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EU Connectivity Under Pressure:

The Iran War and the
Geopolitical Reconfiguration
of the South Caucasus

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Introduction

A surprising and unexpected phone call between US Secretary of State Marco Rubio and Georgian Prime Minister Irakli Kobakhidze on 30 March 2026, reportedly addressing security issues in the South Caucasus and the Black Sea region, carried significance beyond a routine bilateral exchange. Although the precise content of the conversation remains unclear amid the cooling of U.S.–Georgia relations, it is widely assumed that the discussion focused on broader security dynamics in the Black Sea region rather than strictly bilateral matters. It signalled that the strategic geography of the region had acquired a new level of importance: the South Caucasus had become part of a wider security equation linking the Middle East, the Black Sea, Central Asia and Europe.

That message became clearer two days later, when a US Air Force C-17 aircraft landed briefly at Tbilisi International Airport. Washington described the movement as routine. Tehran interpreted it differently. Iran’s ambassador to Georgia warned that countries allowing foreign actors to use their territory could eventually “pay the price at home¹”. The episode illustrated the new strategic exposure of the South Caucasus: as the region becomes a transit, logistics, and connectivity hub linking Europe, Asia, and the Middle East, it simultaneously becomes more exposed to external pressure and geopolitical competition. Traditional regional powers—particularly Russia, Turkey, and Iran—continue to shape the South Caucasus through security dynamics and corridor politics. At the same time, a new layer of economically driven actors has

¹ Civil Georgia. (2025). *Iranian Ambassador Warns of ‘Price’ of Aiding U.S., Day After Rubio-Kobakhidze Call*. Retrieved from [Civil Georgia](#).

emerged. China and the Gulf states are increasingly engaging through infrastructure investment, trade connectivity, and geoeconomic initiatives, while India, Pakistan, and Israel have expanded their presence primarily through increased involvement in military assistance and defence cooperation.

The weakening of Iran's regional security role and disruptions across Middle Eastern routes have elevated the South Caucasus as a critical corridor for trade, energy transit, and access to Central Asia. The Middle Corridor, linking China and Central Asia to Europe through the Caspian Sea, the South Caucasus and the Black Sea, has gained new strategic relevance². Yet this growing importance comes with greater exposure. Pipelines, ports, railways, border crossings, air routes and digital systems are no longer only economic infrastructure. They are potential targets of sabotage, coercion, cyberattacks and conflict spillover.

This creates a strategic dilemma for the European Union. With a growing transatlantic divide during President Trump's tenure, the need for a more assertive "Geopolitical Europe" to shape regional stability, strengthen connectivity, and ensure energy security in its neighbourhood has become increasingly obvious. At the same time, the unresolved U.S.-Iran confrontation, marked by repeated failed negotiations and no clear path to de-escalation, adds further uncertainty regarding future developments, potential consequences, and broader geopolitical implications.

The South Caucasus can support Europe's energy diversification, reduce dependence on routes through Russia and Iran, and strengthen connectivity with Central Asia and beyond. But the region remains politically fragmented, vulnerable to external pressure and geopolitically unstable. Georgia, once regarded as a "darling of the West," remains geographically indispensable as a key transit and connectivity hub; however, amid a protracted domestic political crisis and authoritarian rift, the country has increasingly pursued a trajectory of political self-isolation³, gradually drifting away from deeper integration with the European Union.

Armenia is increasingly receptive to Western political and institutional engagement; however, its strategic reorientation remains structurally constrained by deep economic

² Tastan, K. (2026). *The Middle Corridor in the Spotlight Amid regional turmoil, resilient trade depends on diversification of routes*. Retrieved from [German Marshall Fund of the United States \(GMF\)](#).

³ Kakachia, K., Bechna, Z., (2025). *The Costs of Georgia's Self-Isolation*. Retrieved from [Ponarseurasia](#).

interdependence with Russia and continued reliance on Iran and Georgia as critical transit corridors, which collectively limit the speed and autonomy of foreign policy diversification. *Azerbaijan* has adopted a more assertive foreign policy posture, increasingly projecting itself as a regional middle power and leveraging its growing influence in energy exports and transregional connectivity initiatives; however, this enhanced agency simultaneously exposes Baku to heightened geopolitical risks, particularly escalating tensions with Iran and the persistent possibility of renewed confrontation with Armenia.

This paper examines how the Iran War is reshaping the South Caucasus in different and uneven ways. It first analyses the impact of the war on Georgia, Armenia and Azerbaijan, showing how each country faces a distinct combination of opportunity and vulnerability. It then argues that connectivity in the region has become inseparable from security, governance and conflict prevention. Finally, the paper suggests that the EU should move beyond a fragmented, country-by-country approach and develop a ***South Caucasus Strategic Resilience Agenda***. Resilience, in the EU's external action, is the ability of individuals, communities, states and societies to withstand, adapt and swiftly recover from internal or external stresses and shocks, while maintaining or restoring core state functions, social cohesion and respect for democratic values, human rights and the rule of law.⁴

This agenda should connect energy, infrastructure, democratic governance, de-risking strategy, conflict prevention, security monitoring and humanitarian preparedness into one coherent regional strategy. The objective should not be simply to use the South Caucasus as a corridor, but to help make the region resilient enough to function as one.

⁴ European Commission and High Representative of the Union for Foreign Affairs and Security Policy. (2017). *A strategic approach to resilience in the EU's external action* (JOIN (2017) 21 final). Brussels: European Commission.

