

Iran's Policy in the South Caucasus

Three Objectives, Mixed Results

September 2026

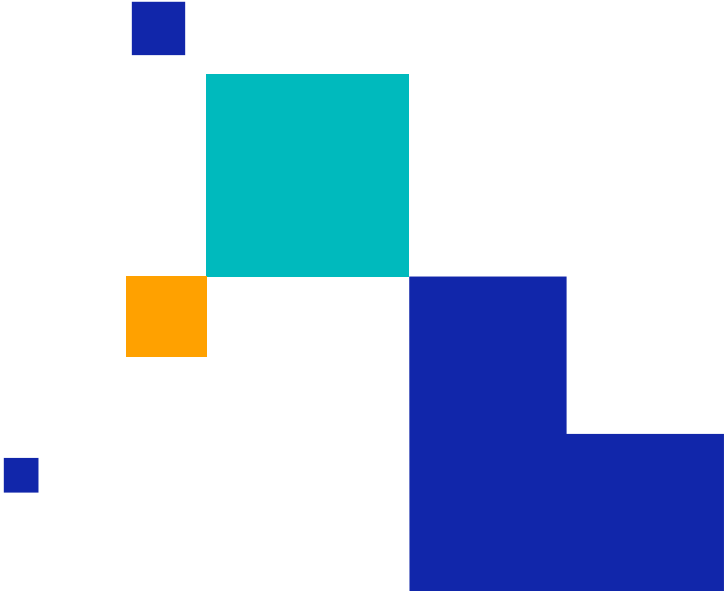




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<https://doi.org/10.71308/PGZW1863>

This research report has been reviewed by researchers, the executive of the Institute and external experts.

The views, opinions, findings, and conclusions or recommendations expressed in this report are strictly those of the author(s). They do not necessarily reflect the views of APRI Armenia.



About this report

This report examines how Iran's policy toward the South Caucasus has evolved since the Second Nagorno-Karabakh War in 2020, which overturned the regional status quo that had prevailed since the 1990s and altered the regional balance of power. It analyzes the security and geoeconomic challenges and opportunities these changes created for Iran, the interests Tehran has sought to protect and advance, and the policy instruments it has employed. It also assesses the extent to which Iran has achieved its objectives. The study underwent internal editing and peer review, as well as external review by three Iran experts.

Data and methodology

The research was conducted between April and December 2025 and supplemented by follow-up interviews in May and June 2026. Its primary material consists of 15 semi-structured interviews conducted between August and November 2025 and May and June 2026 with specialists on Iran's foreign policy and the South Caucasus from Armenia, Azerbaijan, Europe, Iran, Russia, and the United States. Interviews were conducted online, in Yerevan, and in Iran. Several Iranian interviewees were experts and scholars working on foreign policy and regional affairs, including some with close knowledge of official circles and decision-making processes. All interviewees are quoted anonymously for security reasons.

The study's secondary material includes official statements, official statistical data from regional state agencies, Iranian media coverage, and relevant academic and policy literature. The report focuses on the period from 2020 to 2025 and on the South Caucasus, especially Armenia and Azerbaijan, given their relative importance to Iran compared with Georgia, while considering relevant regional and global developments where necessary.



Executive summary

Iran has pursued a set of policies in response to three connected threats that emerged after the 2020 Nagorno-Karabakh War began to unsettle a decades-old regional order dominated by Russia. Iran had long absented itself from the region's main diplomatic and security engagements. Tehran was comfortable with Russia's dominance, which kept US influence at bay, and focused instead on priorities elsewhere, notably in the Middle East. With limited access to formats that addressed South Caucasus affairs, especially the Armenia–Azerbaijan conflict, Tehran had few channels through which to shape regional outcomes and few tools to influence the policies of individual South Caucasus states. The 2020 war marked the beginning of an effort to build influence largely from scratch, mainly through bilateral relations.

The first perceived threat has been Azerbaijan's aspirations to territorial expansionism. The shift in the regional balance in 2020 in Baku's favor encouraged military incursions by Azerbaijan into Armenia in 2021 and 2022, and pressure for an extraterritorial "Zangezur Corridor" near Iran's border. Tehran viewed these actions with concern, especially the threat of having its physical link to Armenia severed. Tehran responded by seeking to deepen ties with Yerevan, expanding its consular presence in southern Armenia and using military signaling against Azerbaijan, including drills near its northern borders. It also sought to mitigate the postwar imbalance between Armenia and Azerbaijan, notably by helping Yerevan rebuild part of its deterrent capacity.

The second threat has been foreign presence in Armenia and Azerbaijan perceived as directly hostile to Iran. The weakening of Russia's dominance after 2022 opened the door to greater nonregional involvement in the South Caucasus, which Tehran viewed as unwelcome and, in the case of the United States and Israel, directly hostile to its interests. In Armenia's case, Tehran's approach was more nuanced. It has not opposed increased European Union, French, Indian, and even limited diplomatic US engagement when this helped strengthen Yerevan's deterrence and reduce the risk of Azerbaijani escalation—objectives Iran has also been seeking to advance. That view, especially of the United States, changed after the unveiling of the Trump Route for International Peace and Prosperity (TRIPP) in August 2025, which envisaged heavy US involvement in designing, investing, and managing a route right on Iran's border with Armenia, raising the prospect of a US role along Iran's border with Armenia. If Azerbaijan's aspiring territorial expansionism against Armenia had previously been Tehran's main concern, Armenia's support for the TRIPP has now become a source of serious concern.

As for Azerbaijan, its 2020 victory, followed by deepening security and military ties with Israel, Türkiye, and Pakistan, expanded those countries' strategic footprint along Iran's northern frontier. Tehran viewed Israel's role as a direct security threat, while seeing Turkish involvement as emboldening Baku against not only Armenia but also Iran. Its initial response was confrontational: unilateral military drills, sharp warnings, and a sharp downturn in relations with Baku. From 2023 onwards, however, Tehran adopted a friendlier approach, improving diplomatic and security ties with Baku and placing greater emphasis on cooperation and dialogue to compel Azerbaijan to respect Iran's red lines.

The third threat has been the potential for geoeconomic isolation. The prospects for Armenia–Türkiye and Armenia–Azerbaijan normalization have revived discussions about unblocking regional transport links, including road, rail, and energy routes, through Armenia. Together with the TRIPP, these developments deepened Iran's concern of exclusion from new East–West connectivity corridors. Until then, many of these routes had passed through Iran. Tehran's response has been largely bilateral and has followed two tracks. It has offered alternatives for East–West connectivity to Azerbaijan, while the TRIPP remains unrealized, and borders remain closed. It has also sought to promote northward connectivity, especially through the International North–South Transport Corridor (INSTC), a key Russia–Iran connectivity framework involving Azerbaijan, Armenia,



and Georgia, which creates a counterweight to some of the East–West routes that Tehran views as partly designed to circumvent it.

Thus far, Iran's policy in the region has produced mixed results. With Armenia, Iran has deepened bilateral ties, deterred Azerbaijani expansionism, and helped prevent the forcible establishment of the so-called “Zangezur Corridor.” It has also remained involved in regional connectivity projects. Relations with Azerbaijan have moved from open hostility in 2020 to a more pragmatic footing, marked by frequent communication and a shared interest in avoiding escalation, even as mutual suspicion persists. Yet these gains remain reversible. The growing US role, Armenian and Azerbaijani endorsements of the TRIPP, and Israel's continued presence in Azerbaijan have fueled Tehran's concerns over hostile external involvement on its northern frontier. At the same time, Iran remains largely outside the formats shaping the South Caucasus's future order.

The terms that will end the US–Israeli war on Iran will be consequential for its policy in the South Caucasus. Regardless of the outcome of the negotiations, Tehran is unlikely to abandon its regional objectives, which reflect core state interests rather than the preferences of any leader or government. But the outcome of the war will shape how assertively Tehran can pursue them. If Iran emerges on favorable terms, it will likely be better placed to turn that outcome into leverage over its northern neighbors and press them to respect its interests. If it emerges weakened, its already limited toolkit of influence in the South Caucasus will likely become even less effective.



Introduction

The Second Nagorno-Karabakh War in 2020 marked a major shift in the region, setting in motion changes to the security order that increasingly exposed Iran to new strategic threats on its northern border. The South Caucasus is a region on Iran's border, one that has become central to its national security, yet one in which Tehran has invested little over the past three decades to build real leverage. Iran's renewed engagement since 2020 has centered on assembling sufficient security, economic, and diplomatic levers, particularly vis-à-vis Armenia and Azerbaijan, to counter emerging threats, defend its interests, and avoid being sidelined as a new security and economic order takes shape on its doorstep. While Iran does not appear to have a comprehensive grand strategy for the South Caucasus, these efforts point to a broader strategic orientation and a relatively consistent set of objectives.

The collapse of Soviet authority in the region in 1991 was a major reset that brought both opportunities and challenges for Iran. Building ties with the newly independent republics of the South Caucasus offered Iran an opportunity to break out of the containment imposed by the United States and expand cultural and economic relations to the north.¹ It sought to balance the influence of external powers in the region, including immediate neighbors such as Russia and Türkiye,² while also limiting Western, particularly US, intervention.³ Tehran also engaged in the Nagorno-Karabakh conflict, which was one of the most detrimental developments in the region's emerging post-Soviet security architecture. Its main objective was to prevent the conflict's escalation, with all the negative consequences this would have had for Iran's northern borderland.⁴

Ultimately, however, Russia's deeper engagement in the region, particularly its role in brokering the 1994 ceasefire that ended the First Nagorno-Karabakh War, cemented Moscow's position as the principal architect of the regional security order.⁵ Even though Tehran and Moscow's interests did not always align, Russia's dominance in the South Caucasus was acceptable to Iran because it satisfied Iran's two priorities that had guided its engagement in the region: preventing a Western, especially US, footprint and containing the active conflict close to Iran's borders. This Russian-maintained status quo created what might be called a "comfort trap" on Iran's northern frontier, allowing Tehran to focus on the Middle East while relegating the South Caucasus to the periphery of its strategic priorities.

About two-and-a-half decades later, in 2020, that status quo was fundamentally upended by the Second Nagorno-Karabakh War, when Azerbaijan recaptured most of the territories of the self-proclaimed Nagorno-Karabakh Republic and the surrounding districts under Armenian control. Russia brokered the November 9, 2020, ceasefire, deployed peacekeepers in Nagorno-Karabakh, and positioned itself as the main mediator between Armenia and Azerbaijan. In the process, it took charge of the core postwar measures stipulated in the ceasefire agreement, from reopening transport links and delimiting borders to advancing negotiations over a peace agreement. The old order had been weakened, but Russia remained the region's central security broker.

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1. Daniel Byman et al., *Iran's Security Policy in the Post-Revolutionary Era*, MR-1320 (Santa Monica, CA: RAND Corporation, 2001), 77, https://www.rand.org/content/dam/rand/pubs/monograph_reports/MR1320/RAND_MR1320.pdf.
 2. Kayhan Barzegar, "Twelve Years after the Disintegration of the Soviet Union: A Conceptual Framework for the Analysis of the Issues of Iran, Central Asia and the Caucasus," *Discourse: An Iranian Quarterly* 5, no. 1 (Summer 2003): 12.
 3. Vali Kaleji, "Russia and Iran Diverge in the South Caucasus," *Central Asia-Caucasus Analyst*, June 15, 2023, <https://www.cacianalyst.org/publications/analytical-articles/item/13758-russia-and-iran-diverge-in-the-south-caucasus.html>.
 4. Marzieh Kouhi-Esfahani, *Iran's Foreign Policy in the South Caucasus: Relations with Azerbaijan and Armenia* (London: Routledge, 2019).
 5. United Nations Security Council, "Letter Dated 27 July 1994 from the Permanent Representative of Armenia to the United Nations Addressed to the President of the Security Council," UN Doc. S/1994/881, <https://digitallibrary.un.org/record/193557?ln=en&v=pdf>.



However, Russia's war in Ukraine from 2022 onward eroded its military and political leverage in the South Caucasus, while deepening its dependence on Türkiye and Azerbaijan, especially in evading Western economic sanctions.⁶ In that new context, Azerbaijan launched its September 2023 offensive, bringing all of Nagorno-Karabakh under its control. That triggered the ethnic cleansing of its indigenous Armenian population by forcing them into Armenia,⁷ and paved the way for the departure of Russian peacekeepers,⁸ giving rise to a new situation in which Russia's regional role was markedly reduced.

