

Araştırma Makalesi / Research Article

THE IMPACT OF AZERBAIJAN-TURKMENISTAN ENERGY COOPERATION ON THE CASPIAN ENERGY SECURITY

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AZERBAIJAN-TÜRKMENİSTAN ENERJİ İŞBİRLİĞİNİN HAZAR ENERJİ GÜVENLİĞİNE ETKİLERİ

Abstract

With the end of the Cold War, a global competition began for the exploration, extraction and transportation of the Caspian energy resources. It is suggested that the cooperation of the two energy-rich countries, Azerbaijan and Turkmenistan, will not only increase the influence of these countries in the international arena, but also contribute to the energy security. Turkmenistan's active foreign policy with Berdimuhamedov increased the impact of Turkmenistan on the energy projects. Azerbaijan, on the other hand, will be able to focus more on energy projects after it liberated its territories from the Armenian occupation in the Nagorno-Karabakh conflict with a successful military operation.

In this article, the cooperation of Azerbaijan and Turkmenistan is analyzed within the framework of the developments in foreign policies of these countries and regional security.

Keywords: Azerbaijan, Turkmenistan, Energy, Security, Caspian Sea.

Öz

Soğuk Savaş döneminin sona ermesiyle birlikte Hazar enerji kaynaklarının çıkarılması ve taşınması konusunda küresel bir rekabet başladı. Bu çalışmada iki enerji zengini ülke olan Azerbaycan ve Türkmenistan'ın iş birliğinin sadece bu ülkelerin uluslararası alanda etkilerini arttırmakla kalmayıp, enerji güvenliğine de katkıda bulunacağı argümanından hareket edilmektedir. Türkmenistan'ın Berdimuhamedov dönemiyle birlikte izlediği aktif dış politika enerji projelerinde etkisini arttırmıştır. Azerbaycan ise Dağlık Karabağ çatışmasında topraklarını

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İntihal Taraması: Bu makale intihal taramasından geçirilmiştir.

Etik Beyan: Bu çalışmanın hazırlanma sürecinde bilimsel ve etik ilkelere uyulduğu ve yararlanılan tüm çalışmaların kaynakçada belirtildiği beyan olunur (Kamer Kasım).

Atıf: Kasım, K. (2021), The Impact of Azerbaijan-Turkmenistan Energy Cooperation on the Caspian Energy Security, *Abant Sosyal Bilimler Dergisi*, 21(3), s. 945-960, <https://doi.org/10.11616/asbi.971680>.

Makale Gönderim Tarihi: 14.07.2021

Makale Kabul Tarihi: 08.09.2021

işgalden başarılı bir askeri operasyonla kurtarmış ve enerji projelerine daha fazla odaklanma imkânı bulmuştur.

Bu makalede Azerbaycan ve Türkmenistan iş birliği bu ülkelerin dış politikalarındaki gelişmeler ve bölgesel güvenlik çerçevesinde analiz edilecektir.

Anahtar Kelimeler: Azerbaycan, Türkmenistan, Enerji, Güvenlik, Hazar Denizi.

1. Introduction

The basic definition of energy security is the uninterrupted availability of energy sources at an affordable price. Energy security has supply and demand aspects. For the energy exporting countries, continues access to international markets and security and reliability of energy transportation lines are the important issues. For energy importing countries, continuous supply of energy at affordable prices is the main aspect of energy security. Energy security in the long term also required investment of energy sources and facilities, which is important for energy exporting and importing countries. (International Energy Agency, 5 March 2021). Energy security became an issue during the crisis times in the world. During the Cold War era the major crisis happened with the 1973 oil price shocks, which shacked economies of the countries which depended on energy imports. The energy security of the Caspian region became a topic after the disintegration of the Soviet Union. The littoral states of the Caspian Sea increased to five after the independence of Azerbaijan, Turkmenistan, and Kazakhstan. Energy producers Russia, Iran, Azerbaijan, Turkmenistan, and Kazakhstan became players of global energy competition. Regarding the Caspian energy resources besides littoral states, the US, the EU, China, Turkey, Georgia, and Uzbekistan are also actors for the extraction and transportation of Caspian resources.