1 Connectivity Without Certainty

1.1 Georgia between the West and the rest

Georgia is one of the clearest examples of the paradox created by the Iran War: its strategic importance has increased, but so have doubts about its political reliability. The disruption of Iranian and Iraqi airspace, together with pressure on alternative maritime routes, has strengthened Georgia's role as an alternative transit hub between Europe and Asia. The Middle Corridor has become more relevant, and Georgia now serves as one of its essential exit points towards the Black Sea.⁵

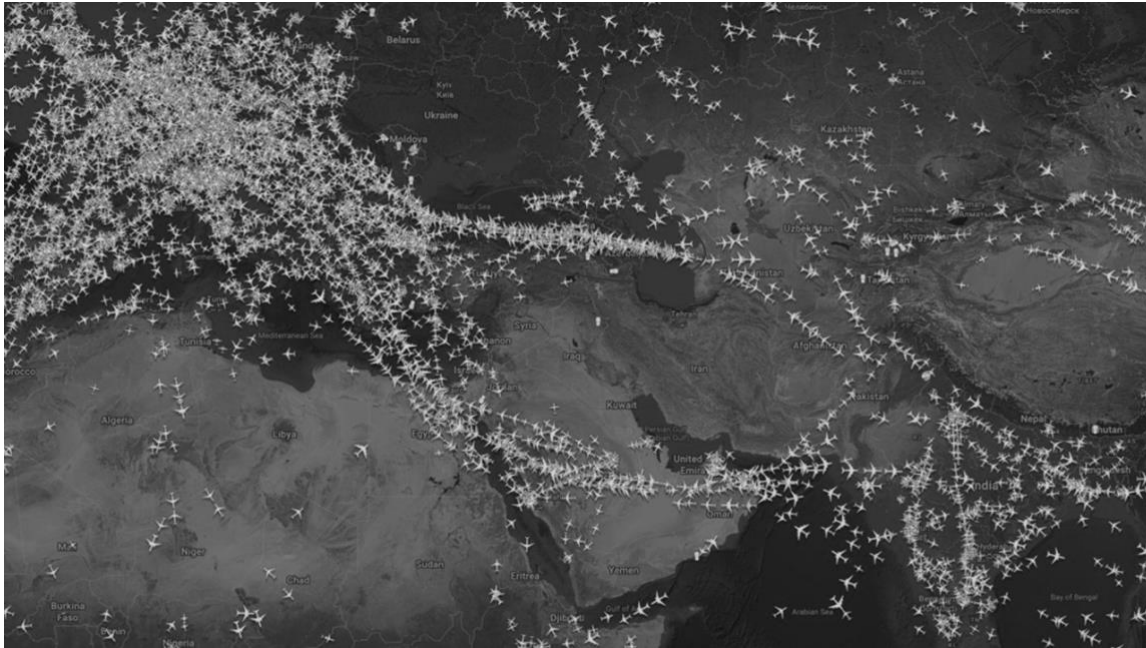
This shift is visible in both air and maritime traffic. Since the closure of Iranian airspace in late February 2026, Georgia and the South Caucasus have become a major aviation artery between Europe and Asia, with overflight traffic reportedly rising from a pre-war average of around 642 daily flights to nearly 2,000⁶. At the same time, the Georgian ports of Poti and Batumi have reached capacity as cargo flows through the Middle Corridor have intensified.⁷ In purely geographical terms, Georgia has become more indispensable to European connectivity — a role reinforced by ongoing transport modernization, including rail, road, and airport expansion—accompanied by rising passenger flows and expanding cargo potential.

Figure 1: Air traffic in the Southern Caucasus and the Middle East

⁵ Kakachia, K. (2024). Security Dynamics in the Black Sea Region Geopolitical Shifts and Regional Orders, Navigating Uncertainty: Georgia's Black Sea Strategy in a New Environment.

⁶ Caliber. (2026). *Georgia's skies overflow as air traffic surges amid Middle East tensions*. Retrieved from [Caliber](#).

⁷ Asadze, U. (2026). *US Revisits Georgia's Black Sea Port As Strategic Corridors Rise*. Retrieved from [Radio Liberty](#).



Source: FlightRadar24 (May 2026). <https://www.flightradar24.com/43.07,141.35/6>

Yet this growing strategic value is accompanied by serious political and security vulnerabilities. Since 2023, Georgia has moved towards a semi-consolidated authoritarian model under Georgian Dream⁸. This trajectory accelerated in spring 2024 with the adoption of the Law on Transparency of Foreign Influence, widely criticised as an attempt to stigmatise civil society and restrict independent media⁹. The parliamentary elections of 26 October 2024 further deepened the democratic crisis. Reports of procedural violations, obstruction of observers, breaches of ballot secrecy and undue influence on voters pointed to a systemic pattern of electoral manipulation¹⁰. Repressive legislation, the ill-treatment of peaceful demonstrators, and the arrests of activists, journalists and opposition politicians have also drawn criticism from Western partners, including EU member states, the United States and the United Kingdom¹¹.

This domestic trajectory matters for the EU because connectivity is not politically neutral. A country may be geographically essential and still become strategically

⁸ Smeltzer, M., Karppi, A. (2024). *Nations in Transit evaluates the state of democracy in the region stretching from Central Europe to Central Asia*. Retrieved from [Freedom House](#).

⁹ Venice Commission, (2024). *Georgia - Urgent Opinion on the Law of Georgia on Transparency of Foreign Influence*. Venice.

¹⁰ Office for Democratic Institutions and Human Rights. (2024). *Georgia, Parliamentary elections, 26 October 2024: Final Report*, Retrieved from [Organization for Security and Co-operation in Europe](#).

¹¹ Georgia Today. (2025). *17 countries and EU urge Georgia to reverse repressive measures, release political prisoners*. Retrieved from [Georgia Today](#).

unreliable. Georgia's response to the Iran War illustrates this tension. While democratic and pro-Western actors condemned the Iranian regime's repression, Georgian Dream adopted a cautious and ambiguous position. On 11 February 2026, the Mtatsminda Tower in Tbilisi was lit in green, white and red, the colours of the Islamic Republic of Iran, to mark the anniversary of the Iranian Revolution.¹² After the war began, on 2 March 2026, the Georgian government extended condolences to both Iran and Israel and expressed solidarity with the Gulf countries¹³.

