomatic contacts with the countries of the region, as well as with the global players engaged in the new regional architecture, are helping to shape new security alliances in which the dominant role today is played by Türkiye, the US and European partners rather than by Russia.

Yet another strategic avenue could become multidimensional economic partnership, in which Ukraine offers new sales markets and a European-integration vector, while the countries of the South Caucasus act as important partners in ensuring energy, food and raw-materials security and in developing trade, creating an alternative to Russian goods on local markets and an economic counterweight to Russian monopolies.

Ukraine is viewed as a potential end hub for the logistics routes running through the South Caucasus, notably in the context of the “Middle Corridor” project. Given our state’s geographical position and its close integration ties with the EU, its participation could prove critically important for delivering energy resources, agricultural products and goods from this region and from Central Asia to the markets of the countries of Central, Eastern and Northern Europe and the Baltic states in circumvention of Russian territory, should freight volumes along this route continue to grow. Under such a scenario, Ukraine’s Black Sea ports (above all Chornomorsk) and the ferry link between Ukraine and Georgia become additional logistics links for transporting cargo along this route to the EU.

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It should be noted that despite the difficult security situation and the blockade of shipping in the north-western part of the Black Sea, Ukraine continues to maintain a direct logistics connection with the countries of the South Caucasus (Azerbaijan, Georgia) and Central Asia. Amid ongoing hostilities, it managed in March 2025 to relaunch (in test mode) the ferry service with the Georgian port of Poti for the delivery of container trains. This project, in which Ukrzaliznytsia (Ukrainian Railways) and the shipping company Ukrferry take part, provides for the ferries “Heroes of Plevna” and “Heroes of Shipka” to carry cargo from Caspian ports via Poti to the ports of Greater Odesa and onwards to Europe. However, the launch of regular sailings and the resumption of operations at the specialized multimodal complex in the port of Chornomorsk, whose capacity allows the handling of up to 4.5 million metric tons of cargo of various types annually, depends directly on an improvement in security conditions tied to the duration of the Russia-Ukraine war and our state’s ability to ensure the safety of navigation in the Black Sea.²² Constraining factors also remain the infrastructure limitations of Ukrainian ports and logistics routes, which prevent the full-scale attraction of transit Chinese and Asian cargo and the transport of resources, including “green” electricity; the rising cost of freight and insurance caused by the destabilization of shipping in the Black Sea and, as a consequence, the increased cost of delivering Ukrainian agricultural and metallurgical exports; a shortage of available container tonnage; as well as a shortage of investment resources linked to regional instability, which slows the attraction of capital investment in the rebuilding of Ukraine’s destroyed infrastructure.

At the same time, for Ukraine the “Middle Corridor” project has several critically important geopolitical dimensions. First, by integrating into this logistics route, which is closely linked to the development of the transport corridor of the GUAM Organization for Democracy and Economic Development (GUAM),²³ it objectively turns into an important geopolitical partner both for the EU and for the countries of the South Caucasus and Central Asia that seek geopolitical independence from the Kremlin. Ukraine acts as a natural ally of these states in creating sovereign trade routes, which strengthens Kyiv’s regional diplomatic positions.

Second, Ukraine’s participation in the “Middle Corridor” project opens up for it the possibility of becoming part of the EU’s Global Gateway strategy, attracting European investment in the modernization of infrastructure and ports and aligning them with EU logistics standards, which will be an important step in the context of our state’s integration into the EU.

Third, Ukraine’s inclusion in the logistics chains supplying the energy and raw-material resources of the Caspian region to the EU will allow it to directly obtain oil, gas and critically important minerals needed for the defense industry, high-technology sectors and the “green” transition.

Fourth, the transformation of the Black Sea into a safe zone of international transit reduces the geopolitical impact of Russia’s military projection and restores to Ukraine the status of a key maritime player in the region.

At the same time, in a broader context, the current geopolitical changes in the balance of power in the South Caucasus create for Ukraine a series of serious geopolitical, security and diplomatic challenges and risks to its ambitions of becoming an influential regional player.

It must be borne in mind, above all, that today’s international relations in the South Caucasus are the product of a complex balancing of interests, of open and covert alliances and conflicts, of the direct and asymmetric influence of major geopolitical and regional players, and of the action of multidirectional factors. Ukraine therefore needs to build, in its relations with the countries of the region, a complex balance between strategic security interests, economic engagement and these states’ desire to avoid conflicts with the great geopolitical powers, including Russia. Its complexity lies in the fact that each of these three countries has diametrically opposed interests, a unique pattern of dependence on Russia and conflicts with one another, as a result of which diplomatic steps in favor of one state often damage relations with another. A challenge in this context remains finding a balance in relations with Armenia, which is distancing itself from Russia, without harming the long-

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standing and critically important strategic partnership with Azerbaijan, given the persistently high level of conflict potential in Armenian–Azerbaijani relations. Yet another challenge, in view of Georgia's critical importance for Ukraine's logistical access to the South Caucasus, is the search for a balance in relations with the pro-Russian Georgian Dream government without losing the goodwill of Georgian civil society, which actively takes pro-Ukrainian and pro-European positions, and the possibility of preserving a shared European-integration track.

An important challenge to the strengthening of Ukraine's regional role may become the Turkish factor, given that Türkiye is today the main beneficiary of the reduction of the Russian presence in the South Caucasus. Without a strategic partnership with Ankara that involves the search for balances across a broad spectrum of political, economic and security interests, it will be difficult for our state to build up its positions in the region, lacking autonomous military-political levers there. Account should also be taken of the interests and influence of the geopolitical players (the EU, the US, China, Iran) that are intensifying their rivalry for control over the Caucasus transit routes, as well as of the fact that none of the South Caucasus countries can completely ignore Russia, owing to geographical proximity and economic ties.

Significant risks in the context of the Russia-Ukraine war remain security and military threats. Ukraine's intentions to integrate into the logistics of the "Middle Corridor" make Ukrainian infrastructure a target for Russian hybrid attacks and sabotage. One can anticipate Russian attempts to block or destroy logistics nodes in the Black Sea (ports, terminals) with the aim of disrupting Caucasus transit bypassing its territory, which would reduce the attractiveness of the Ukrainian route.

Moreover, as long as the war with Russia continues, Ukraine's internal economic and diplomatic resources remain critically limited. In the foreseeable future, this resource deficit may become a constraining factor for the active advancement of Ukrainian interests in the South Caucasus, which will clearly require substantial financial and political investment currently needed for internal defense and reconstruction.

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The Author

Kostiantyn Kononenko

Advisor to the Director of the National Institute for Strategic Studies

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