The post-2020 landscape proved highly challenging for Iran, not least because of the pronounced lack of actionable leverage in the South Caucasus. Regionally, despite being the preeminent neighboring power, Iran remains largely outside the main diplomatic frameworks concerning Armenia and Azerbaijan. Russia, Türkiye, the EU, France, and the US have all played meaningful roles in the normalization process since 2021, while Tehran remained conspicuously absent. On a bilateral level, while Iran maintained long-standing ties with both Yerevan and Baku, the strategic "comfort trap" into which it had fallen over the preceding decades left it devoid of concrete mechanisms of influence in the military, security, economic, and diplomatic domains.

Iran's concerns regarding the US and Israeli presence in the South Caucasus were further amplified by the broader geopolitical environment, particularly developments in the Middle East. The October 7, 2023, attacks in Israel triggered a cascade of events that gradually eroded Tehran's regional position, ultimately culminating in the full-scale US-Israeli war against Iran that began in February 2026 and remains ongoing. This escalation added another layer of complexity to Iran's approach to the South Caucasus, embedding it into Tehran's wider deterrence efforts against the US and Israel.

Against this broader backdrop, especially the changes in the South Caucasus, Tehran had to rebuild its toolkit in that region largely from the ground up to safeguard its interests against three interconnected perceived threats.

First, the erosion of the regional balance of power, combined with Azerbaijan's emergence as the dominant actor, has increased the risk of territorial revisionism, particularly in southern Armenia, where changes to sovereign borders could sever Iran's physical link to Armenia. Second, the collapse of the Russian-guarded regional security order opened the door to foreign involvement that Tehran viewed as unwelcome and, in the case of the United States and Israel, directly contrary to its interests. The third threat relates to geoeconomic marginalization. During the First Nagorno-Karabakh War, Azerbaijan and Türkiye closed their borders with Armenia. Since 2023, however, new transit routes through Armenia have come under discussion, raising the prospect of East-West connectivity projects that bypass Iran, weaken its geoeconomic position, and strengthen Türkiye's dominance.

The next three sections will unpack those threats and examine Iran's efforts to counter them and safeguard its interests. The final section will briefly assess the implications of the US-Israel War on Iran and its policy in the South Caucasus.

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6. Sinan Ülgen, "Türkiye and Russia: An Unequal Partnership," Carnegie Endowment for International Peace, October 24, 2024, <https://carnegieendowment.org/research/2024/10/turkiye-and-russia-an-unequal-partnership>.
 7. Ministry of Foreign Affairs of the Republic of Armenia, "Minister of Foreign Affairs of Armenia Appealed to the President of the United Nations Security Council," September 19, 2023, https://usa.mfa.am/en/news/2023/09/19/mfa_unsc/12215?mfa_news=1.
 8. "Peskov podtverdil nachalo vyvoda rossiiskikh mirotvortsev iz Karabakha," [Peskov confirms the start of the withdrawal of Russian peacekeepers from Karabakh], *Interfax*, April 17, 2024, <https://www.interfax.ru/russia/956301>.



The sanctity of the region's sovereign borders

The shift in the balance of power following Azerbaijan's victory in the Second Nagorno-Karabakh War triggered a significant reconfiguration of regional boundaries and frontiers. It brought Azerbaijani forces into direct contact with the borders of Armenia that were not demarcated. Tehran was concerned about the risk of further Azerbaijani incursions into Armenia and Baku's demand for an extraterritorial corridor via Armenia to its exclave of Nakhijevan. It is these threats, particularly acute between 2020 and 2025, that compelled Iran to establish a red line against any forced changes to international borders.⁹ Tehran has since been engaging on diplomatic, economic, and military fronts to realize this policy.

Following the 2020 war, Azerbaijan's actions threatened Armenia's sovereignty in multiple ways, fueling Tehran's concerns. One form was military action against Armenia as it occurred in 2022, when Azerbaijani forces advanced into areas within Armenian territory.¹⁰ They targeted military positions and civilian infrastructure,¹¹ and occupied a few strategic positions and heights, including those overlooking the main road linking Yerevan to the Iranian border (see Map 1).¹²

Another concern for Iran was Azerbaijan's pursuit of the "Western Azerbaijan" project, which envisages the settlement of Azerbaijanis within Armenian territory.¹³

9. "Iran's IRGC Says Deployed Troops on Border near Nagorno-Karabakh Conflict," *Al Arabiya English*, October 25, 2020, <https://english.alarabiya.net/News/world/2020/10/25/Iran-s-IRGC-says-deployed-troops-on-border-near-Nagorno-Karabakh-conflict->.
10. Ministry of Defence of the Republic of Armenia, "Release," September 13, 2022, <https://www.mil.am/en/news/11007>.
11. Human Rights Watch, "Armenia," in *World Report 2023: Events of 2022* (New York: Human Rights Watch, 2023), <https://www.hrw.org/world-report/2023/country-chapters/armenia>.
12. Parliamentary Assembly of the Council of Europe, Monitoring Committee, *The Honouring of Obligations and Commitments by Armenia: Information Note*, <https://rm.coe.int/the-honouring-of-obligations-and-commitments-by-armenia-information-no/1680aaa677>.
13. Ilham Aliyev, "Speech by Ilham Aliyev at the Meeting with a Group of Intellectuals from Western Azerbaijan," President of the Republic of Azerbaijan, December 24, 2022, <https://president.az/en/articles/view/58470>.

Map 1: Borders, Border Crossings, and Transport Infrastructure in Armenia





From Yerevan's perspective this amounts to a territorial claim by Azerbaijan against the sovereign territory of Armenia.¹⁴ While it is not an immediate threat to Iran, Tehran, too, has rejected the project over concerns about territorial claims and deliberate demographic changes in Armenia's border regions.¹⁵ According to an interview with an Iranian expert on the South Caucasus, security hardliners in Tehran believe that such a plan not only threatens Armenia's territorial integrity but is also part of a larger strategy to pressure and weaken Iran—and that this is not just Baku's project, but part of a broader geopolitical effort by great powers to contain Iran.¹⁶

Iran's more immediate major concern is about the new transport arrangements in the region. The 2020 trilateral statement envisaged the unblocking of regional communications, with Armenia guaranteeing safe and unimpeded transport between Azerbaijan and Nakhijevan and Russian border guards overseeing the route.¹⁷ Azerbaijan subsequently branded this link the "Zangezur Corridor," interpreting it as a direct and unhindered extraterritorial connection through southern Armenia to its exclave, despite the November 2020 trilateral statement making no reference to such a corridor.¹⁸ Armenia rejected the extraterritorial logic. It proposed the "Crossroads of Peace" initiative, which envisages the reopening of all regional communications while preserving the sovereignty of the states through whose territories these routes pass.¹⁹ Yerevan also proposed a simplified transit arrangement for Azerbaijan while maintaining full sovereignty over the route.²⁰

The corridor issue is not new. First proposals date back to the 1990s, and Iran has consistently opposed them. Notably, the 1992 Goble Plan envisioned a territorial exchange in which Armenia would retain the Lachin Corridor linking it to the self-proclaimed Nagorno-Karabakh Republic, while Azerbaijan would gain a corridor to Nakhijevan through Meghri, along Armenia's southern border with Iran.²¹ Iran opposed the idea, viewing the corridor as a threat that could deprive it of a common border with Armenia.²² The plan ultimately did not materialize due to sustained limbo in the Nagorno-Karabakh conflict. The renewed focus on this transport link after the 2020 war has brought the issue back to the forefront, once again raising concerns in Iran.

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14. Ministry of Foreign Affairs of the Republic of Armenia, "HH AG nakharar Ararat Mirzoyani 2024 t. ampopich asulise (mas 1)," [2024 year-end press conference of Armenian Foreign Minister Ararat Mirzoyan, part 1], January 8, 2025, https://www.mfa.am/hy/press-conference/2025/01/08/Mirzoyan_Concluding_remarks/13027.
 15. Ruzanna Stepanian, "Iranian Envoy Rejects Azeri References to Armenian Territory," *Azatusyun*, June 27, 2025, <https://www.azatusyun.am/a/33457259.html>; "Iran kararlı," [Iran is determined], *Ermenistan Kamu Radyosu*, June 10, 2024, <https://tr.armradio.am/2024/06/10/iran-kararli/>.
 16. Author interview with an Iranian researcher close to government circles, conducted remotely, September 2025; also see: Ahmad Kazemi, interview in "Dalan-e Turani-ye NATO va fetne-ye tajziye-ye Armanestan" [NATO's Turanian Corridor and the Plot to Partition Armenia], *Ahmad Kazemi*, September 9, 2024, <https://ahmadkazemi.com/interviews/دالان-تورانی-ناتو-و-فتنه-تجزیه-ارمنستان/>.
 17. "Statement by the Prime Minister of the Republic of Armenia, the President of the Republic of Azerbaijan and the President of the Russian Federation," Office of the Prime Minister of the Republic of Armenia, November 10, 2020, <https://www.primeminister.am/en/press-release/item/2020/11/10/Announcement/>.
 18. Thomas de Waal, "In the South Caucasus, Can New Trade Routes Help Overcome a History of Conflict?" Carnegie Endowment for International Peace, November 8, 2021, <https://carnegieendowment.org/research/2021/12/in-the-south-caucasus-can-new-trade-routes-help-overcome-a-history-of-conflict>.
 19. Government of the Republic of Armenia, "The Crossroads of Peace," accessed July 7, 2026, <https://www.gov.am/en/thecrossroadsofpeace>.
 20. Nikol Pashinyan, "The Republic of Armenia Is Capable to Ensure and Will Fully Ensure the Safety of the Passage of Goods, Resources, Vehicles and People through Its Territory," speech at the Outreach/BRICS Plus meeting, Kazan, October 24, 2024, Office of the Prime Minister of the Republic of Armenia, <https://www.primeminister.am/en/statements-and-messages/item/2024/10/24/Nikol-Pashinyan-Speech/>.
 21. Paul Goble, "Caucasus Report: June 8, 2000," *Radio Free Europe/Radio Liberty*, June 8, 2000, <https://www.rferl.org/a/1341946.html>.
 22. Seyed Kazem Sajjadpour, "Iran, the Caucasus and Central Asia," in *The New Geopolitics of Central Asia and Its Borderlands*, ed. Ali Banuazizi and Myron Weiner (Bloomington: Indiana University Press, 1994), 207.



Russia, set to oversee the route according to Article 9 of the November 2020 trilateral statement, supported its opening, in line with Baku's insistence, further heightening Iran's concerns. This position reflected Moscow's efforts to retain influence in the South Caucasus. In August 2024, the Russian foreign minister even accused Yerevan of obstructing the opening of the route, as stipulated in the 2020 statement.²³ This stance aligned with Baku's interests, as Moscow supported the route while communications between Armenia and Azerbaijan remained blocked and despite its mediation of a special trilateral commission aimed at unblocking all routes.²⁴

Russia's pressure on Armenia, which came in parallel to Azerbaijan's, led to diplomatic friction with Iran. In response, Tehran called the resident Russian ambassador to express its opposition. In the official statement that followed, Iran stressed the need to take into account the interests of all countries in the region and to prevent any geopolitical changes.²⁵ According to a source, during the meeting Iranian officials stated that Russian-Azerbaijani pressure on Armenia to open the corridor is unacceptable to them. Tehran's move effectively stopped Baku's attempt to open the route by coercion with Moscow's support.²⁶

Iran has also perceived the "Zangezur Corridor" as a project rooted in a pan-Turkic vision of integrating the Turkic world,²⁷ which raises concerns in Tehran about the potential stimulation of separatist sentiments among its own Turkic-speaking population.²⁸ High-level statements, such as President Erdoğan's description of the corridor as a route connecting the Turkic world via Türkiye, amplify Iranian skepticism.²⁹ Iran also sees the corridor as facilitating NATO's growing influence in the region because of NATO member Türkiye's strong backing of the project. This perception is reflected in Iran's official discourse, where the land route in question is sometimes dubbed the "Turan-NATO Corridor."³⁰ The establishment of an extraterritorial corridor outside Armenia's full control would also risk disrupting the Armenian-Iranian border, blocking Iran's route to the Eurasian Economic Union (EAEU) and Europe.³¹ As a result, Iran would face strategic encirclement from the north.