Georgia's overture with Iran had already acquired a strategic nature even before the war. On 22 May 2024, Prime Minister Irakli Kobakhidze attended the funeral of Iranian President Ebrahim Raisi, a gesture interpreted by some observers as a sign of closer political alignment with Tehran. Later that year, Georgia's relationship with the West deteriorated sharply. On 28 November 2024, the Georgian Dream government announced the suspension of EU accession negotiations, and on 30 November 2024, the United States suspended its Strategic Partnership with Georgia¹⁴.

The Iran War has further exposed Georgia's vulnerability to regional pressure. On 30 March 2026, US Secretary of State Marco Rubio discussed security in the Caucasus and the Black Sea with Prime Minister Kobakhidze. Two days later, a US Air Force C-17 briefly landed at Tbilisi International Airport, which the US Embassy described as routine¹⁵. Tehran read the episode differently: Iran's ambassador warned that countries allowing foreign actors to use their territory could eventually "pay the price at home"¹⁶. While it's true that Tehran no longer views Tbilisi as a "Westoxicated"¹⁷ regime in the earlier sense. However, given Georgia's still complex relations with the West, Iran remains cautious about the possibility that a political reset, particularly under the Trump administration, which Tbilisi appears to anticipate, could once again align Georgia more closely with U.S. global and regional interests. Although this concern is not expressed openly in official discourse, Tehran fears that, in such a

¹² Civil Georgia. (2026). *Tbilisi TV Tower Lit for Iran's Revolution as Deputy FM Attends Commemoration Event*. Retrieved from [Civil Georgia](#).

¹³ Civil Georgia. (2026). *Tbilisi Offers Condolences to Both Iran and Israel, Expresses Solidarity with Gulf Countries*. Retrieved from [Civil Georgia](#).

¹⁴ Civil Georgia. (2026). *BREAKING: U.S. Suspends Strategic Partnership with Georgia*. Retrieved from [Civil Georgia](#).

¹⁵ Caucasus Watch. (2026). *US Military Flight in Georgia Draws Iranian Warning on Regional Risks*. Retrieved from [Caucasus Watch](#).

¹⁶ Ibid.

¹⁷ Kakachia, K. (2012). *Iran and Georgia: Genuine Partnership or Marriage of Convenience?* Retrieved from [PONARS Eurasia](#).

scenario, Georgia, together with Azerbaijan, could be drawn into a more instrumental role as a potential staging ground for Western activity against Iran.

This episode also encapsulates Georgia's emerging strategic dilemma. While the Georgian authorities frame their foreign policy as one of multi-alignment and greater strategic autonomy, it seems that the country appears to be under greater pressure from Iran and other authoritarian regional actors. The risks are concrete rather than theoretical. The Baku–Tbilisi–Ceyhan pipeline, which crosses Georgian territory and carries oil to global markets, has been identified as a potential target in the event of escalation¹⁸. On 20 April 2026, Israel dismissed reports that Iran's Islamic Revolutionary Guard Corps had planned an attack on the BTC pipeline through Georgia to Türkiye¹⁹. Although Georgia has so far avoided direct attacks, the March 5 drone strike by Iran in Azerbaijan's Nakhchivan region showed that the South Caucasus is no longer insulated from wider regional conflict dynamics. Overall, the escalation of the Iran conflict has had a noticeable impact on Georgia's economy, particularly the tourism sector, mainly through disruptions to air travel, declining visitor confidence, and reduced arrivals from Middle Eastern markets. Tourist flows from Iran and Israel dropped sharply in early 2026, with Iranian visitor numbers falling by nearly 50% and spending declining significantly²⁰. Although increased arrivals from the EU and neighbouring countries partly offset these losses, higher aviation costs and reduced flight capacity have constrained overall tourism growth.

The Iran crisis once more highlighted Georgia's ambivalent role in EU policy - strategically indispensable, yet politically problematic. Its geography makes it essential for Black Sea connectivity and the Middle Corridor. Yet its domestic political trajectory and ambiguous external positioning make it a less reliable strategic partner. By becoming politically untrustworthy, Georgia risks forfeiting more than merely symbolic prestige; it undermines its negotiation strength and diminishes its sway over the region's evolving economic and connectivity framework. EU High Representative Kaja

¹⁸ Georgia Today. (2026). *Iran signals possible strike on Baku-Tbilisi-Ceyhan pipeline supplying Israel*. Retrieved from [Georgia Today](#).

¹⁹ Reuters. (2026). *Israel says it thwarted Iranian plan to attack Baku-Ceyhan oil pipeline*. Retrieved from [Reuters](#).

²⁰ Business Media. (2026). *Israel and Iran Tourist Revenues Decline in Georgia, EU Offsets Overall Impact in 1Q26*. Retrieved from [Business Media](#).

Kallas warned²¹ that Georgia's recent policy shifts are moving the country in the "wrong direction" and away from its goal of EU membership, a trajectory that is actively hindering financial support and cooperation from Brussels.

Georgia's case also highlights the limits of the EU's normative power in the Neighbourhood, demonstrating how EU conditionality and influence weaken when confronted by domestic authoritarian trends and geopolitical competition. The EU's challenge, therefore, is not whether to engage Georgia, but how to do so effectively under these evolving political and geopolitical constraints.

1.2 Armenia: Strategic Exposure and the Adaptive Actor

Armenia is the most exposed South Caucasus country in the context of the Iran War. Unlike Georgia and Azerbaijan, which have gained strategic and economic advantages from redirected trade, energy and transit flows, Armenia has seen its external environment become more constrained. Armenia is repositioning itself as an adaptive state, aiming to diversify away from its reliance on Russia and deepen its integration with the EU. However, it remains caught in a dual transition, politically advancing toward a new framework while institutionally constrained by older alignments.