During the Cold War era Moscow and Tehran were the parties for the issues of the Caspian Sea. The disintegration of the Soviet Union changed this picture. The Caspian resources have been opened for the usage of international markets. This created the sharing problem of the Caspian Sea led to the status discussion. Besides the idea of “New Great Game” came on the agenda with the international competition for the control over the regional resources. Differences among littoral states about the status of Caspian and regional instability and conflicts were questioned the realization of energy projects and energy security of the Caspian Sea. Despite this picture and existence of potential threats, energy projects continued and Baku-Tbilisi-Ceyhan oil pipeline, Baku-Tbilisi-Erzurum natural gas pipeline and TANAP (Trans Anatolian Pipeline) were completed. However, energy security has been debated which questioned possibility of new investments and projects in the region.

There have been important developments regarding energy security in the Caspian Sea. The first development is the agreement among riparian countries about the status of Caspian. Another important development for the energy security is the agreement between Azerbaijan and Turkmenistan on the field which was named Kepez by Azerbaijan and Serdar by Turkmenistan. They agreed to call the field as *Dostluk* (Friendship) and work together in the field. Regarding the Nagorno-Karabakh conflict, Azerbaijan conducted successful military operation to end occupation of its territories.

In this article, the cooperation of Azerbaijan and Turkmenistan will be analyzed within the framework of the developments in foreign policies of these countries and regional security. The impact of the possible strategies of Azerbaijan and Turkmenistan on the energy security of the Caspian region will also be evaluated. It is argued that cooperation between the two energy rich countries and Azerbaijan's liberation of its territories in the Nagorno-Karabakh conflict would contribute energy security.

2. The Developments in the Caspian Energy Resources

The Caspian energy resources were opened to the exploitation for the international markets after the disintegration of the Soviet Union. Landlocked energy fields required pipelines to export these energy resources. Therefore, competition for the transportation of the Caspian resources involving regional and non-regional actors became an important part of post-Cold War discussions about the Caspian region. Azerbaijan and Turkmenistan's resources would be focused on in this article. Turkey wanted the Caspian oil to be transported to the international markets and came up with Baku-Tbilisi-Ceyhan projects. Russia wanted oil to be shipped from its Novorossiysk Port as called northern line and Iran also wanted oil to be shipped from the Gulf passing through its own territories. Azerbaijan was focus of interest particularly for its oil resources and later its natural gas. Azerbaijan has proven oil reserves of 7-13 billion barrels, and potential reserves amount to 17.5 billion barrels. Azerbaijan has 35 trillion cubic feet of natural gas. With potential reserves, this amount rises to 67 trillion cubic feet. (<http://www.eia.doe.gov/cabs/Azerbaijan/NaturalGas.html>. <https://www.eia.gov/international/analysis/country/AZE>). In 1994 Azerbaijan signed agreement with International Oil Consortium to exploit the Chirag, Gunesli and Azeri oil fields. This agreement was called the Oil Contract of the Century. Russian Foreign Ministry was particularly against any agreement regarding the exploitation of the Caspian resources without an agreement on the status of the Caspian Sea. However, Azerbaijan gave 10 % share to

the Russian Company Lukoil so that Russian Prime Minister Chernomyrdin stated that he did not mind signing the agreement. (Roberts, 1996: 51. Kasım, 2001:185-198).

In the competition for the transportation of the Caspian resources, Turkey's proposal east-west energy corridor has been chosen and pipeline for the transportation of Azerbaijan's main oil named as Baku-Tbilisi-Ceyhan. Azerbaijan's support of this option and Turkey, Azerbaijan, Georgia cooperation and besides the West's support led to this result. However, the Baku-Tbilisi-Ceyhan pipeline became fully operational in 2006. Regarding Azerbaijan's natural gas, Baku-Tbilisi-Erzurum national gas pipeline opened in 2005. TANAP opened in 2018. TANAP as 1850-kilometer pipeline would carry 16 billion cubic meters gas. Its connection with Europe became operational in 2019. Europe would get 10 billion cubic meters gas from the pipeline. The capacity of TANAP would increase up to 31 billion cubic meters. (TANAP web site, tanap.com). Despite the fact that the existence of regional instability and conflicts and disagreements about the status of the Caspian Sea among riparian states, these projects have been completed. Azerbaijan had important steps for the extraction and exportation of its energy resources. However, if there were no obstacles these projects would have been completed much earlier. Regional stability and settlement of the conflicts and agreement of the status of the Caspian Sea would stimulate new energy projects and wider cooperation regarding regional energy resources.