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23. Sergey V. Lavrov, "Otvét Ministra inostrannykh del Rossiiskoi Federatsii S.V. Lavrova na vopros 'Pervogo kanala,' Baku, 19 avgusta 2024 goda," [Reply by the Russian Foreign Minister S. V. Lavrov to a question from Channel One, Baku, August 19, 2024], Ministry of Foreign Affairs of the Russian Federation, August 19, 2024, https://www.mid.ru/ru/foreign_policy/news/1965998/.
 24. President of Russia, "Zaiavleniia dlia pressy po itogam peregovorov s Prezidentom Azerbaidzhana Ilkhamom Alievym i Premier-ministrom Armenii Nikolom Pashinianom," [Statements to the press following talks with President of Azerbaijan Ilham Aliyev and Prime Minister of Armenia Nikol Pashinyan], January 11, 2021, <https://special.kremlin.ru/events/president/news/64880>.
 25. Ministry of Foreign Affairs of the Islamic Republic of Iran, "Iranian Diplomat Stresses on Need to Restore Lasting Peace in Caucasus," September 3, 2024, <https://en.mfa.gov.ir/portal/newsview/752714/Iranian-diplomat-stresses-on-need-to-restore-lasting-peace-in-Caucasus>.
 26. Author interview with an Iranian researcher close to government circles, conducted remotely, September 2025; also see: Inside the Iran-Russia Tensions over an Azerbaijan Transport Corridor," *Middle East Eye*, September 17, 2024, <https://www.middleeasteye.net/news/inside-iran-russia-tensions-over-azerbaijans-zangezur-corridor>.
 27. Alireza Ramazani Rad, "Forsatha-ye Iran dar ostanha-ye marzi-ye Armanestan," [Iran's opportunities in Armenia's border provinces], *ISNA*, October 23, 2025, <https://www.isna.ir/news/1404073019879/-فرصت-های-ایران-در-استان-های-مرزی-ارمنستان>.
 28. Vali Kaleji, "Iran Increasingly Uneasy about Threats to Common Border with Armenia," *Eurasia Daily Monitor* 19, no. 152, Jamestown Foundation, October 14, 2022, <https://jamestown.org/iran-increasingly-uneasy-about-threats-to-common-border-with-armenia/>.
 29. Republic of Türkiye Directorate of Communications, "President Erdoğan Addresses Journalists' Questions on Return Flight from Azerbaijan," May 29, 2025, <https://www.iletisim.gov.tr/english/haberler/detay/president-erdogan-addresses-journalists-questions-on-return-flight-from-azerbaijan>.
 30. "Conspiracy of Creating 'NATO Turani Corridor' with Geopolitical Consequences against Iran, Russia and China," Strategic Council on Foreign Relations, September 11, 2022, <https://scfr.ir/en/300/30101/146069/conspiracy-of-creating-nato-turani-corridor-with-geopolitical-consequences-against-iran-russia-and-china/>.
 31. Hamed Hekmat-Ara, "Chera marz-e Armanestan baraye Iran ahammiyat darad?" [Why does Armenia's border matter to Iran?], *IRAS*, September 25, 2023, <https://www.iras.ir/چرا-مرز-ارمنستان-برای-ایران-اهمیت-دارد>.



IRAN'S POLICY IN THE SOUTH CAUCASUS

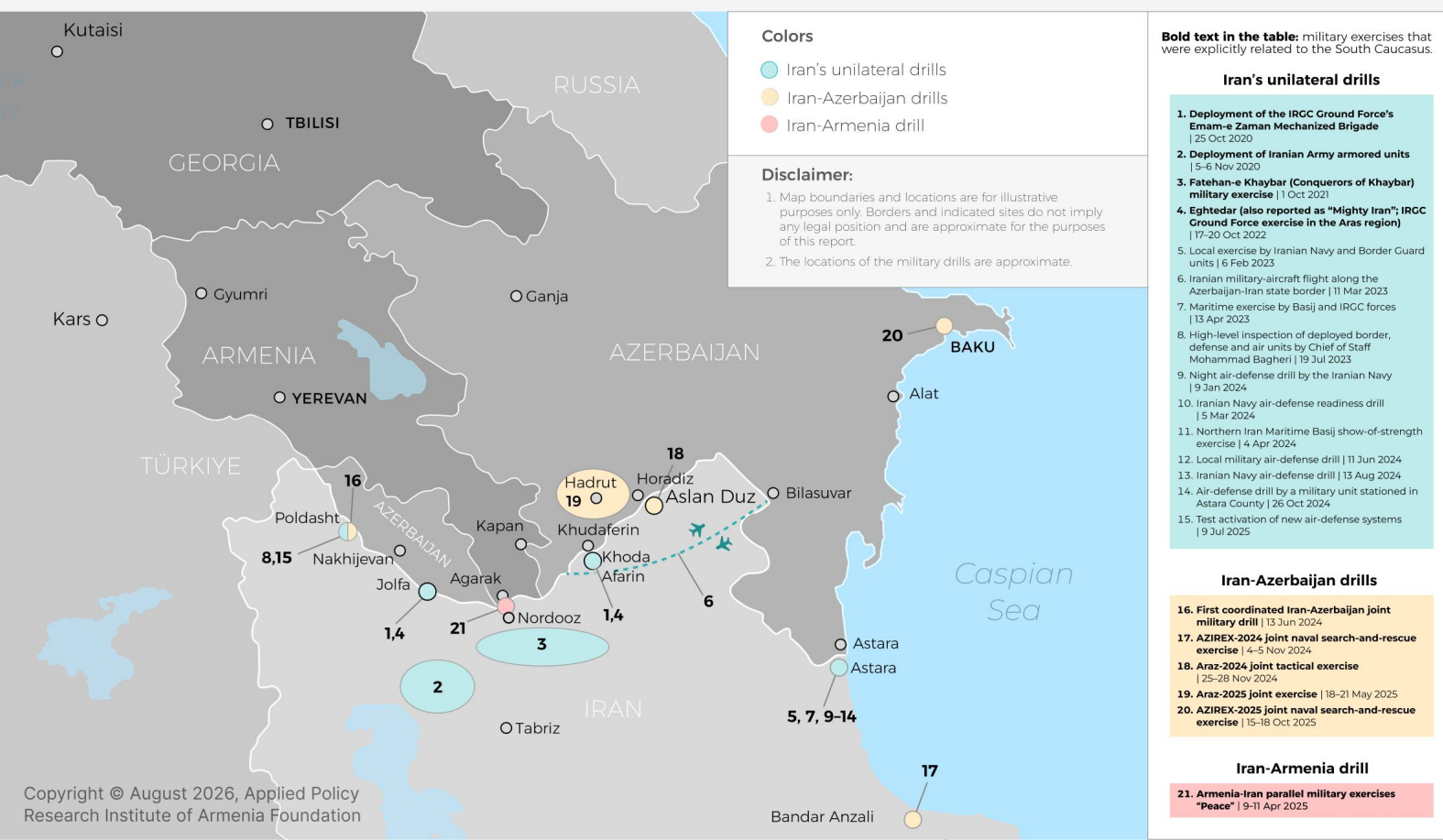
In defense of its red line, the Iranian side used a mix of diplomacy and a show of military might. Militarily, Iran signaled its resolve even before the Second Nagorno-Karabakh War ended.

On October 25, 2020, after Azerbaijani forces seized the southern parts of Nagorno-Karabakh along Iran's border and were pushing toward Armenian sovereign borders, the Islamic Revolutionary Guard Corps (IRGC) deployed a mechanized brigade close to Nakhijevan and Nagorno-Karabakh.³² Iran also reinforced its troops along the Armenian and Azerbaijani borders with new army units during the war and before the November 2020 ceasefire agreement.³³ That was the first of several military activities to come, as illustrated in Map 2, which underscored that Tehran would not tolerate changes to international borders.

Continuing on this path, Iran held two one-sided, large-scale military exercises. The first exercise, in October 2021, took place after Azerbaijani forces set up checkpoints on a key section of the Goris–Kapan road passing right next to the Armenia–Azerbaijan border, practically severing the unhindered Iran–Armenia connection (see Map 1).³⁴ Iran officially stated that the military exercise was aimed at countering Israel's presence near its borders, but it was likely directed against coercive changes to the undemarcated border between Armenia and Azerbaijan. (Later, in June 2026, the Speaker of Armenia's Parliament vaguely suggested that the government may have agreed to hand over control of the road.)³⁵

32. "IRGC Deploys Mechanized Brigade to NW Border amid Azeri-Armenian Conflict," *Press TV*, October 25, 2020, <https://www.presstv.ir/Detail/2020/10/25/637168/Iran-IRGC-deployment-border-Azerbaijan-Armenia-Nagorno-Karabakh>.
33. "Iranian Army Deploys Units on Border with Armenia, Azerbaijan," *Mehr News Agency*, November 6, 2020, <https://en.mehrnews.com/news/165584/Iranian-Army-deploys-units-on-border-with-Armenia-Azerbaijan>.
34. "Iran Starts Military Drills Near Azerbaijan Border," *Azattyun*, October 1, 2021, <https://www.azattyun.am/a/31487794.html>.
35. "Parliament Speaker Comments on Armenia's Goris-Kapan, Kapan-Chakaten Motorways Coming under Azerbaijan Monitoring," *NEWS.am*, June 1, 2026, <https://news.am/en/news/1040107>.

Map 2: Iran's Military Activity Near the South Caucasus (2020-2025)





The second exercise, in October 2022—right after Azerbaijan's 2022 military incursion in Armenia in September 2022—took place along the Aras River running along the Iran–Azerbaijan and Iran–Armenia borders.³⁶ This, too, was likely an Iranian message that it would not tolerate any changes to the border. First, the exercise took place where the so-called “Zangezur Corridor” was supposed to open. The nature of the exercises, which included bridge construction across a river and the seizure of strategically important hills, suggested readiness to cross the border river with either Azerbaijan or Armenia.

After the war ended in 2020, Iran and Armenia also enhanced security dialogue with a focus on border security. The most notable event in this context was the first ever joint military exercises held in April 2025 to strengthen border security.³⁷ The format of the drills was notable: Iranian and Armenian troops remained on their respective sides of the border, showing a common approach to border security threats and a readiness to respond together. The choice of format can be interpreted as signaling respect for the border and territorial integrity.

Iran also worked to help reduce the military imbalance between Armenia and Azerbaijan by contributing to Armenia's post-2020 efforts to rebuild its military deterrence capabilities. One clear sign of that has been Iran's role as the main transit route for Indian weapons deliveries to Armenia by air and by land through Bandar Abbas port. Reportedly, Indian military equipment to Armenia included Pinaka MLRS, SWATHI radars, anti-tank missiles with ammunition, 155mm artillery pieces, and anti-UAV systems, and other weaponry arrived in Armenia via Iran.³⁸ In less than three years, India has become Armenia's largest arms supplier, with Iran playing a key connecting link despite Turkish and Azerbaijani resentment.³⁹ Moreover, Iran also reportedly supplied Armenia with military equipment, including the AD-08 Majid short-range air-defense system and an Iranian-made low-altitude surveillance radar displayed at Yerevan's May 2026 military parade.⁴⁰

In addition to military and security efforts, Tehran deployed diplomatic means to pursue the same goal: no border changes. This was evident from Iran's actions and statements during Azerbaijan's large-scale attack on Armenia in September 2022.⁴¹ The Armenian side reportedly credited Iranian actions and statements with helping deter further Azerbaijani advances into Armenian territory.⁴²

In the same context, Iran increased its diplomatic activity in southern Armenia. In July 2021, Armenia allowed Iran to open a consulate general in Kapan, the capital of Syunik Province, which borders Iran. The consulate general opened in October 2022, right after

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35. “Parliament Speaker Comments on Armenia's Goris-Kapan, Kapan-Chakaten Motorways Coming under Azerbaijan Monitoring,” *NEWS.am*, June 1, 2026, <https://news.am/en/news/1040107>.
 36. “IRGC Stages Drill in Northwest Iran,” *Tasnim News Agency*, October 17, 2022, <https://www.tasnimnews.ir/en/news/2022/10/17/2789303/irgc-stages-drill-in-northwest-iran>.
 37. “IRGC Ground Forces Deputy Chief on Armenia–Iran Joint Military Drills,” *Armenpress Armenian News Agency*, April 9, 2025, <https://armenpress.am/en/article/1216725/>.
 38. Jason Wahlang and Sergei Melkonian, “India in the South Caucasus: Implications for Russia, Iran and Turkey,” *Russian International Affairs Council*, February 19, 2024, <https://russiancouncil.ru/en/analytics-and-comments/analytics/india-in-the-south-caucasus-implications-for-russia-iran-and-turkey/>.
 39. Nvard Chalikyan, “India and the South Caucasus: Infrastructure, Arms, and Geopolitical Competition,” *APRI Armenia*, October 28, 2025, <https://apri.institute/india-and-the-south-caucasus-infrastructure-arms-and-geopolitical-competition/>.
 40. Siranush Adamyan, “Armenia Showcases New Weapons at Military Parade Days before Election,” *CivilNet*, May 29, 2026, <https://civilnet.am/en/news/1012123>.
 41. Ministry of Foreign Affairs of the Republic of Armenia, “Statement by the Ministry of Foreign Affairs of Armenia,” June 19, 2024, https://www.mfa.am/en/interviews-articles-and-comments/2024/06/19/mfa_statement/12700.
 42. Amberin Zaman, “Turkey Rises, Russia Fades as Iran and Azerbaijan Clash over Armenia,” *Al-Monitor*, January 31, 2023, <https://www.al-monitor.com/originals/2023/01/turkey-rises-russia-fades-iran-and-azerbaijan-clash-over-armenia>.