Since the 2018 Velvet Revolution, and especially after the loss of Nagorno-Karabakh in 2023, Prime Minister Nikol Pashinyan's government has sought to diversify Armenia's security architecture away from its traditional dependence on Russia. This has included closer engagement with the West, accession to the International Criminal Court and the freezing of Armenia's participation in the Russian-led CSTO²². This reorientation reflects a broader attempt to reduce Armenia's exposure to Russian pressure and to build new strategic partnerships with the EU and the United States²³.

²¹ Georgia Today. (2026). *EU's Kallas: Georgia drifting from European path, hindering cooperation*. Retrieved from [Georgia Today](#).

²² The Moscow Times. (2026). *Armenia Says 'Froze' Participation in Russia-Led Security Bloc*. Retrieved from [The Moscow Times](#).

²³ Kakachia, K., Lebanidze, B. (2025). *In-between who? Armenian and Georgian shifting perceptions and geostrategies of in betweenness amidst EU–Russian power projections*, *European Security*, Volume 34, 2025 - Issue 4: *Perks and Perils of Geostrategic In-Betweenness: Theoretical and Empirical Insights from within the EU-Russia (Un)Common Neighbourhood*. Retrieved from [Taylor and Francis Online](#).

The outbreak of war in Iran on 28 February 2026 has placed this Western reorientation under significant pressure. Armenia's southern border with Iran has historically served as one of its most important lifelines, alongside the route through Georgia. With its borders with Türkiye and Azerbaijan closed, Armenia's access to Iran has been vital for trade, energy supplies and geopolitical balance²⁴. In this sense, Armenia's vulnerability is not only military; it is also geographic, economic and infrastructural.

Armenia and Iran have maintained a partnership based less on ideological proximity than on mutual necessity. Iran has provided Armenia with an alternative route to the outside world, while Armenia has offered Iran access to the Eurasian Economic Union. This relationship was reinforced by the opening of the Iranian Consulate in Kapan in 2024 and by the gas-for-electricity swap, which provides an important share of Armenia's thermal energy²⁵.

The war has therefore created a strategic ambiguity for Yerevan. Armenia wants closer relations with the EU and the United States, but it cannot afford a full rupture with Iran. At the same time, Tehran has become more suspicious of Western involvement near its northern border. The arrival of US-led security assessments linked to the "Trump Route for International Peace and Prosperity"²⁶ has complicated Armenia's position, particularly around the Agarak–Meghri crossing. Iranian officials have warned that the presence of extra-regional powers near this border zone would be viewed as a strategic threat.

The security spillover has been immediate. The Syunik region, which borders Iran, has become a high-tension area where Armenian security concerns, Iranian military movements and Western-linked monitoring activities intersect. After the March 5 drone strike in Nakhchivan, Armenia reportedly increased its military readiness, fearing that Iranian retaliatory action against Western-linked infrastructure could accidentally or deliberately affect Armenian territory.²⁷ This illustrates Armenia's central dilemma:

²⁴ World Bank. (2013). *PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE, Report No.: PIDA577*. Retrieved from [World Bank](#).

²⁵ Radio Liberty. (2023). *Armenia, Iran Extend Energy Swap Deal*. Retrieved from [Radio Liberty](#).

²⁶ Waal de, T., Kochinyan, A., Shiryev, Z. (2026). *Rewiring the South Caucasus: TRIPP and the New Geopolitics of Connectivity*. Retrieved from [Carnegie Europe](#).

²⁷ Tokmajyan, A. (2026). *The Gulf Conflict and the South Caucasus*. Retrieved from [Carnegie Middle East Center](#).

even when it is not directly involved in the conflict, its geographic proximity makes it vulnerable to its consequences.

Economically, Armenia has suffered a significant supply-chain shock. While Georgia and Azerbaijan have benefited from increased use of the Middle Corridor, Armenia remains largely excluded from these gains due to its closed borders with Türkiye and Azerbaijan. The disruption of the Iranian route has affected fuel, bitumen and Chinese imports. By April 2026, transit costs through the remaining northern route via Georgia had reportedly increased by around 40%, adding inflationary pressure on essential goods.²⁸ Although Armenia was not directly involved in the conflict, its proximity to Iran heightened security concerns among international visitors and directly affected the Armenian tourism industry²⁹. Flight rerouting increased travel times and costs, discouraging tourism, while uncertainty led many travellers from Europe and Asia to postpone or cancel trips. Reduced cross-border and transit travel also contributed to temporary declines in hotel bookings, tour operations, and seasonal tourism revenues, illustrating how regional crises can affect tourism-dependent economies even without direct military involvement.

It should also be noted that as Armenia seeks to diversify its foreign policy, its relations with India are rapidly expanding, marked by a growing strategic partnership that emphasises defence, economic, and cultural collaboration. India has emerged as a crucial military supplier to Armenia, underscored by over a billion dollars in agreements for missiles, anti-drone systems, and rocket launchers, including the Paka missile systems.³⁰

Armenia represents the EU's resilience problem in the South Caucasus: it is the country most open to deeper Western engagement, but also the country most exposed to the consequences of instability in Iran. The EU's challenge is to make Armenia's European orientation practically viable, not merely diplomatically desirable. In this regard, the EU–Armenia summit held on May 4, 2026 was particularly significant, as it demonstrated strong European support for Armenia's westward orientation. European Commission President Ursula von der Leyen described the meeting as

²⁸ IntelliNews. (2026). *South Caucasus economies exposed to Iran crisis mainly through trade links, Global Source says*. Retrieved from [IntelliNews](#).

²⁹ APRI Armenia. (2026). *The US–Israel–Iran War: Implications for the South Caucasus*. Retrieved from [APRI ARMENIA](#).