Turkmenistan has rich in natural gas resources, and it has estimated proven 265 trillion cubic feet natural gas reserves. Turkmenistan's proven oil reserves had an estimated 600 million barrels. Turkmenistan has several world largest natural gas fields. Among them the Galkinish is the world second largest field. Turkmenistan became one of the leading natural gas exporter countries. However, Turkmenistan had been depended on Russia for a long time for exporting its natural gas. The construction of the pipelines from Turkmenistan to China changed this picture. There are four pipelines and three of them active from Turkmenistan to China and Turkmenistan has been exporting natural gas with three pipelines reaching to China through Uzbekistan and Kazakhstan and 2.3 trillion cubic feet (65 billion cubic meters) gas exported from these pipelines. Turkmenistan also built pipeline that connects the Galkinish field to the Eastern coast of the Caspian Sea. This pipeline has the capacity of 1 trillion cubic feet and situated in the proposed the Trans-Caspian Pipeline would link with Turkmenistan. (US Energy Information Administration). Turkmenistan-Afghanistan-Pakistan-India (TAPI) will be 1814 kilometers long and capacity would be more than 1 trillion cubic feet capacity. The construction

of the pipeline's Turkmenistan-Afghanistan section started in December 2015 and Afghanistan-Pakistan section in February 2018. The pipeline has not been completed. (<https://www.hydrocarbons-technology.com/projects/turkmenistan-afghanistan-pakistan-india-tapi-gas-pipeline-project>. See Sarı, 2016:175-181). Turkmenistan aimed to diversify the customers of its natural gas since the independence. For this reason, Turkmenistan wanted the Trans-Caspian Pipeline project and other countries to support it. The First President of Turkmenistan, Niyazov was not happy regarding Turkey's agreement with Russia about the Blue Stream project. He argued that *"Turkey does not need the Blue Stream project. Turkey and Turkmenistan are one nation and two states. We have to speed up the Turkmen pipeline project. Russia does not want Turkmen gas to be reach the world market and the Blue Stream project will only benefit Russia."* (Tınç, 8 October 1999). However, Turkey also supported the Trans-Caspian pipeline and became Turkmenistan's supporter in international platforms. Turkey's relations with Turkmenistan developed in many fields and Turkey became an important actor as a mediator in Turkmenistan-Azerbaijan relations. (Kasım, 2016: 97-130). Turkmenistan has also pipelines connecting with Iran, however, Turkmenistan had problem for receiving payment from Iran. Iran claimed that it made the payment to the national gas company of Turkmenistan, Turkmengaz. (*Anatolia Agency*, 2 January 2017). The case was taken to the International Court of Arbitration and the Court ordered Iran to pay Turkmenistan \$2 billion for Turkmen gas purchased from 2007 to 2013. Iran Ministry of Petroleum argued that *"this decision cannot be disseminated by any of the parties to the dispute, except with the agreement of the parties."* Iran has been considered by Turkmenistan as unreliable partner. (Annayev, 7 July 2020). However, Iran expressed its will for natural gas cooperation with Turkmenistan. (<https://business.com.tm/post/6692/iran-expresses-readiness-for-natural-gas-cooperation-with-turkmenistan#>, 18 February 2021).

Turkmenistan continued its energy cooperation with Russia even though China replaced it as a main customer of Turkmenistan's natural gas. While Turkmenistan's gas sale to Russia was 40 billion cubic meters annually in 2008, it declined to 4 billion cubic meters in 2015. Russia stopped buying gas from Turkmenistan in 2016 due to the dispute over a gas price and case even was brought to the arbitration court. Turkmenistan and Russia agreed for gas sale in 2019. According to the agreement Gazprom will import 5.5 billion cubic meters natural gas annually from Turkmenistan and the agreement will last 5 years. There was an argument that Russia would like the construction of the Trans-Caspian pipeline to be delayed if not to be prevented. So that Russia decided to purchase gas from Turkmenistan.

Especially it is the fact that the agreement came after the five Caspian littoral states reached an agreement about the status of the Caspian Sea, which was considered to boost for the Trans Caspian pipeline. (Anatolia Agency, 4 July 2019. Putz, 25 April 2019).