Azerbaijan's aforementioned aggression.⁴³

Iran also attempted to encourage the Armenian government to accept the deployment of Iranian observers along the Armenia–Azerbaijan border following Azerbaijan's takeover of Nagorno-Karabakh in September 2023. The stated aim was to reduce tensions and support regional stability.⁴⁴ While Armenia did not openly reject the proposal, it appears not to have materialized, likely because the European Union Mission in Armenia was already in place, and an Iranian presence would complicate Armenia's enhanced partnership with Western security partners.

The risk of military aggression by Azerbaijan subsided in August 2025, when Armenia, Azerbaijan, and the United States signed a joint declaration in Washington that laid the groundwork for the Trump Route for International Peace and Prosperity (TRIPP).⁴⁵ The TRIPP proposes a route between Azerbaijan and its Nakhijevan exclave through Armenian territory, with recognition of Yerevan's sovereignty over the route. It will be operated by a joint Armenian-American company for an initial 49-year period. The plan also includes an operating model under which private non-Armenian operators would provide customer-facing services on the ground.⁴⁶

The key difference between the TRIPP and the “Zangezur Corridor”

Although both projects have the same objective of connecting Azerbaijan to its exclave, Nakhijevan, through Armenian land, their deepest difference is in how they consider the exercise of Armenia's sovereignty. The “Zangezur Corridor” envisages uninterrupted passage between Azerbaijan and Nakhijevan without any Armenian presence and customs or passport controls exercised by Armenian authorities while passing through its territory.⁴⁷ It therefore follows an extraterritorial logic as the route would not operate under Armenia's sovereign control. The TRIPP, by contrast, is designed to provide Azerbaijan with simplified access to its exclave while in principle preserving Armenian sovereignty. Under the TRIPP logic, sovereign functions would be exercised through the “back office.” According to the TRIPP Implementation Framework, signed in January 2026, Armenian customs and border officials maintain a physical presence in all Armenian border and customs facilities and will exercise all sovereign authority, including but not only final customs decisions and clearances. According to the same document, private operators would provide customer-facing services at the relevant border crossings through the “front office.” The precise arrangements in practice remain to be worked out.⁴⁸

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43. Ministry of Foreign Affairs of the Republic of Armenia, "Opening Ceremony of the Consulate General of the Islamic Republic of Iran in Kapan," October 21, 2022, https://www.mfa.am/en/speeches/2022/10/21/consulate_iran/11696.
 44. Ali Izadi, "Iran Ready to Send Observer to Armenia-Azerbaijan Borders," *IRNA English*, October 4, 2023, <https://en.irna.ir/news/85247514/Iran-ready-to-send-observer-to-Armenia-Azerbaijan-borders>.
 45. The Prime Minister of the Republic of Armenia, "Joint Declaration by the President of the Republic of Azerbaijan, the Prime Minister of the Republic of Armenia and the President of the United States of America on the Outcomes of Their Meeting in Washington D.C., United States of America," August 9, 2025, <https://www.primeminister.am/en/press-release/item/2025/08/09/Nikol-Pashinyan-visit-US-declaration/>.
 46. Ministry of Foreign Affairs of the Republic of Armenia and US Department of State, "Joint Statement on the Publication of the Armenia-U.S. Implementation Framework for the Trump Route for International Peace and Prosperity (TRIPP)," January 14, 2026, <https://www.mfa.am/en/press-releases/2026/01/14/TRIPP/13721>.
 47. Thomas de Waal, "In the South Caucasus, Can New Trade Routes Help Overcome a History of Conflict?" Carnegie Endowment for International Peace, November 8, 2021, <https://carnegieendowment.org/research/2021/11/in-the-south-caucasus-can-new-trade-routes-help-overcome-a-history-of-conflict>.
 48. "Armenia, U.S. Release Joint Statement on Publication of TRIPP Implementation Framework," *Armenpress*, January 14, 2026, <https://armenpress.am/en/article/1239492>.



The joint declaration and the subsequent de-escalation partly served Iran's regional priorities. But it also created new challenges: the prospect of some form of US presence along Iran's border and the risk of disruption to Iranian-Armenian connectivity. The road connecting Iran with Armenia intersects with the TRIPP. If special transit conditions apply to the TRIPP, they could affect the territory used for cargo movement between Iran and Armenia.⁴⁹

The other concern that Iran has about the TRIPP is that it may gradually acquire an extraterritorial corridor logic, even without any formal change to Armenia's borders. While Armenia's sovereignty and jurisdiction are formally recognized, according to the TRIPP Framework Agreement, the road will be managed by a special company in which Armenia holds only a 26% stake. For some in Iran, this amounts to putting the road under a special management regime close to an extraterritorial corridor logic.⁵⁰

49. This concern was raised by Iranian experts and officials during interviews and closed-door discussions in May 2026.

50. This is confirmed by the responses of various Iranian experts in separate interviews.



Foreign presence hostile to Iran and its interests

After the 2020 war, and especially after Russia's sharp retreat in 2022 and 2023, a security vacuum emerged in the South Caucasus. This power void provided an opening for Azerbaijan to play a more assertive regional role and for external powers to expand their involvement in the region. Tehran perceived this—particularly the United States' and Israel's expansion—as a targeted threat, prompting the establishment of another red line: no foreign presence in neighboring countries that is outright hostile to Iran. Consequently, a significant portion of Iran's renewed diplomatic and security activities since 2020 have concentrated on preventing US and Israeli presence near its borders.

Iran pursued these goals mainly through bilateral channels, in part because it had little influence over the multilateral processes reshaping the regional order. The main forum in which it participated was the 3+3 format, comprising Russia, Iran, Armenia, Türkiye, Azerbaijan, and Georgia.⁵¹ The turn toward bilateralism as a means of defending Iran's red lines in the region was also rooted in the doctrinal shift that accompanied Ebrahim Raisi's election as president in 2021. Under its "Neighborhood and Integration" doctrine, Tehran gave greater priority to strengthening political and economic relations with all its neighbors, including those in the South Caucasus.⁵²

Armenia: from "good neighbor" to source of concern

The Second Nagorno-Karabakh War exposed Armenia's power imbalance with Azerbaijan, with direct implications for its security and territorial integrity. As Russia's regional standing eroded on account of the war in Ukraine, Yerevan moved to diversify its security partnerships, turning to India, France, China, Belgium, and the United States. Since September 2022, the United States, Iran's adversary, has steadily upgraded its ties with Armenia and facilitated negotiations between Armenia and Azerbaijan. By 2025, Washington had become the sole mediator between the two countries.

The increasing American influence has been a concern for Iran. Tehran's response has been to deepen bilateral ties with Armenia and forge a security partnership. Tehran was uneasy with a South Caucasus increasingly shaped by Western involvement. Yet its approach was more nuanced. In some cases, it saw that involvement as compatible with its own interests. Tehran also understood Yerevan's need to diversify its relations to narrow its power imbalance with Azerbaijan amid Russia's shifting focus on Ukraine. What Iran objects to is a form of Western engagement that it perceives as designed to harm Iran.

Tehran has distinguished between the roles of the EU and the United States in the region. Brussels is seen as playing a stabilizing role to maintain the status quo and mitigate the imbalance of power between Armenia and Azerbaijan. This is because Tehran does not see EU–Armenia ties as posing a direct threat to Iran's security.

Iran's reaction to the EU monitoring mission deployed in Armenia after the September 2022 aggression illustrates this. Although Iran officially maintained that no external powers should be involved in the region, in practice it did not oppose the mission's deployment or its extension in 2025. On the contrary, it signaled that it did not mind the EU monitoring presence and did not view Armenia's growing cooperation with the EU negatively.⁵³ This contrasted with the positions of Russia and Azerbaijan, both of which

51. A format that brings together the three states of the South Caucasus (Armenia, Azerbaijan, and Georgia) and their neighbors (Iran, Russia, and Türkiye) for consultations on regional issues.

52. Mohammad Jamshidi and Yaser Nooralivand, "Neighborhood and Integration: The Foreign Policy Doctrine of the Raisi Administration," *Strategic Studies Quarterly* 26, no. 4 (Winter 2024): 14, <https://doi.org/10.22034/SSQ.2024.192302>.

53. Alexander Pracht, "Armenia, Iran to Sign Strategic Partnership Agreement, Ambassador Says," *CivilNet*, October 28, 2025, <https://civilnet.am/en/news/816134>.



objected to the mission.⁵⁴ The absence of official Iranian statements on the European Political Community summit in Yerevan in June 2026 was another sign that Tehran does not inherently oppose EU involvement in the region.

Among European states, France holds particular significance for Armenia. From Iran's perspective, the security partnership between France and Armenia is primarily aimed at strengthening Armenia's capabilities and mitigating the regional imbalance of power. For this reason, there was no negative reaction from Tehran to Armenia–France defense cooperation, unlike the response from Moscow or Baku, which describe the French involvement as provocative.⁵⁵

Even in the case of the United States, Iran's opposition was neither immediate nor absolute from the outset. For example, the US's attempt to act as a facilitator between Armenia and Azerbaijan during the 2020 war, as well as afterward in February and June 2023, did not provoke a negative reaction from Iran. This was likely because Tehran was, at the time, more interested in de-escalation and did not believe that Washington's involvement would lead to a change in the regional configuration.

For its part, Tehran sought to elevate its relationship with Armenia in several ways. In 2025, Iran's ambassador to Armenia stated that the two sides were working toward a broad, long-term strategic agreement likely to include both economic and security cooperation.⁵⁶ Although the agreement has yet to be signed, the very fact that the two governments are discussing such a framework reflects the growing depth of their relationship.

Additionally, political contacts have intensified, culminating in the Iranian president's 2025 visit to Armenia, the first in six years.⁵⁷ Security cooperation has also expanded, with Armenia publicly displaying Iranian-made military equipment at its 2026 parade and the two countries holding their first ever joint military drills.⁵⁸ Iran has meanwhile strengthened its presence in southern Armenia by opening a consulate in Kapan and taking part in strategic infrastructure projects linking the two countries while, for comparison, Armenia still delays Russia's request to open a consulate there.⁵⁹

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54. "Zakharova: EU Mission in Armenia Spying on Russia, Iran, and Azerbaijan," TASS, March 20, 2024, <https://www.tass.ru/politika/20295785>; "President of Azerbaijan: So-Called Binoculars Diplomacy Absolutely Unacceptable," *Report.az*, October 14, 2024, <https://report.az/en/foreign-politics/president-of-azerbaijan-so-called-binoculars-diplomacy-absolutely-unacceptable>; Ministry of Foreign Affairs of the Republic of Azerbaijan, "No:054/24, Press Release on the Summoning of Ambassador Peter Michalko to the Ministry of Foreign Affairs," February 12, 2024, <https://www.mfa.gov.az/en/news/no05424>; European Union Mission in Armenia (EUMA), "About European Union Mission in Armenia," European External Action Service, August 11, 2026, https://www.eeas.europa.eu/euma/about-european-union-mission-armenia_en.
55. Ministry of Foreign Affairs of the Russian Federation, "Briefing by Foreign Ministry Spokeswoman Maria Zakharova, Moscow, June 19, 2024," https://mid.ru/ru/press_service/spokesman/briefings/1958114/?lang=en#Q12; Ministry of Defense of the Republic of Azerbaijan, "Statement by the Ministry of Defense of the Republic of Azerbaijan," June 18, 2024, <https://mod.gov.az/en/news/statement-by-the-ministry-of-defense-of-the-republic-of-azerbaijan-52125.html>.
56. "Ambassador: Iran and Armenia Work on Comprehensive Strategic Partnership Agreement," *ARKA News Agency*, February 6, 2025, <https://arka.am/en/news/politics/ambassador-iran-and-armenia-work-on-comprehensive-strategic-partnership-agreement/>.
57. Official Website of the President of the Islamic Republic of Iran, "President Pezeshkian Advocates for Strengthening Iran-Armenia Relations," August 18, 2025, <https://president.ir/en/161058>.
58. "Yerevan Holds Republic Day Military Parade," *PAN.am*, May 28, 2026, <https://www.pan.am/en/333668>; Ministry of Defence of the Republic of Armenia, "Special Forces Units of the Armed Forces of the Republic of Armenia and the Armed Forces of the Islamic Republic of Iran Will Conduct Joint Military Exercise," April 9, 2025, <https://mil.am/en/news/12714>.
59. Ministry of Foreign Affairs of the Republic of Armenia, "Opening Ceremony of the Consulate General of the Islamic Republic of Iran in Kapan," October 21, 2022, https://www.mfa.am/en/speeches/2022/10/21/consulate_iran/11696; Ministry of Foreign Affairs of the Republic of Armenia, "Meeting of Ministers of Foreign Affairs of Armenia and Iran and Their Joint Press Conference," December 27, 2023, https://www.mfa.am/en/press-conference/2023/12/27/armenia_iran/12446; "SMI: vlasti Armenii otkladyvaiut reshenie po konsul'stvu Rossii v Siunike," [Media: Armenian authorities delay decision on Russian consulate in Syunik], *Golos Armenii*, February 21, 2026, <https://golosarmenii.am/сми-власти-армении-откладывают-решен/>.