³⁰ Georgia Today. (2026). *India and the South Caucasus*. Retrieved from [Georgia Today](#).

elevating bilateral relations and setting a clear agenda focused on deeper political dialogue, stronger economic cooperation, and enhanced regional stability. The EU also announced the establishment of a Partnership Mission in Armenia³¹ to strengthen security and resilience, alongside a new EU–Armenia Connectivity Partnership aimed at improving transport, energy, and digital links.

1.3 Azerbaijan: Strategic Advantage and Direct Exposure

Azerbaijan entered the Iran War from a position of relative strength. After restoring control over Nagorno-Karabakh in 2023, President Ilham Aliyev’s government consolidated its regional position and pursued a multi-vector foreign policy based on close ties with Türkiye, strategic cooperation with Israel and transactional engagement with Western partners³².

The 2026 Iran conflict has placed Azerbaijan in a complex strategic position, generating economic gains from rising energy prices while simultaneously increasing border security risks. Baku has responded by pursuing strict neutrality, preventing the use of its territory for military operations and prioritising the protection of regional energy and transport corridors, particularly the Middle Corridor. Despite these risks, the conflict has further enhanced Azerbaijan’s strategic importance. As Europe seeks alternative energy supplies and more secure connectivity routes, Azerbaijan’s role as both a gas exporter and a transit hub has become increasingly significant. In March 2026, Baku reportedly increased gas exports to the EU to help offset disruptions linked to the wider regional crisis. At the same time, the growing use of the Middle Corridor has strengthened Azerbaijan’s position as a bridge between Central Asia, the Caspian Sea, the South Caucasus and Europe.

Yet Azerbaijan’s stronger position also brings greater exposure. The joint US-Israeli strikes on Iran on 28 February 2026 transformed Azerbaijan’s long-standing tensions with Tehran into a more direct security challenge. Baku has tried to maintain a careful, formally neutral position, avoiding open confrontation while benefiting from its role as an energy hub and connectivity hub. This balancing act is difficult to maintain because Azerbaijan’s close relationship with Israel is viewed by Iran with deep suspicion, while

³¹ European Commission. (2026). *EU and Armenia sign connectivity partnership, strengthen economic ties and deepen security cooperation*. Retrieved from the [European Commission](#).

³² BTI. (2026). *Azerbaijan Country Report 2026*. Retrieved from [BTI](#).

Azerbaijan's energy infrastructure is increasingly relevant to Western strategic interests.

The security environment deteriorated sharply on 5 March 2026, when drone strikes hit infrastructure in Nakhchivan. Azerbaijan attributed the incident to Iranian-linked actors and described it as an act of terrorism³³. This increased military alertness along the border and highlighted the vulnerability of critical infrastructure, including the Baku–Tbilisi–Ceyhan pipeline. The incident also showed that the South Caucasus is no longer insulated from wider Middle Eastern conflict dynamics.

With the ongoing conflict in Iran, Azerbaijan's position is defined by a dual reality. On the one hand, disruptions to Middle Eastern routes have elevated Azerbaijan's importance for European energy security and the Middle Corridor, strengthening Baku's geopolitical leverage. On the other hand, its growing strategic relevance exposes it to heightened risks of retaliation, sabotage, and spillover escalation from regional tensions, particularly given its proximity to Iran and sensitive energy infrastructure. As regional competition intensifies, Azerbaijan's strategic value increases – but so do the costs of miscalculation and the vulnerability associated with its pivotal transit role.

Amidst global supply disruptions from the war in Iran, Brussels increasingly views Baku as a key pillar of its diversification strategy, linking European markets with the Caspian region and Central Asia through the Middle Corridor. During a recent visit to Baku, European Council President Antonio Costa³⁴ announced a new framework to broaden cooperation beyond energy into security, defence, digital development, and transport. Costa emphasized that while energy security remains a "cornerstone" of their relationship, this shift signals a shared vision for a more comprehensive future alliance. Following her attendance at the EU-Armenia summit in Yerevan, EU foreign policy chief Kaja Kallas³⁵ travelled to Baku to echo Antonio Costa's recent calls for deeper cooperation. She emphasized that "strengthening connectivity" across the South Caucasus and Central Asia is a "shared strategic interest," noting the EU's

³³ Tokmajyan, A. (2026). *The Gulf Conflict and the South Caucasus*. Retrieved from [Carnegie Middle East Center](#).

³⁴ EU NeighboursEast. (2026). *Antonio Costa in Baku: 'Azerbaijan's regional role is more important than ever'*. Retrieved from [EU NeighboursEast](#).

³⁵ Rustamova, S. (2026). *EU's Kallas visits Baku to advance 'strategic partnership' with Azerbaijan*. Retrieved from [Euro News](#).

openness to a "more structured partnership" with Azerbaijan. Highlighting a "historic opportunity" for peace between Armenia and Azerbaijan, Kallas emphasized the need to sustain momentum. She noted that the EU supports this process through tools like confidence-building and demining, where it remains the leading donor. Kallas' visit to Baku was strategically timed as Azerbaijani natural gas recently began reaching Germany and Austria for the first time. This milestone expands the Southern Gas Corridor's reach beyond its traditional markets in southern and southeastern Europe, further cementing Azerbaijan's role as a critical energy partner for the EU.

At the same time, Brussels faces a strategic dilemma: deeper engagement with Azerbaijan enhances energy security and connectivity objectives, yet it also ties European interests more closely to a volatile geopolitical environment where escalation risks, regional rivalries, and infrastructure vulnerability remain significant. On the other hand, closer cooperation exposes the EU to political and normative trade-offs: reliance on Azerbaijani energy and transit capacity complicates the Union's commitment to democracy promotion, human rights conditionality, and balanced regional diplomacy. As tensions around Iran escalate, the EU must therefore balance pragmatic geopolitical necessity with its normative agenda-seeking, stability and energy security without becoming strategically overdependent on a single regional partner. A task that is increasingly difficult to pursue under conditions of geopolitical volatility and strategic vulnerability.