3. Agreement About the Status of the Caspian Sea

There have been two important developments directly impacted on the Caspian energy security and energy exploitation and transportation projects. One is the agreement about the status of the Caspian Sea among the littoral states. Another development is the agreement between Azerbaijan and Turkmenistan to settle the dispute about energy fields in the Caspian Sea and enhance energy cooperation between the two Caspian states. Besides Azerbaijan's successful military operations to liberate its territories, which were under the Armenian occupation and the agreement that both sides reached on 10 November 2020 would be considered positive developments regarding energy security in the region.

The Caspian Sea had only two littoral states before the disintegration of the Soviet Union. Afterwards, with the independence of Azerbaijan, Turkmenistan and Kazakhstan, the number of littoral states of the Caspian increased to five. The Treaty of Friendship between The Soviet Union and Iran focused on mainly navigation rights and fishing about the natural resources regarding the Caspian. The littoral states had disagreements about the status of the Caspian and how to manage the natural resources there. After 22 years of negotiations Azerbaijan, Turkmenistan, Kazakhstan, Russia, and Iran signed the Convention on the Legal Status of the Caspian Sea on 12 August 2018. According to the Convention each littoral state would have exclusive control over an area 15 nautical miles from its shores for mineral and energy resources and a further ten miles control for fishing. Regarding the surface agreement considered the Caspian as Sea, however, dividing the seabed into territorial zones, along the lines a lake. (Kramer, 12 August 2018. Koçak, 25 August 2018. <https://www.nortonrosefulbright.com/en-tr/knowledge/publications/5f222b95/the-convention-on-the-legal-status-of-the-caspian-sea---a-sea-or-not-a-sea-that-is-still-the-question>, September 2018). The dispute about the status of the Caspian was mainly about the usage of natural resources. This Convention solved the issue. However, President of Iran suggested further talks to divide up seabed's resources. Regarding the energy projects and energy security of the Caspian, the Convention opened way to the energy projects that would not be implemented due to the ambiguity about the status of the Caspian. The Convention stated that a pipeline route requires agreement only between

countries through which the pipeline crosses. To construct pipelines, it would be enough to agreement between countries whose seabed territories are crossed. Therefore, after the Convention Trans-Caspian pipeline would be possible which will go through from Turkmenistan to Azerbaijan. Russia and Iran opposed the Trans-Caspian Pipeline using environmental concerns, however, their objections motivated with economic and strategic elements. The Trans-Caspian pipeline, if it is constructed, would carry up to 30 billion cubic meters of natural gas from the other side of the Caspian shores to Azerbaijan. Through the Trans-Caspian pipeline Turkmenistan's natural gas would be integrated with Azerbaijan's gas and sent to Europe. In the case of oil exports, if it is constructed, the Trans-Caspian oil pipeline could make export of Kazakhstan oil from Kashagan oil field easier. (<https://www.nortonrosefulbright.com/entr/knowledge/publications/5f222b95/the-convention-on-the-legal-status-of-the-caspian-sea---a-sea-or-not-a-sea-that-is-still-the-question>, September 2018. Kramer, 12 August 2018). One of the features of the Convention is that it prohibited non-littoral states to have military vessels in the Caspian Sea. Russia, particularly, wanted this to keep non-regional actors out of the Caspian militarily. (Putz, 13 August 2018).

It might be argued that the agreement among the littoral states of the Caspian Sea is the important step, which would give rise to new energy projects and the projects that have been on the agenda for a long time would have a chance to be implemented. The Trans-Caspian pipelines would make a real difference and enhance the energy security of the region. However, there is need for cooperation and solution of the disagreements between the countries that these energy projects would be implemented.

4. Resolve of Azerbaijan-Turkmenistan Dispute Over The Caspian and Bilateral Cooperation

The two energy rich Caspian states Azerbaijan and Turkmenistan have in strategic position for the energy security and pipeline diplomacy. As it was mentioned above, considering the Azerbaijan's and Turkmenistan's energy developments and pipeline projects that they involved, the two states have more potential to be influential in energy politics than in their current positions. This could especially be realized if Azerbaijan and Turkmenistan fully cooperate on the Caspian Sea. The most important step has been taken on 21 January 2021 when Azerbaijan and Turkmenistan signed a memorandum of understanding on the development of field they called Dostluk which previously was called by Azerbaijan as Kepez and Serdar by Turkmenistan. This field has proven reserves of 1.4 billion barrels of oil. (Pannier, 22 January 2021).