Iran's approach shifted after the Washington Peace Summit in August 2025, which unveiled the TRIPP. Tehran grew concerned that the project could not only disrupt communications with Armenia but also open the door to a US presence near its border.⁶⁰ The prospects of any US presence, which emerged two months after the US joined Israel in striking Iran, and the continued presence of Israel in Azerbaijan, have raised fears of a "tightening of the hostile circle" in the north.⁶¹

The TRIPP has provided the greatest challenge to relations between Armenia and Iran. It prompted the Iranian president's above-mentioned visit to Armenia only 10 days after the Washington Summit.⁶² According to experts interviewed, this signaled a shift in Iran's relations with Armenia from deterring a potential Azerbaijani attack and disrupting regional order to addressing security concerns arising from the looming US presence near its borders.⁶³

Iran's security cooperation with Armenia was primarily aimed at reducing the risk of Azerbaijani escalation that could have changed the status quo, and in that respect, Tehran appears to have achieved some success. However, as Iran was unable to fill the strategic vacuum left by Russia on its own, it had to accept the involvement of external actors in Armenia's deterrence architecture. This remained somewhat acceptable until the unveiling of the TRIPP.

Azerbaijan: Iran's emboldened neighbor

Azerbaijan's 2020 victory, followed by its takeover of Nagorno-Karabakh in 2023, strengthened Baku at a moment when Russia's ability to uphold the old security order was visibly fading. At the same time, Azerbaijan's deepening security and military ties with Türkiye, Israel, and Pakistan expanded their strategic footprint in the South Caucasus. For Tehran, those twin developments on its northern frontier became the main drivers of policy toward Baku. Iran's initial response was confrontational. But from 2023 onward, it moved toward a more measured approach. The aim, however, was the same: reduce the kind of external involvement in the region that could undermine Iran's security or harm its interests.

Türkiye, Israel, and Pakistan have long maintained close ties with Azerbaijan. Unlike Russia in the South Caucasus, which Iran still sees as a potential regional ally, Türkiye is viewed in Tehran chiefly as a regional rival, with clear security and geoeconomic divergences, despite the overlap of interests in other regions. Tehran has regarded Ankara's role in reshaping the South Caucasus security order as destabilizing, considering its direct military backing in the 2020 war and support for Baku to become the region's hegemon,⁶⁴ as formalized in the 2021 Shusha Declaration.⁶⁵ Iran is also concerned about Türkiye's openly stated drive for deeper engagement across the Turkic world stretching into Central Asia, not least through its strong support for the "Zangezur Corridor," and

60. Office of the Prime Minister of the Republic of Armenia, "Joint Declaration by the President of the Republic of Azerbaijan, the Prime Minister of the Republic of Armenia and the President of the United States of America on the Outcomes of Their Meeting in Washington D.C., United States of America," August 9, 2025, <https://www.primeminister.am/en/press-release/item/2025/08/09/Nikol-Pashinyan-visit-US-declaration/>.

61. "Leader's Aide Warns of US-Israeli Backed Zangezur Corridor Plan Aimed to Isolate Iran," *Tehran Times*, July 27, 2025, <https://www.tehrantimes.com/news/516139/Leader-s-aide-warns-of-US-Israeli-backed-Zangezur-corridor-plan>.

62. Official Website of the President of the Islamic Republic of Iran, "President Pezeshkian Arrives in Yerevan, Armenia," August 18, 2025, <https://president.ir/en/161057>.

63. Author interview with an Iranian researcher close to government circles, conducted remotely, September 2025.

64. Hamidreza Azizi and Daria Isachenko, *Turkey-Iran Rivalry in the Changing Geopolitics of the South Caucasus*, SWP Comment 2023/C 49 (Berlin: Stiftung Wissenschaft und Politik, September 2023), <https://www.swp-berlin.org/10.18449/2023C49>.

65. President of the Republic of Azerbaijan, "Shusha Declaration on Allied Relations between the Republic of Azerbaijan and the Republic of Turkey," June 16, 2021, <https://president.az/en/articles/view/52122>.



later the TRIPP, which Iranian discourse sometimes labels the “Turan–NATO Corridor.”⁶⁶

Tehran perceives Israel's presence and activities in Azerbaijan as destructive for a host of reasons. First, Iran does not view Azerbaijan simply as a bilateral partner to Israel but as part of Tel Aviv's broader deterrence strategy against Tehran, with Azerbaijan's shared border providing opportunities for Israeli access and influence near Iranian territory. At the same time, Israel's security, intelligence, and military support reinforces Azerbaijan's own threat perceptions of Iran as a larger and potentially hostile neighbor, thereby creating a mutually reinforcing dynamic. Together, these factors have heightened Iran's perception of risk from both Israel and a more emboldened Azerbaijan.

These Iranian worries are rooted in many factors. Israel, a top arms supplier to Baku between 2016 and 2020,⁶⁷ continued and even increased its weapons delivery after the 2020 war.⁶⁸ The two countries signed a defense cooperation agreement⁶⁹ and agreed on the purchase and launch of Israeli satellites for Azerbaijan.⁷⁰ They also agreed to train Azerbaijani specialists in cybersecurity, and began constructing a “smart village”⁷¹ in the South of Nagorno-Karabakh, a few kilometers from the Iranian border, which Iran has viewed as a spying and eavesdropping project.⁷² Such close and increased collaboration in security-related areas has become a clear source of tension between Tehran and Baku.

Israel's potential intelligence presence in Azerbaijan is also a significant concern. Israeli officials have acknowledged that during the 2020 war, Israel aligned itself with Baku because if and when war between Iran and Israel breaks out, Azerbaijan would be a significant logistical rear.⁷³ This aligns with Tel Aviv's “new peripheral strategy” aimed at creating circles of containment around Iran. After the 12-day war against Israel and the United States, Iranian state-run media and channels affiliated with the IRGC accused Azerbaijan of providing “intelligence support to Israel” during the strikes on nuclear, military, and civilian sites.⁷⁴

Such Iranian suspicions were only reinforced after CNN reported that Israel operated out of Azerbaijan during its and the United States' war against Iran in 2026.⁷⁵ According to the report, Israeli special forces, airborne rescue units, and intelligence personnel used Azerbaijani territory for surveillance, intelligence-equipment deployment, drone operations, and evacuation missions. According to the same CNN report, one strike, on March 4, was launched from Azerbaijani territory and linked to the killing of a senior IRGC intelligence commander.

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66. Ahmad Kazemi, “Conspiracy of Creating ‘NATO Turani Corridor,’” <https://www.scfr.ir/en/300/30101/146069/conspiracy-of-creating-nato-turani-corridor-with-geopolitical-consequences-against-iran-russia-and-china/>.
 67. “Israeli Weapons Quietly Helped Azerbaijan Retake Nagorno-Karabakh — Sources, Data,” *The Times of Israel*, October 2, 2023, <https://www.timesofisrael.com/israeli-weapons-quietly-helped-azerbaijan-retake-nagorno-karabakh-sources-data/>.
 68. Vahe Sarukhanyan, “Azerbaijan Increases Cargo Flights to Israel's Ovda Air Base,” *Hetq*, January 16, 2025, <https://www.hetq.am/en/article/172073>.
 69. “A New Stage of Defense Cooperation between Israel and Azerbaijan,” *Aze.Media*, September 26, 2024, <https://aze.media/a-new-stage-of-defense-cooperation/>.
 70. Dean Shmuel Elmas, “IAI Shortlisted in Azerbaijan Satellite Tender,” *Globes*, July 15, 2025, <https://en.globes.co.il/en/article-iai-shortlisted-in-azerbaijan-communications-satellite-tender-1001515981>.
 71. “Azerbaijan: Israeli Minister Visits ‘Smart Village’ Near Iranian Border,” *Middle East Monitor*, May 20, 2022, <https://www.middleeastmonitor.com/20220520-azerbaijan-israeli-minister-visits-smart-village-near-iranian-border/>.
 72. “Prozhe-ye jasusi-ye ‘dehkadeha-ye hushmand,’” [The spy project of ‘smart villages’], *Iran*, no. 8251, August 9, 2023, <https://irannewspaper.ir/8251/6/65026>.
 73. Eldad Ben Aharon, “‘Profiles in Intelligence’: An Interview with 8th Mossad Chief Danny Yatom,” *Intelligence and National Security* 39, no. 7 (2024): 1121–35, <https://doi.org/10.1080/02684527.2024.2332030>.
 74. Fuad Shahbazov, “Israel War Erodes Iran's Relations with Azerbaijan,” *Stimson Center*, July 25, 2025, <https://www.stimson.org/2025/israel-war-erodes-irans-relations-with-azerbaijan>.
 75. “Exclusive: Israel Sent Troops to Azerbaijan during Iran War as Part of Secret Network across Region, Sources Say,” *CNN*, June 5, 2026, <https://www.cnn.com/2026/06/05/middleeast/azerbaijan-israel-iran-war-intl>.



Azerbaijan denied the report's claims.⁷⁶ Iran's political leadership appears convinced that Baku allows Israel to use Azerbaijani territory and airspace for intelligence and military operations, but avoids disclosing its evidence because doing so could force Tehran to confront Baku and restrict its room for maneuver.⁷⁷

Pakistan's active involvement in the South Caucasus during the 2020 Nagorno-Karabakh War⁷⁸ marked the beginning of a closer cooperation between Ankara, Baku, and Islamabad that was largely focused on security and military-technical exchange.⁷⁹ The three countries conducted the "Three Brothers" military exercises in 2021,⁸⁰ which demonstrated growing coordination. The cooperation also includes arms, including the largest in Pakistan's history, with the supply of JF-17 Thunder fighter jets to Azerbaijan.⁸¹ For Iran, Pakistan's growing involvement has been worrisome precisely because it contributed to the power imbalance between Azerbaijan and Armenia and, with that, went against Iran's interests in the South Caucasus.⁸²

Iran's initial response to the growing threats posed by Azerbaijan's ambitions or its dealings with external actors was confrontational, most evident in its one-sided military drills discussed in the previous section. Azerbaijan, in turn, was unhappy with Iran's threatening policy position.⁸³ Throughout 2022–2023, dozens of people were arrested in Azerbaijan on suspicion of being part of an Iranian spy network.⁸⁴ Diplomatic relations were particularly affected by the attack on the Azerbaijani embassy in Tehran in January 2023, which resulted in the death of the head of the embassy's security and injuries to two guards.⁸⁵ Azerbaijani government-affiliated media and analysts directly blamed Iran's government for organizing the attack.⁸⁶ In May 2023, Baku stated that relations between Azerbaijan and Iran were at their lowest ever level.⁸⁷

The main catalyst for the improvement in Tehran–Baku relations was most likely the change in the regional status quo in 2023, when Azerbaijan established control over Nagorno-Karabakh and this new reality was broadly accepted, including by Armenia. Iran therefore had little choice but to adapt.