2 How the EU Should Recalibrate Its Engagement

The Iran War requires the EU to reassess and rethink its engagement with the South Caucasus. The region can no longer be treated as a peripheral neighbourhood or merely as a transit zone between Europe and Asia. It has become a strategic hinge where energy security, trade connectivity, and conflict prevention are increasingly connected.

The EU's current approach remains too fragmented. Formally EU candidate, Georgia is treated mainly through enlargement and democratic conditionality, Armenia through resilience-building and partnership, and Azerbaijan through energy and transactional

engagement. This differentiation remains necessary, but it is no longer sufficient. The Iran War shows that the South Caucasus should be approached as one interconnected security and connectivity space.

The EU should therefore *recalibrate its engagement around three priorities*: security resilience and crisis preparedness; strategic connectivity and economic diversification; and structured conflict prevention and political engagement.

This recalibration requires a more precise conceptualisation of resilience. Too often, resilience is implicitly treated as robustness – the capacity to resist shocks and preserve existing systems. Yet resilience, as understood in EU strategic thinking³⁶, is fundamentally different: it refers to the ability of states and societies to adapt, reform and recover in response to internal and external pressures.³⁷ In other words, resilience is not about resisting change, but about managing it.

In the context of the South Caucasus, this distinction is critical. The region is not entering a phase of temporary disruption followed by stability, but rather a period of prolonged geopolitical fluidity shaped by conflict spillovers, shifting alliances and contested connectivity routes. A strategy based on robustness – seeking to stabilise existing arrangements – would therefore be insufficient. Instead, the EU should promote adaptive resilience by supporting institutional flexibility, diversified connectivity options, and governance systems capable of adjusting to external pressures.

The European Union should also strengthen the foundations of societal resilience, including social trust, the legitimacy of governance actors, and the institutional design of governance systems, while supporting the prevention of both domestic and external risks³⁸. Moreover, the South Caucasus states like other Eastern Partnership countries³⁹ display limited societal resilience while remaining highly exposed to

³⁶ European Parliament. (2017). *Resilience as a strategic priority of the EU external action* (P8_TA (2017) 0242). Strasbourg: European Parliament.

³⁷ Lavrelashvili, T. (2018). *Resilience-building in Georgia, Moldova and Ukraine: Towards a tailored regional approach from the EU*, European View, Vol. 17, No. 2 (2018), pp. 189–196.

³⁸ Kakachia, K., Legucka, A., Lebanidze, B. (2021). *Can the EU's new global strategy make a difference? Strengthening resilience in the Eastern Partnership countries*, Democratization Volume 28, 2021 - Issue 7: From Democracy Promotion to Resilience-Building in the EU's Neighbourhood: Preventing Violent Conflict and Governance Breakdown. Retrieved from [Francis and Taylor Online](#).

³⁹ Rouet, G., Pascariu, C.G. (2025). *Resilience and the EU's eastern neighbourhood countries: crisis, transformations and policies*. Retrieved from [College of Europe](#).

domestic vulnerabilities and external geopolitical pressures, reinforcing their reliance on continued EU support for resilience-building, governance reform, and institutional stabilisation.

At the same time, adaptability should not come at the expense of strategic direction. The EU's engagement must remain anchored in a clear normative framework, ensuring that flexibility in instruments does not translate into ambiguity in values. The challenge is therefore to combine adaptability in practice with consistency in principles – a balance that is central to the credibility of a “Geopolitical Europe”.

2.1 Strengthening Security Resilience and Crisis Preparedness

The *first priority* should be to strengthen the EU's security presence and resilience instruments in the region without militarising its role. The EU should substantially reinforce the EU Mission in Armenia by extending its mandate, increasing its staff and strengthening its technical capabilities. Its work should include situational awareness, hybrid threat monitoring, support for border demarcation and early warning of spillovers from the Iran War. This would send a clear signal that the EU understands Armenia's exposure and is ready to help reduce the risks posed by instability on its southern border.

At the same time, the EU should explore how both EUMA in Armenia and EUMM in Georgia could be given stronger crisis-response and liaison functions. Their mandates should remain civilian, but their strategic value should be increased. A standing coordination mechanism with relevant OSCE, UN and NATO structures could help connect developments in the Black Sea, the South Caucasus and the wider Middle East. This would allow the EU to better anticipate border incidents, refugee pressures, sabotage risks and threats to critical infrastructure.

The EU should also keep additional civilian CSDP options available. If the Iran War produces direct spillovers, such as a refugee surge, cross-border incidents or attacks on energy infrastructure, the EU should be able to deploy rapid civilian support missions. This would not imply a military role, but it would strengthen the EU's ability to respond before local crises become regional ones.

A *second priority* should be protecting critical infrastructure. The Iran War has shown that energy and transport routes are no longer neutral economic assets. They can

become operational targets. The EU should therefore support joint vulnerability assessments with Georgia, Armenia and Azerbaijan on pipelines, railways, ports, roads, digital cables and border crossings exposed to Iranian proxies or broader regional instability.

Dedicated funding through Global Gateway and NDICI should be used for physical protection, cybersecurity and redundancy of key assets, including the Southern Gas Corridor, Black Sea ports and Middle Corridor nodes. The EU should also work with regional partners on contingency rerouting plans for energy and freight in the event of attacks or disruptions affecting strategic assets, such as the Baku–Tbilisi–Ceyhan pipeline, the South Caucasus Pipeline, or key rail and road links. This would help prevent the Middle Corridor from becoming a fragile alternative rather than a resilient one.