Azerbaijan and Turkmenistan had disagreements about the ownership of three fields in the Caspian Sea, which are Azerbaijan called Azeri, Turkmenistan called Omer, Azerbaijan called Chirac, Turkmenistan called Osman and Azerbaijan called Kepez and Turkmenistan called Serdar. Azerbaijan started extractions in the Chirac field in 1997 and the Azeri field in 2002. The dispute could not be solved and both countries withdrew their ambassadors in 2001. Azerbaijan and Turkmenistan relations started to improve with Berdimuhammedov's Presidency in Turkmenistan. Berdimuhammedov visited Azerbaijan in May 2008 and Azerbaijan's President Aliyev visited Turkmenistan in November 2008. Turkmenistan hosted Azerbaijan's culture days in 2009 and Azerbaijan hosted Turkmenistan culture days in 2010. One of the most important steps for the improvement of relations was the agreement between Azerbaijan and Turkmenistan to repay Azerbaijan's debts to Turkmenistan for Turkmenistan's natural gas exports in the 1990's. According to the agreement signed on 5 March 2008, Azerbaijan will pay close to 45 million USD to Turkmenistan. They reached an agreement for the assignments of ambassadors after 7 years in March 2008. Both countries agreed not to have any activities in the Kepez/Serdar field until they reached a consensus about the field. Although one minor incident occurred when Azerbaijan's patrol ship stopped a ship Turkmenistan stated that it was carrying out scientific research. Azerbaijan-Turkmenistan consensus about not to conduct any activities in the Kepez/Serdar field before an agreement prevented escalation of the dispute. Turkmenistan argued to bring the dispute about the field to the International Court of Justice. Even in this atmosphere before the agreement of 2021, Turkmenistan President Berdimuhammedov expressed his support of the Trans-Caspian Pipeline and argued that the Trans-Caspian Pipeline is one of the objectives of Turkmenistan's energy policy. (Kasım, 2015:60-82. Weber, 15 November 2012).

Although Azerbaijan and Turkmenistan emphasized their arguments and continued to claim ownership, negotiations also continued between the two countries. In this context the trilateral mechanism of Azerbaijan-Turkey-Turkmenistan played an important role, and the mechanism has got major progress since the first meeting among foreign ministers of Azerbaijan, Turkey, and Turkmenistan in Baku on 26 May 2014. (<http://www.mfa.gov.tr/turkiye-azerbaycan-ve-turkmenistan-disisleri-bakanlari-uclu-toplantisinin-ilki-baku-degerceestirildi.tr.mfa>). Azerbaijan-Turkmenistan agreement on joint exploration and development of hydrocarbon resources of the Dostluk field is the result of many years of negotiations. Berdimuhammedov states that "*This document, which is the result of many years of work between our countries, is aimed at strengthening cooperation and mutual understanding in the field of energy,*

unlocking the joint potential of the two largest energy states, creating the most favorable conditions for sustainable energy, and further reinforcing our mutually beneficial and international partnership," Aliyev stated that "I would call today's document historic because Azerbaijan and Turkmenistan are starting joint work on the development of a field in the Caspian Sea for the first time, and this field and work on the field will bring our countries and peoples even closer together and benefit both the Turkmen and Azerbaijani peoples," (Anatolia News Agency, 22 January 2021).

There might be important consequences for this agreement for the energy security and the new developments in the region. The agreement between Azerbaijan and Turkmenistan will give a new boost for the long-awaited Trans-Caspian natural gas pipeline, which would carry 30 billion cubic meters of Turkmenistan's gas across of the Caspian Sea to Azerbaijan into Europe. The Trans-Caspian pipeline could also feed into the Southern Gas Corridor. (Pannier, 22 January 2021). Azerbaijan with the completion of TANAP started to deliver natural gas to Greece and Bulgaria at the end of 2020. Azerbaijan-Turkmenistan cooperation and construction of the Trans Caspian pipeline would increase both states' international profile and strategic importance. Turkmenistan would be able to diversify its export options of oil and natural gas resources.