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76. Ministry of Foreign Affairs of the Republic of Azerbaijan, "Commentary by Aykhan Hajizada, Spokesperson of the Ministry of Foreign Affairs, Regarding Unfounded Allegations about Azerbaijan in the Article Published in CNN World," press release No. 243/26, June 5, 2026, <https://www.mfa.gov.az/en/news/no24326>.
 77. Author interview with an Iranian researcher close to government circles, conducted remotely, September 2025.
 78. "Pakistani Military Helped Azeri Troops in Attack on Artsakh, Says Azerbaijani Serviceman," *Armenpress*, October 27, 2020, <https://www.armenpress.am/en/article/1032919>.
 79. Muhittin Ataman, "Three States, One Vision: Türkiye–Azerbaijan–Pakistan Regional Bloc," SETA, November 12, 2025, <https://www.setav.org/en/three-states-one-vision-turkiye-azerbaijan-pakistan-regional-bloc>.
 80. Jeyhun Aliyev, "'Three Brothers – 2021': Turkey, Azerbaijan, Pakistan Start Joint Military Exercises," *Anadolu Agency*, September 12, 2021, <https://www.aa.com.tr/en/turkey/three-brothers-2021-turkey-azerbaijan-pakistan-start-joint-military-exercises/2362892>.
 81. Bilal Khan, "JF-17 to Azerbaijan: Pakistan's Biggest Defence Export Deal," *Quwa*, June 12, 2025, <https://quwa.org/pakistan-defence-industry/jf-17-to-azerbaijan-pakistans-biggest-defence-export-deal-06-12-2025/>.
 82. Vali Kaleji, "India–Pakistan Strategic Rivalry Extends to the South Caucasus," *Central Asia–Caucasus Analyst*, March 28, 2024, <https://www.cacianalyst.org/publications/analytical-articles/item/13796-india-pakistan-strategic-rivalry-extends-to-the-south-caucasus.html>.
 83. "President: Everybody in Iran, All Segments of the Establishment Should Finally Understand That Language of Threats and Terror Will Not Work with Azerbaijan," *AZERTAC*, May 3, 2023, https://azertag.az/en/xeber/president_everybody_in_iran_all_segments_of_the_establishment_should_finally_understand_that_language_of_threats_and_terror_will_not_work_with_azerbaijan-2599883.
 84. "Azerbaijan Reportedly Detains Dozens Suspected of Spying for Iran," *Radio Free Europe/Radio Liberty*, February 1, 2023, <https://www.rferl.org/a/azerbaijan-iran-spy-network/32249571.html>.
 85. Nadeem Shad, "Security Guard Killed in Attack on Azeri Embassy in Iran," *BBC*, January 27, 2023, <https://www.bbc.com/news/world-europe-64424745>.
 86. Joshua Kucera, "Baku – Unofficially – Blaming Iran's Government for Carrying Out Embassy Attack," *Eurasianet*, February 1, 2023, <https://eurasianet.org/baku-unofficially-blaming-irans-government-for-carrying-out-embassy-attack>.
 87. "President: Everybody in Iran," https://azertag.az/en/xeber/president_everybody_in_iran_all_segments_of_the_establishment_should_finally_understand_that_language_of_threats_and_terror_will_not_work_with_azerbaijan-2599883.



Iranian foreign minister Hossein Amir-Abdollahian met President Ilham Aliyev, after which official rhetoric softened and practical steps toward rapprochement became visible.⁸⁸ Meeting Baku's key precondition for normalization in October 2023, Iran handed down the death sentence to the attacker of the Azerbaijani embassy.⁸⁹ Subsequently, the Azerbaijani embassy in Tehran reopened in July 2024.⁹⁰ The rapprochement continued with high-level visits, including a visit by President Masoud Pezeshkian in July 2025 as he notably chose to travel to an event organized by Azerbaijan in Nagorno-Karabakh instead of attending the BRICS intergovernmental organization summit in Brazil.⁹¹ His participation affirmed Iran's pragmatism and its recognition of Azerbaijan's territorial integrity.

On the military level, there was a notable shift from one-sided to joint military engagements. In October 2023, Iran and Azerbaijan held a joint naval drill in the Caspian Sea,⁹² followed by the "AZIREX" drills in November 2024 and again in October 2025,⁹³ indicating that this exercise format was gradually becoming regular. Cooperation also expanded on land through the "Aras-2024" joint exercise in Iran and the "Aras-2025" exercise, held in Nagorno-Karabakh in May 2025. The choice of the location was crucial: Iran's participation signaled its acknowledgment of Nagorno-Karabakh as part of Azerbaijan's territory,⁹⁴ while Azerbaijan may have aimed to show openness to Iran by inviting it into border areas that Tehran considered potential sources of threat due to Israeli presence.

The frequent visits of high-level officials and the joint nature of repeated military exercises came to function as confidence-building measures aimed at easing mutual suspicion and demonstrating a preference for dialogue over escalation. This newfound trust between the two sides has undergone at least three major tests.

The first was the death of Iranian officials, including President Ebrahim Raisi and Foreign Minister Hossein Amir-Abdollahian, because of a helicopter crash in May 2024 near the Azerbaijani border. Despite the allegations from several MPs that Azerbaijan was linked to the crash, as well as Israel and the US,⁹⁵ Iran-Azerbaijan relations did not deteriorate. This demonstrated Iran's intention not to escalate relations with Azerbaijan, using the incident as a pretext.

The second challenge came in June 2025 during the 12-day war against Israel and the United States. The IRGC asserted that they had information that Azerbaijan was providing "intelligence support to Israel" during strikes on nuclear, military, and civilian

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88. Ministry of Foreign Affairs of the Islamic Republic of Iran, "Iranian Foreign Minister Meets Azeri President in Baku," July 5, 2023, <https://en.mfa.ir/portal/newsview/724177/iranian-foreign-minister-meets-azeri-president-in-baku>.
 89. "Iran Executes Man Responsible for Azerbaijan Embassy Attack," *Reuters*, May 21, 2025.
 90. Ministry of Foreign Affairs of the Republic of Azerbaijan, "No:291/24, Press Release on Resumption of Work of the Embassy of the Republic of Azerbaijan to the Islamic Republic of Iran," July 15, 2024, <https://www.mfa.gov.az/en/news/no29124>.
 91. "Razumnee Bylo by Posetit' Sammit BRIKS: Iranskie Eksperty o Poezdke Pezeshkiana v Karabakh" [It would have been more reasonable to attend the BRICS summit: Iranian experts on Pezeshkian's trip to Karabakh], *Sputnik Armenia*, July 8, 2025, <https://am.sputniknews.ru/20250708/razumnee-bylo-by-posetit-sammit-briks-iranskie-eksperty-o-poezdke-pezeshkiana-v-karabakh-91063362.html>.
 92. "Iran, Azerbaijan to Hold Joint Naval Drill in Caspian Sea," *IRNA*, October 4, 2023, <https://en.irna.ir/news/85247830/Iran-Azerbaijan-to-hold-joint-naval-drill-in-Caspian-Sea>.
 93. Ministry of Defense of the Republic of Azerbaijan, "AZIREX-2025 Joint Exercise Successfully Ends," October 17, 2025, <https://mod.gov.az/en/news/azirex-2025-joint-exercise-successfully-ends-55815.html>.
 94. "IRGC, Azeri Army Hold War Game in Karabakh," *Tasnim News Agency*, May 18, 2025, <https://www.tasnimnews.com/en/news/2025/05/18/3315459/irgc-azeri-army-hold-war-game-in-karabakh>.
 95. "Eddea-ye yek namayandeh: Raisi ra be shahadat resandand; amma bazi aqayan be salah nemidanand elam konand, rezhim-e sahyonisti va Amrika ba hamkari-ye Aliiev amelan-e in kar budand" [Claim by a lawmaker: Raisi was martyred, but some officials do not consider it expedient to announce that the Zionist regime and the United States, with Aliyev's cooperation, were behind it], *Etemad Online*, December 14, 2024, <https://www.etemadonline.com/-بخش-سیاسی-9/689769-نماینده-مجفده-شهادت-رئیس-علی-اف>.



sites,⁹⁶ which Baku denied.⁹⁷ After the war, Tehran stated that it had found no evidence linking Azerbaijan to Israel during the war,⁹⁸ but called on Azerbaijan to investigate and verify reports suggesting that some Israeli drones and micro air vehicles may have used Azerbaijan's airspace to carry out attacks in Iran.⁹⁹ This challenge was largely overcome, though distrust likely endured.

The third test has been the 2026 war between Iran, Israel, and the US. Following the incident involving drone strikes on the airport of the Azerbaijani exclave of Nakhijevan, President Aliyev labeled Iran a terrorist state,¹⁰⁰ and launched a diplomatic campaign aimed at securing international condemnation of Iran.¹⁰¹ Tehran officially denied any involvement in the incident, while at the same time calling on its neighbors to free themselves from hostile foreign presence on their territory.¹⁰² The two sides later moved toward de-escalation, most visibly in Azerbaijan's delivery of humanitarian aid to Iran.¹⁰³ Later, in June 2026, Mohammad Bagher Chalibaf, Speaker of the Iranian Parliament, visited Baku, where President Aliyev warmly received him, stating that Azerbaijan had stood by the people and government of Iran during the war.¹⁰⁴

The improvement in Iran–Azerbaijan relations, and their ability to withstand several periods of tension, suggest that the two sides have developed effective mechanisms for containing crises and preventing escalation. Yet this greater resilience has not eliminated the mutual suspicions that continue to influence the relationship.

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96. Fuad Shahbazov, "Israel War Erodes Iran's Relations with Azerbaijan," Stimson Center, July 25, 2025, <https://www.stimson.org/2025/israel-war-erodes-irans-relations-with-azerbaijan>.
 97. "Iran Says Azerbaijan Denied Letting Israel Use Its Airspace in 12-Day War," *Al Arabiya English*, June 26, 2025, <https://english.alarabiya.net/News/middle-east/2025/06/26/iran-says-azerbaijan-denied-letting-israel-use-its-airspace-in-12day-war>.
 98. "There Is No Evidence That Azerbaijan Provided Assistance to Israel During the 12-Day War Against Iran: Larijani," *Ilurer.am*, August 23, 2025, <https://www.ilurer.am/en/2025/08/23/There-is-no-evidence-that-Azerbaijan-provided-assistance-to-Israel-during-the-12-day-war-against-ir/1367532>.
 99. Office of the President of the Islamic Republic of Iran, "Pezeshkian Urges Aliyev to Investigate Reports of Zionists' Use of Azerbaijan Airspace," June 26, 2025, <https://president.ir/en/159946>.
 100. President of the Republic of Azerbaijan, "Ilham Aliyev Chaired Meeting of Security Council," March 5, 2026, <https://president.az/en/articles/view/71792>.
 101. "International Community Condemns Iran's Drone Attack on Azerbaijan," *AZERTAC*, March 6, 2026, https://azertag.az/en/xeber/international_community_condemns_irans_drone_attack_on_azerbaijan-4060679.
 102. Embassy of the Islamic Republic of Iran in Baku, "Bayanieh-ye Rasmi-ye Iran dar Mored-e Hamleh-ye Pahpadi" [Iran's official statement on the drone attack], March 5, 2026, <https://azerbaijan.mfa.gov.ir/portal/newsview/784234>.
 103. Ministry of Emergency Situations of the Republic of Azerbaijan, "Humanitarian Aid Sent to Iran under the Instructions of President of the Republic of Azerbaijan (Video, Photo)," March 10, 2026, <https://fhn.gov.az/en/information/humanitarian-aid-sent-to-iran-under-the-instructions-of-president-of-the-republic-of-azerbaijan-video-photo>.
 104. President of the Republic of Azerbaijan, "Ilham Aliyev Received Delegation Led by Speaker of Iran's Islamic Consultative Assembly," June 24, 2026, <https://president.az/en/articles/view/72826>.