Finally, resilience should include counter-coercion. The EU should prepare targeted sanctions against individuals and entities involved in sanctions evasion for Iran, in arms transfers, or in destabilising activities linked to the war. It should also make clear that any renewed use of force against Armenia’s internationally recognised territory, or large-scale coercion by regional actors, would trigger EU-wide restrictive measures and the suspension of selected cooperation formats.

2.2 Turn Connectivity into a Strategic Economic Agenda

The third priority should be to treat the Middle Corridor as a strategic project, not only as a commercial one. The EU should elevate the South Caucasus components of the Middle Corridor to a flagship of its EU–Central Asia and South Caucasus connectivity agenda, implemented through Team Europe initiatives and supported under the Global Gateway framework. This would signal that the EU sees the region not as a secondary route, but as part of Europe’s long-term strategic infrastructure

However, the EU should avoid over-reliance on any single route or actor. It should prioritise rail interoperability, customs harmonisation, digitalisation and port capacity with Georgia and Azerbaijan, while also supporting options that reduce dependence on routes through Russia or Iran. Participation by Central Asian states and, where

feasible, Türkiye should be encouraged to prevent the corridor from being captured by one power and to reduce Russian and Iranian leverage.

Economic engagement should be attractive but conditional. For *Armenia*, the EU should offer an upgraded implementation package under the Comprehensive and Enhanced Partnership Agreement. This should front-load trade facilitation, energy interconnections, green transition support and institutional capacity-building in exchange for concrete reforms. Armenia's Western orientation will remain vulnerable unless it is backed by practical alternatives to isolation.

For *Azerbaijan*, the EU should use energy and connectivity negotiations to broaden the agenda beyond hydrocarbons. Long-term energy volumes, infrastructure investment, and market access should be linked to de-escalation towards Armenia, infrastructure security, and basic human rights benchmarks. The aim should not be to abandon energy cooperation with Baku, but to integrate it into a broader strategic dialogue.

For *Georgia*, the EU should link new investment in infrastructure, ports, green industries, and connectivity to clear democratic and foreign policy conditions. Georgia's geography makes it indispensable to the Middle Corridor and Black Sea connectivity, but this should not allow the government to avoid scrutiny for democratic backsliding. It seems the European Union increasingly recognises this reality. In April 2026, Marta Kos, European Commissioner for Enlargement, emphasised Georgia's central role in the EU's connectivity agenda during a meeting of the European Parliament Committee on Foreign Affairs, highlighting the Middle Corridor as the most viable route linking Europe and Central Asia⁴⁰. She emphasised that meaningful connectivity is impossible without Georgia, while also making clear that deeper cooperation depends on the Georgian government addressing democratic backsliding and aligning more closely with EU norms and values. While Georgia's deeper cooperation with the EU remains conditional. Overlooking the country's democratic backsliding will be challenging to justify to EU member states. Therefore, Brussels must explore innovative strategies, such as flexible funding that can shift away from central government towards municipalities, universities, civil society and independent

⁴⁰ SOVA News. (2026). EU Commissioner: EU Connectivity Agenda Cannot Be Discussed Without Georgia. Retrieved from [SOVA News](#).

media when democratic standards deteriorate to balance its geopolitical interests with the imperative of not bolstering the consolidation of authoritarianism in Georgia. This careful strategy is crucial to ensure that assistance for Georgia aligns with the democratic values and human rights principles that the EU champions. To conclude, new EU investment should be tied to measurable progress on the rule of law, media freedom, civil society space, and alignment with EU foreign policy positions, including on Russia and Iran.

2.3 Make Conflict Prevention Central to EU Regional Policy

The *fourth* priority should be to move beyond ad hoc mediation. Armenia–Azerbaijan peace should become a structural pillar of the EU connectivity policy. A fragmented South Caucasus cannot serve as a reliable bridge between Europe and Asia. The EU should therefore institutionalise an EU-led or EU-co-chaired diplomatic track on Armenia–Azerbaijan peace, with clear benchmarks, timelines and third-party technical support.

The EU should also avoid excessive “both-sidesism”. It should make explicit that renewed attempts to resolve disputes by force. It should make clear that any attempt to alter the status quo by force, whether by Azerbaijan or Armenia, would carry political and economic consequences, particularly when it affects internationally recognised territory. This is essential not only for the parties involved but also for the stability of the wider region and the credibility of EU engagement.

The Iran War can also be used as a lever for de-escalation. The EU should make clear to both Baku and Yerevan that instability around Iran increases the risk that local incidents could draw in Russia, Türkiye or Iran. This would undermine the predictability that both countries need for investment, trade and long-term security.

The EU could propose a South Caucasus Security and Resilience Dialogue focused on shared risks such as infrastructure protection, refugee flows, sanctions spillovers, environmental damage and cyber threats. This platform would not replace peace negotiations, but it could keep all three South Caucasus states engaged even when political talks stall.

Political incentives should be differentiated. For Armenia, deeper alignment with the EU foreign and security policy, including on Russia and Iran, should be reciprocated

with security-sector reform support and closer participation in EU programmes. For Azerbaijan, energy cooperation should continue, but with clearer red lines on regional behaviour and domestic repression, using the leverage of market access, investment and reputational benefits. For Georgia, with northern trade routes largely inaccessible and southern routes becoming increasingly perilous, the Middle Corridor stands out as the most viable alternative for the EU's strategic interests, positioning Georgia as an indispensable partner. Tbilisi has the potential to contribute significantly to the EU's connectivity agenda, particularly through the Middle Corridor that links Europe to Central Asia. This involvement is evident in Georgia's participation in the EU-supported Armenia–Georgia electricity interconnection project, which serves as concrete evidence of Georgia's vital role in enhancing regional energy and transport connectivity.