Azerbaijan and Turkmenistan also cooperated in terms of oil resources. Azerbaijan's SOCAR will procure 30,000-40,000 tons of petroleum per a month produced by Eni from Turkmenistan's Okarem field. This volume of Turkmenistan's oil will be transported through Baku-Tbilisi-Ceyhan pipeline. One of obstacles for the Trans-Caspian Pipeline has been lifted with the Convention on the Legal Status of the Caspian Sea signed by the littoral states on 12 August 2018. Another obstacle for the pipeline was the dispute between Azerbaijan and Turkmenistan. The Memorandum of Understanding signed by the two states on 21 January 2021 removed another barrier for the construction of the Trans-Caspian Pipeline. The only obstacle may remain the objection of some countries for the Trans-Caspian Pipeline. The major objection came from Russia since Russia did not want more than 10 billion cubic meters of gas to be pumped to Europe with Southern Corridor as TANAP provides this amount to Europe. The other obstacles as fluctuations in the gas prices and Covid 19 impact on gas demand might be considered as temporary and conjectural. (Mammadov, 27 January 2021). However, Azerbaijan, Turkmenistan and even Kazakhstan's support of the Trans-Caspian Pipeline will increase its chances. Turkey is an important position as a consumer and a transit country for Azerbaijan oil and natural gas also supports the Trans Caspian pipeline.

Turkey's Foreign Ministry stated after the Azerbaijan-Turkmenistan agreement that "*We wish that this agreement will further strengthen the friendship between the two countries, will be auspicious for the friendly and brotherly peoples of Turkmenistan and Azerbaijan and contribute to the prosperity and stability of the region,*" and "*We also wish that this agreement will pave the way for the projects to enhance the energy security of Turkey and the rest of Europe.*" (http://www.mfa.gov.tr/no_-31_-azerbaycan-turkmenistan-in-hazar-denizindeki-dostluk-sahasi-konusunda-anlasma-hk.en.mfa, 21 January 2021. *Anatolia News Agency*, 22 January 2021).

The agreement among the Caspian littoral states for the status of the Caspian Sea was the first important step for the Trans Caspian pipeline and energy security in the region and another important step came with the Memorandum of Understanding between Azerbaijan and Turkmenistan. Azerbaijan's and Turkmenistan's policies and objectives regarding energy security became a matter of regional energy security and even energy security of Europe and China. Azerbaijan aimed to construct more offshore drilling platforms and to increase its export capacity. Azerbaijan wanted to be an energy hub as transporting Turkmenistan's and Kazakhstan's resources. Azerbaijan while keeping secure access for existing markets for its energy resources, it also wanted to reach new markets in Europe and enlarge its capacity via the new markets. Turkmenistan wanted to diversify markets for its natural gas. Construction of pipelines reaching to China provided access to the very large market. Turkmenistan aimed to reach Europe through the Trans-Caspian Pipeline and it also wanted the construction of TAPI. (Akyener, 2016: 52-65). Turkmenistan also wants to continue gas exports to Russia and Iran. To solve disputes about the status of the Caspian and the disputes about energy fields in the Caspian Sea had crucial importance in terms of energy security for Azerbaijan and Turkmenistan. Therefore, the Convention about the status of Caspian in 2018 and the Memorandum of Understanding between Azerbaijan and Turkmenistan supported Azerbaijan and Turkmenistan's objectives about energy security. After the Memorandum of Understanding, Turkmenistan might attract foreign investments since Azerbaijan has a reputation among foreign investors as protecting their investment, cooperation with Azerbaijan will help Turkmenistan in that way. Azerbaijan and Turkmenistan agreement of joint production as a solution also provided example of method of solving similar disputes. (Shaffer, 16 February 2021).

Another important development which impacted on the energy security of the region was Azerbaijan's successful military operations in the Nagorno-Karabakh conflict to liberate its territories from the Armenian occupation.