Geoeconomics: Challenges and opportunities

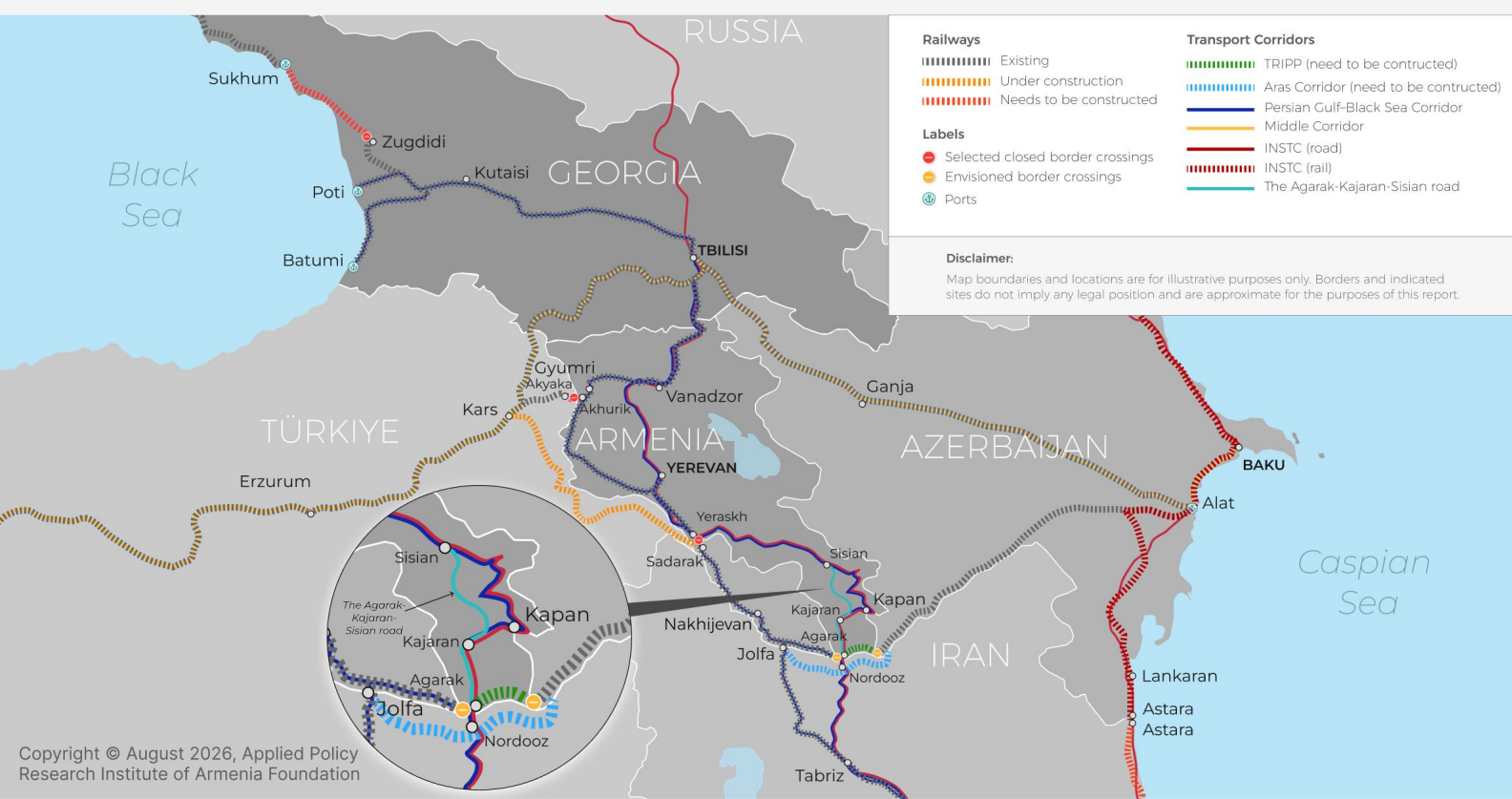
After 2020, security remained Iran's overriding priority, but geoeconomics gradually gained greater importance as the region's shifting geostrategic landscape elevated connectivity on Tehran's agenda. As the Armenia–Türkiye and Armenia–Azerbaijan normalization negotiation tracks have revived the prospect of unblocking transport links, and as the TRIPP project gathers momentum, Iran began to fear being bypassed by new East–West connectivity corridors. This was a sharp reversal from the post-1990s order, when border closures between Türkiye, Armenia, and Azerbaijan had positioned Iran and Georgia as the primary East–West transit bridges in the region. Iran's response has therefore been focusing on connectivity by preventing its exclusion from emerging trade routes and infrastructure projects while seeking to deepen economic and transport links with all three South Caucasus states to ensure it remains embedded in the region's evolving commercial geography.

Projects and developments that circumvent Iran

Since the 2020 Nagorno-Karabakh War, proposals for a corridor connecting Azerbaijan to its Nakhijevan exclave through Armenia have raised concerns that go beyond security. The route is not only meant to link the two parts of Azerbaijan, but also to become part of the wider Middle Corridor connecting Central Asia to Europe via the Caspian Sea, mainland Azerbaijan, Armenia, Nakhijevan, and Türkiye. Regardless of the route's name or formal design, if realized it could weaken Iran's geoeconomic importance as a transit hub.

For decades, Iranian territory has offered Azerbaijan the shortest overland route to its exclave. The TRIPP would provide an even shorter link between the two Azerbaijani territories, thereby reducing Iran's economic significance. A similar concern regarding being bypassed by the TRIPP is whether the latter is actively used to connect Central Asia to Türkiye and beyond, as envisaged in the Statement of Economic Cooperation between

Map 3: Selected Connectivity Projects in the South Caucasus





the US and the five Central Asian countries.¹⁰⁵

Meanwhile, the main railway connection between Azerbaijan and Türkiye runs through Georgia (the Baku–Tbilisi–Kars line). If the TRIPP is implemented, it would offer Baku rail connection to its exclave and a shorter route onward to Türkiye. The TRIPP's implementation could also serve as an alternative route between Central Asia and Türkiye, bypassing Iran (see Map 3).

To avoid geoeconomic isolation, Iran has been promoting connectivity projects since 2022, including the Aras Corridor (as shown in the map above), an initiative with geopolitical and economic considerations. It is primarily a route with the prospect of adding a railway.¹⁰⁶ It was first proposed by Tehran to Baku in March 2022 as a viable alternative to Armenian territory, which Baku has been coveting under the banner of the "Zangezur Corridor."¹⁰⁷ By offering passage through Iranian territory, under Iranian sovereignty, it hoped to dilute Azerbaijan's territorial aspirations while gaining greater economic significance. The 40-kilometer route is under construction and will enter Iran from mainland Azerbaijan near the Azerbaijan–Armenia–Iran border junction.

While details of the TRIPP are still being negotiated between the US and Armenia, Tehran and Baku are close to completing the road bridge.¹⁰⁸ It is likely that Iran will remain Azerbaijan's main transit partner for its local connection with Nakhijevan and Türkiye until the TRIPP is implemented. There is no clear timeline for the TRIPP, but its implementation will likely take many years. It is estimated that the 45-kilometer railway section alone, for instance, will require around three years to build.

Beyond the region, and to preserve its role in the wider East–West transit, Iran is promoting the Central Asia–South Caucasus route through its territory.¹⁰⁹ The Kazakhstan–Turkmenistan–Iran railway is already in operation. If transport links in the South Caucasus are reopened, Tehran could connect that rail line with Georgia and the Black Sea via Nakhijevan. This railway would be more attractive than the Middle Corridor for linking Central Asia with the South Caucasus and Türkiye, and potentially with Europe in the longer term.

Iran's alternative Central Asia–Türkiye railway line via its territory appeals to the countries involved because it would require little new infrastructure beyond the modernization of the Nakhijevan section, which is already underway.¹¹⁰ Additionally, this line is entirely on land, which Iran argues is a more practical route than the route from Central Asia through the Caspian Sea, the TRIPP, Türkiye, and onward, particularly because the Caspian Sea section poses a logistical problem.¹¹¹ As long as the TRIPP has not

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105. US Department of State, "Joint Statement of Intent on Economic Cooperation," November 7, 2025, <https://www.state.gov/releases/2025/11/joint-statement-of-intent-on-economic-cooperation>.
 106. "Road, Rail Bridge over Aras River Links Azerbaijan to Nakhchivan through Iran," *Iran Press*, October 7, 2023, <https://iranpress.com/content/235177/road-rail-bridge-over-aras-river-links-azerbaijan-nakhchivan-through-iran>.
 107. Iran Ministry of Roads and Urban Development News Portal, "Tavafoq-e Iran va Azarbayjan be manzur-e taraddod-e in keshvar az khak-e Iran be Nakhjavan / Vagozari-ye chand proje az suy-e Azarbayjaniha be Iran," [Iran and Azerbaijan agree on Azerbaijan's transit to Nakhchivan through Iranian territory / several projects assigned by Azerbaijanis to Iran], March 9, 2022, <https://news.mrud.ir/news/106370>.
 108. Iran Ministry of Roads and Urban Development News Portal, "Pol-e marzi-ye Kalaleh–Aghband ta payan-e sal amaliyati mishavad," [Kalaleh–Aghband border bridge to become operational by the end of the year], September 23, 2025, <https://news.mrud.ir/news/204619>.
 109. Iran Ministry of Roads and Urban Development News Portal, "Tavafoq-e taranziti-ye shesh-janebe dar Estanbul / Iran, darvaze-ye talai-ye qatarha-ye Chin be Orupa," [Six-party transit agreement in Istanbul / Iran, the golden gateway for Chinese trains to Europe], November 22, 2025, <https://news.mrud.ir/news/209790>.
 110. "Railway Construction Launched on Nakhchivan–Armenia Border Segment – Photo/Video," *APA*, December 5, 2025, <https://en.apa.az/infrastructure/railway-construction-launched-on-nakhchivan-armenia-border-segment-photo-video-485535>.
 111. OECD, "Kazakhstan," in *Enhancing the Competitiveness of the Trans-Caspian Transport Corridor in Central Asia*, Competitiveness and Private Sector Development (Paris: OECD Publishing, 2025), 71–72, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/11/enhancing-the-competitiveness-of-the-trans-caspian-transport-corridor-in-central-asia_e989025f/f261e7fa-en.pdf.



materialized and regional borders are reopened, Iran is likely to remain an important transit zone for regional and interregional connectivity.

Recentering Iran's importance in North–South connectivity routes

Iran is pushing to expand North–South connectivity through Armenia, Georgia, Azerbaijan, and Central Asia, both to strengthen its transit role and to counterbalance East–West projects that would sideline it. The main framework is the International North–South Transport Corridor (INSTC). Another is the Persian Gulf Black Sea Corridor. Just as important for Tehran is to ensure that the Armenian–Iranian border remains open and functional, even after the TRIPP is implemented. That priority was clearly emphasized during President Pezeshkian's visit to Yerevan following the joint declaration issued at the Washington summit in August 2025, which included a provision on TRIPP.¹¹²

Azerbaijan plays a leading role in the INSTC. Its main advantage is the railway linking Russia to the Iran–Azerbaijan border and onward to the Iranian city of Astara, where the line currently ends. In 2005, Iran, Russia, and Azerbaijan signed an agreement to extend the rail connection from Astara to Enzeli, Rasht, reaching Qazvin city.¹¹³ But only the Qazvin–Rasht section was built. Thus, due to the absence of the Resht–Astara section, a fully fledged railway route through Azerbaijan has not been operational. Later, in 2023, Iran and Russia signed a cooperation deal on the 160-kilometer Astara–Rasht section, a €1.6 billion project expected to be completed by 2028.¹¹⁴ If finished, it will strengthen Iran's role as a regional hub beyond the South Caucasus by opening a rail link from Russia to the Persian Gulf. With growing trade between Russia and Asia, Iran's transit importance will increase.

Azerbaijan's importance to Iran is also growing due to the strengthened strategic partnership between Moscow and Tehran.¹¹⁵ In 2024, Russia's Gazprom signed a strategic memorandum with the National Iranian Gas Company to construct a gas pipeline from Russia to Iran through Azerbaijan with an initial capacity of 2 billion cubic meters and a potential of up to 55 billion.¹¹⁶ If realized, Russian gas could then be transported to other markets via Iran, further strengthening Iran's position as an energy hub and Azerbaijan's role as an energy transit hub.