2.4 Build a Coherent Narrative and Toolkit

Finally, the EU needs a stronger internal narrative for the South Caucasus. It should stop presenting the region as a peripheral corridor and instead define it as a central hinge in Europe–Asia connectivity and in the wider contest between open and authoritarian orders. EU engagement should be presented not merely as crisis management, but as a long-term offer of sovereignty protection, diversification away from Russia and Iran, and access to European markets and standards.

This narrative should also be matched by better internal coordination. The Commission, the EEAS, the EU Special Representative and member states should work within a more coherent framework so that field missions, sanctions, trade, Global Gateway investments and political dialogue reinforce one another. Without this coordination, the EU risks having many instruments but no strategic effect.

The EU should also more explicitly connect its South Caucasus policy to its Black Sea strategic approach. This would reflect the reality that Georgia is simultaneously a Black Sea littoral state, a South Caucasus country and an EU candidate, while Armenia and Azerbaijan are increasingly included in EU connectivity formats linking the Black Sea, the South Caucasus and Central Asia. The Black Sea Submarine Cable, designed to connect green electricity and digital infrastructure from the South Caucasus to Romania and Hungary, illustrates how infrastructure projects can more closely tie the region to the EU.

In practical terms, EU funding, infrastructure risk assessments, maritime security, cyber resilience and political dialogue should be organised across the wider Black Sea–South Caucasus space. If the EU treats Black Sea security and South Caucasus connectivity as separate files, it will miss the strategic logic of its own policy. A more effective approach would use the Black Sea strategy as the western anchor of a broader resilience agenda that extends through Georgia, Armenia, and Azerbaijan towards Central Asia.

The objective should be clear: the EU should not treat the South Caucasus merely as a corridor. It should help transform the region into a reliable strategic partner for energy diversification, Europe–Asia connectivity and resilience against external coercion. A corridor is only useful if it is secure, politically stable and governed by partners whose strategic direction is compatible with Europe’s interests. Without this, connectivity risks becoming a source of vulnerability rather than a source of strength. The EU’s task is therefore not only to build routes, but to shape the conditions that make them sustainable.

3 EU Policy Recommendations

1. Develop a South Caucasus Strategic Resilience Agenda

The EU should move beyond a fragmented country-by-country approach and treat the South Caucasus as one interconnected security and connectivity space. This agenda should bring together energy, infrastructure, democratic governance, conflict prevention, security monitoring and crisis preparedness under one coherent framework.

2. Develop De-risking strategy in the region

The EU should develop a credible de-risking strategy in the region. Such an approach should reduce strategic vulnerabilities while countering the growing influence of

authoritarian regional and extra-regional powers that increasingly challenge European norms, connectivity initiatives, and political engagement in the South Caucasus.

3. Strengthen EU civilian security presence and early-warning capacity

The EU should reinforce its civilian missions in the region, particularly EUMA in Armenia and EUMM in Georgia, by strengthening their monitoring, liaison and crisis-response functions. Their mandates should remain civilian, but they should be better equipped to detect spillovers from the Iran War, hybrid threats, border incidents and risks to critical infrastructure.

4. Support the protection of critical infrastructure and connectivity routes

The EU should support joint vulnerability assessments of pipelines, ports, railways, roads, digital cables, border crossings and energy infrastructure across Georgia, Armenia and Azerbaijan. Global Gateway and NDICI funding should be used to improve physical protection, cybersecurity and contingency rerouting plans for key assets such as the Southern Gas Corridor, Black Sea ports and Middle Corridor nodes.

5. Elevate the Middle Corridor as a strategic EU priority

The EU should treat the Middle Corridor not merely as a commercial route, but as a strategic connectivity project linking Europe, the South Caucasus and Central Asia. This requires investment in rail interoperability, customs harmonisation, digitalisation, port capacity and route diversification, while avoiding overdependence on any single regional actor.

6. Apply differentiated but principled conditionality

EU engagement should reflect the different realities of Georgia, Armenia and Azerbaijan, while remaining anchored in common principles. For Armenia, the EU should support economic resilience and security-sector reform as well as facilitate a visa-free regime provided Yerevan fulfils its obligations; for Azerbaijan, energy and connectivity cooperation should be linked to de-escalation, infrastructure security and basic human-rights benchmarks; for Georgia, infrastructure investment should be tied to measurable progress on rule of law, media freedom, civil society space and foreign-policy alignment.

7. Make Armenia–Azerbaijan peace a pillar of the connectivity policy

The EU should make conflict prevention central to its regional strategy. Armenia–Azerbaijan peace should be treated not as a separate diplomatic track, but as a precondition for reliable connectivity, investment and long-term regional stability. The EU should institutionalise a structured mediation format with clear benchmarks, timelines and technical support.

8. Establish a South Caucasus Security and Resilience Dialogue

The EU should create a regional dialogue platform focused on shared risks, including infrastructure protection, refugee flows, sanctions spillovers, cyber threats, environmental risks and conflict escalation. This platform would not replace peace negotiations, but would help keep Georgia, Armenia and Azerbaijan engaged in practical cooperation even when political relations remain difficult. Such a dialogue would build on existing EU monitoring and facilitation roles and on sub-regional initiatives led by UNDP, CMI and others, positioning the EU as a convening power and main provider of technical and financial support rather than as a new peace guarantor

9. Integrate South Caucasus policy with the EU's Black Sea strategy

The EU should more explicitly link its South Caucasus engagement to its Black Sea strategic approach. Funding, infrastructure risk assessments, maritime security, cyber resilience and political dialogue should be organised across the wider Black Sea–South Caucasus space, reflecting Georgia's role as both a Black Sea state and a key Middle Corridor hub.

10. Combine adaptability with a clear normative compass

The EU's strategy should be flexible enough to respond to changing geopolitical realities, but not so flexible that it loses political direction. Resilience should mean adaptation, reform and recovery – not the preservation of unstable arrangements. EU engagement should therefore remain anchored in sovereignty, rule of law, democratic governance and resistance to external coercion.

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