5. Azerbaijan's Successful Military Operation in Nagorno-Karabakh Conflict and Impact on Energy Security

The Nagorno-Karabakh conflict was one of the major problems which also threatened energy security. When the ceasefire agreement was signed in 1994, 20 % of the territories of Azerbaijan was under the Armenian occupation. There were ceasefire violations which had the potential to restart of the conflict. In fact, the Armenian violation of ceasefire turned into conflict in which Azerbaijan took back three strategically important hills on 2-5 April 2016. The Armenian ceasefire violations continued time to time. The Armenian forces attacked on villages in Agdam and Tovuz region of Azerbaijan on 12 July 2020. The Armenian attack was also considered as an attack on the energy security and security of the pipelines since Tovuz region is of vital significance in that case. Due to its aggressive policy and violations of international law, Armenia became out of regional major energy and transportation projects. Therefore, the Armenian administration did not hesitate to damage energy infrastructure. (Kasım, 2020: 190-191. Jafarova, 24 July 2020). Armenia's consistent threats to Azerbaijan's energy infrastructure created very negative image of Armenia regarding energy security and Armenia has been perceived a threat for regional and global energy security.(For the impact of Armenia's relations with the US see Abrahamyan, 2 October 2019).

Azerbaijan as a massive energy producer country was an important place in energy security, and took the initiative to end the Armenian threats and occupation on 27 September 2020. Azerbaijan reached the conclusion that negotiations and ceasefire process since 1994 did not produce any prospect for settlement of the conflict and to end the occupation of its territories so military means necessary to do that. Azerbaijan's successful military operation to liberate its territories resulted the agreement signed on 10 November 2020. Azerbaijan gained back Kelbecer, Lachin and Aghdam without a battle, besides the territories have been liberated through conflicts. According to deal Russia would deploy peacekeeping contingent along the contact line in Nagorno-Karabakh and the Lachin corridor. Russia's peacekeeping contingent would be deployed for five years with automatic extension by further five-year periods if none of the parties declares six months before the expiration of the period of its intention to terminate the application of this provision. Both sides agreed that internally displaced persons and refugees would be returned to the territory of Nagorno-Karabakh and adjacent districts and the parties agreed unblocked all economic and transport links in the region. Armenia would provide for transport communication between the western regions of Azerbaijan and Nakhichevan to organize an unhindered movement of citizens, vehicles,

and goods in both directions. (Kasım, 2020: 181. *Russian News*, 10 November 2020).

The settlement agreement of the Nagorno-Karabakh conflict is considered an important development regarding energy security of the region. Oil and natural gas pipelines of Azerbaijan had been targeted by the Armenian forces during ceasefire violations time to time. As the Energy Minister of Azerbaijan Shahbazov stated that high ranking Armenian officials even declared the intention to destroy Sangachal oil and gas terminal which is one of the biggest in the world. Azerbaijan's liberation of its territories from the Armenian occupation would ensure the security and reliability of Azerbaijan's energy pipelines and projects. (News. Az, 12 November 2020).

6. Conclusion

There have been important developments regarding the Caspian energy resources since the collapse of the Soviet Union. Competition for the extraction and transportation of oil and natural gas resources had resulted completion of energy projects despite problems during the process. One of the major obstacles was the disagreement about the status of the Caspian among the littoral states. The Convention on the Legal Status of the Caspian Sea signed by the littoral states on 12 August 2018 was important in terms of regional cooperation and removed one of the obstacles for proposed projects. Another important boost for proposed and future energy projects and energy security of the region came with the cooperation between Azerbaijan and Turkmenistan. Memorandum of Understanding on the development of the field renamed as Dostluk was signed by Azerbaijan and Turkmenistan on 21 January 2021 might pave way projects like the Trans-Caspian Pipeline. Through new energy projects Turkmenistan's energy resources could be reached to the European market. Turkmenistan would be able to diversify its customers and increase its strategic position and could receive more investments in its energy resources. Azerbaijan would increase its profile as a major energy supply country. If Turkmenistan and Kazakhstan energy resources integrated with Azerbaijan's through new pipelines, this would contribute regional cooperation and energy security. The Convention on the Legal Status of the Caspian Sea would also support this process.

Azerbaijan-Turkmenistan cooperation will activate regional dynamics even faster after Azerbaijan's successful military operation to liberate its territories from the Armenia occupation. This will increase Azerbaijan's confidence and reliability of Azerbaijan's energy projects. Azerbaijan-Turkmenistan agreement indicated that through negotiations and

facilitating role of suitable country, regional cooperation will be possible, and disputes will be resolved much easier. Azerbaijan, Turkey, Turkmenistan trilateral mechanism is an example of the cooperation among the Turkic Republics, and this also showed that that type of cooperation is the benefits of energy rich countries and for the energy security of the region.

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