Armenia's transit role has also grown in importance in Iran's calculations around its northward connectivity. Tehran wants to diversify its transport and logistics routes to avoid overreliance on a single route. Iran views Armenia as the potential provider of the INSTC's road component. This explains why, in 2023, Armenia signed a US\$215 million contract with two Iranian companies, Abad Rahan Pars International Group and Tunnel Sadd Ariana, to build a 32-kilometer road between Agarak on the Iran–Armenia border and Kajaran (shown on Map 3).¹¹⁷

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112. The Prime Minister of the Republic of Armenia, "Nikol Pashinyan and Iranian President Masoud Pezeshkian Make Statements for Media Representatives," August 19, 2025, <https://www.primeminister.am/en/interviews-and-press-conferences/item/2025/08/19/Nikol-Pashinyan-Masoud-Pezeshkian-Press-Conference/>.
113. Vali Kaleji, "Iran and Russia Cooperation in the Construction of Rasht–Astara: The Only Remaining Railway of the International North–South Transport Corridor (INSTC)," Valdai Discussion Club, March 30, 2023, <https://valdaiclub.com/a/highlights/iran-and-russia-cooperation-in-the-construction/>.
114. "Zavershenie stroitel'stva zh/d uchastka 'Resht–Astara' ozhidaiut k 2028 godu," [Completion of the Rasht–Astara railway section expected by 2028], TASS, July 26, 2023, <https://tass.ru/ekonomika/18364371>.
115. Sergei Melkonian, "Russia–Iran Strategic Partnership: Implications for the South Caucasus," APRI Armenia, March 13, 2025, <https://apri.institute/russia-iran-strategic-partnership-implications-for-the-south-caucasus/>.
116. "Moshchnost' gazoprovoda iz RF v Iran mozhet startovat' s 2 mlrd kub. m i doiti do 55 mlrd," [Capacity of the gas pipeline from Russia to Iran may start at 2 billion cubic metres and reach 55 billion], *Interfax*, January 17, 2025, <https://www.interfax.ru/world/1003498>.
117. "Armenia and Iran Conclude Contract on Construction of Section of North–South Highway Costing \$215 Mln," *Interfax*, October 23, 2023, <https://interfax.com/newsroom/top-stories/95744/>.



In addition, Iranian companies are constructing the Kajaran Tunnel, one of the most technically complex sections of Armenia's North–South Road Corridor.¹¹⁸ Both sides also agreed to construct a new bridge over the Aras River,¹¹⁹ which forms the border between Armenia and Iran, underlining the shared importance of renewed connectivity between the two neighbors.

Additionally, Iran sees Armenia as a gateway to the EAEU, with which Iran has a free trade agreement (FTA).¹²⁰ Armenia is the only EAEU member state that shares a direct land border with Iran. Therefore, Tehran views the border with Armenia as a border with the EAEU, thereby increasing its importance for Iran. The EAEU–Iran FTA, which came into force in May 2025, increased trade between the two by 15% within a year.¹²¹ Besides, Iran–EAEU connectivity creates opportunities for joint ventures for Armenia with Tehran, simplifies transit and border control procedures, and reduces operating costs.

The other North–South connectivity project that Iran is promoting, though with some difficulty, is the multimodal Persian Gulf–Black Sea Corridor (see Map 3). The Persian Gulf–Black Sea Corridor is designed as a multimodal transit route linking Iran and the Persian Gulf region to Europe through Armenia, Georgia, and the Black Sea.¹²² For Iran, its value lies in securing an additional route to European markets and reducing dependence on transit through Türkiye. In practical terms, the corridor is currently functional mainly by road: Iranian cargo can move through Armenia and Georgia to the Georgian Black Sea ports of Poti and Batumi. The railway component remains incomplete because there is no direct Iran–Armenia railway; passage through Azerbaijan's Nakhijevan is closed to Armenia.¹²³

The corridor gained renewed political importance during President Pezeshkian's visit to Armenia in August 2025, when Armenia and Iran stressed their shared interest in activating the multimodal Persian Gulf–Black Sea corridor, and discussed related infrastructure projects, such as a second bridge over the Aras River and a third Iran–Armenia power transmission line.¹²⁴

If transport links across the South Caucasus were fully reopened, including Armenia's borders with Türkiye, Azerbaijan, and Nakhijevan, Iran would be well placed to benefit. The TRIPP and other East–West routes designed to bypass Iran have yet to be built, whereas an East–West railway through Iran already exists. Reopened borders would therefore give Tehran an immediate advantage in both East–West and North–South connectivity, including direct rail access through Armenia and Georgia to the Black Sea and northward to Russia.

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118. "Iran Embassy: Iranian Companies Start Constructing Kajaran Tunnel in Armenia," *News.am*, August 7, 2026, <https://news.am/en/news/1054100>.
 119. "Armenia Working with Iran on Second Border Bridge Project," *Armenpress*, March 14, 2026, <https://armenpress.am/en/article/1244725>.
 120. "Armenia Is a Gateway for Iran to Enter EEU's Lucrative 200 Million Market—New Ambassador," *ARKA News Agency*, June 16, 2023, <https://arka.am/en/news/business/armenia-is-a-gateway-for-iran-to-enter-eeu-s-lucrative-200-million-market-new-ambassador/>.
 121. "Dogovor EAES i Irana za god narastil trgovliu na 15% — ministr trgovlii EEK," [The EAEU–Iran agreement raised trade by 15% in a year, says the EEC trade minister], *Sputnik Armenia*, May 28, 2026, <https://am.sputniknews.ru/20260528/dogovor-eaes-i-irana-za-god-narastil-torgovlyu-na-15---ministr-torgovlii-EEK-102744624.html>.
 122. Shabnam Dadparvar and Vali Kaleji, "The Persian Gulf–Black Sea International Transport and Transit Corridor: Goals and Constraints," *Journal of Balkan and Near Eastern Studies* 26, no. 2 (2024): 203–25, <https://doi.org/10.1080/19448953.2023.2233360>.
 123. APRI Armenia, *South Caucasus Connectivity Needs More than the TRIPP: An APRI Armenia Analysis*, April 15, 2026, <https://apri.institute/wp-content/uploads/2026/04/south-caucasus-connectivity-in-english.pdf>.
 124. Office of the Prime Minister of the Republic of Armenia, "Nikol Pashinyan and Iranian President Masoud Pezeshkian Make Statements for Media Representatives," August 19, 2025, <https://www.primeminister.am/en/interviews-and-press-conferences/item/2025/08/19/Nikol-Pashinyan-Masoud-Pezeshkian-Press-Conference/>.



Iran's deepening economic engagement in the South Caucasus

Since 2020, Iran has deepened its bilateral engagement with the three South Caucasus countries through more active diplomacy and a growing portfolio of joint projects, especially in energy, infrastructure, and trade. Trade has expanded, particularly with Georgia, and cooperation with Armenia and Azerbaijan on connectivity infrastructure, gas, electricity, and hydropower has intensified. Tehran's approach appears to be aimed not only at commercial gain but also at building durable economic interdependencies and infrastructure that can strengthen bilateral ties and support broader North–South connectivity.

Outdated infrastructure is one of the constraints of bilateral trade between Armenia and Iran, as well as the wider North–South transit potential. Since 2020, Iran has taken active steps to mitigate that. In 2023, the State Revenue Committee of Armenia and Iran's Tana Energy Management Company launched a project to modernize and reconstruct the Meghri border crossing compound by 2026.¹²⁵ Similarly, Iran is preparing to implement a comprehensive development program for the Norduz border crossing on its side of the Armenia–Iran border.¹²⁶ In August 2025, the two sides began discussions on a joint commission to streamline border and customs procedures, expand border capacity, and facilitate trade.¹²⁷ In the same month, during President Pezeshkian's visit to Armenia, the two sides also agreed to build a second border bridge over the Aras River.¹²⁸

In Azerbaijan, connectivity cooperation has also advanced, with Baku and Tehran discussing the opening of two new border crossings since 2020.¹²⁹ In late 2023, Iran and Azerbaijan opened a new road bridge across the Astarachay River to expand bilateral transport links.¹³⁰ This complements a wider pattern in which infrastructure and transit projects are being used to deepen bilateral trade and create more durable cross-border linkages. The connectivity agenda is therefore not limited to transport alone, but forms part of a broader strategy to embed Iran more firmly in the economy of the South Caucasus.

Energy cooperation with Armenia remains anchored in the long-standing gas-for-electricity arrangement. Under this deal, Armenia will supply 3 kilowatt hours of electricity for every 1 cubic meter of gas it receives from Iran until 2030,¹³¹ and both sides have announced plans to double electricity deliveries.¹³² The gas volumes exported from Iran to Armenia have remained broadly stable over the past 14 years and are primarily used for electricity generation, indicating the agreement's steady functioning (see Chart 1).

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125. Embassy of the Republic of Armenia in the Islamic Republic of Iran, "Meghri Border Crossing Point to Be Reconstructed," January 27, 2023, <https://iran.mfa.am/en/news/2023/01/27/meghri-border-crossing-point-to-be-reconstructed/11142>.
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 130. "Highway Bridge and Modular Border Checkpoint on Azerbaijani-Iranian State Border across Astarachay River Opened," *AZERTAC*, December 30, 2023, https://azertag.az/en/xeber/highway_bridge_and_modular_border_checkpoint_on_azerbaijani_iranian_state_border_across_astarachay_river_opened-2872003.
 131. Embassy of the Republic of Armenia in the Islamic Republic of Iran, "Armenia, Iran Extended Gas for Electricity Deal until 2030," August 10, 2023, <https://iran.mfa.am/en/news/2023/08/10/armenia-iran-extended-gas-for-electricity-deal-until-2030/11908>.
 132. "Iran Will Double the Electricity Import from Armenia to Iran in the Near Future," *Armenpress*, July 19, 2024, <https://armenpress.am/en/article/1196050>.



Theoretically, Armenia could also import Iranian gas for domestic use, a possibility that would reduce its dependence on Russia. In practice, however, there are significant barriers. Iranian gas is nearly twice as expensive as Russian gas, winter deliveries are technically difficult for at least four months a year, and its calorific value is about 6% lower than that of Russian gas (meaning it contains less energy).¹³³ As a result, even if Iranian exports to Armenia rise, the volumes are likely to remain limited.

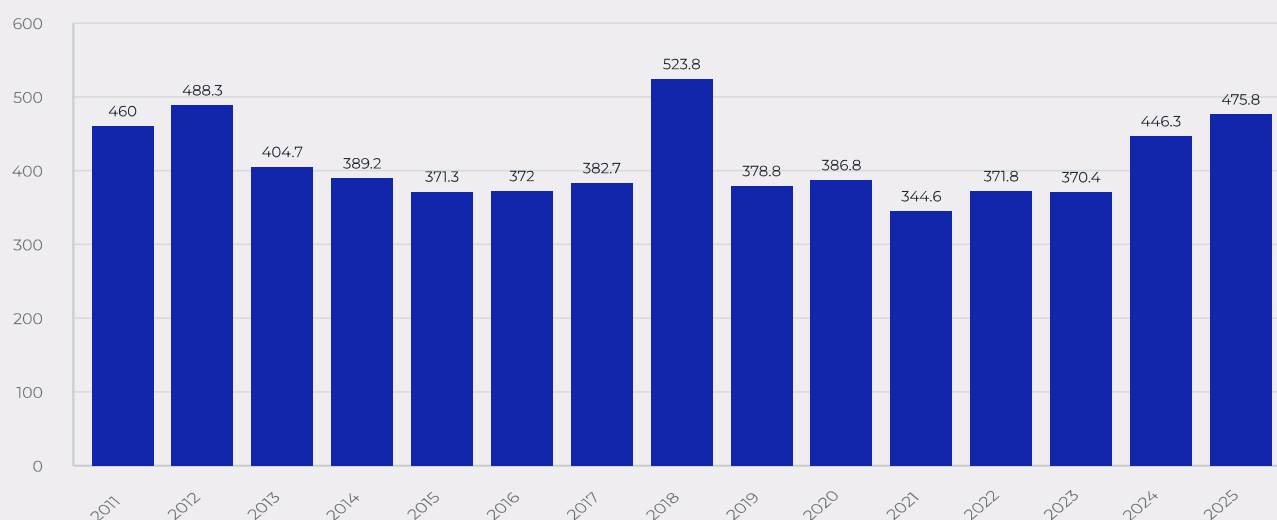
Iran's role as an energy transit hub for Armenia could grow if the proposed swap arrangement for Turkmen gas moves forward. In 2025, Armenia and Turkmenistan discussed possible gas supplies of 600 million to 1 billion cubic meters via Iran, under which Turkmenistan would deliver gas to Iran and Iran would supply equivalent volumes to Armenia.¹³⁴ Although the project has not yet been finalized, it would strengthen Iran's position as a gas supplier to Armenia.

A more feasible project is the construction of a third 400 kilovolts high-voltage transmission line and substation between Iran and Armenia, which is expected to increase electricity exchange capacity from 350 megawatts to 1,200 megawatts.¹³⁵ Although the project was launched more than 20 years ago, its implementation accelerated recently, and part of the project is due to be completed in the first half of 2026. This agreement could enhance energy interdependence between Armenia and Iran's northern provinces, which are especially affected by electricity shortages. It would also mean increased gas deliveries to Armenia.

In Azerbaijan, the most important energy project is the Khoda Afarin–Giz Galasi hydropower scheme, which moved forward in 2024 after long delays. The dam is expected to provide 2 billion cubic meters of water annually, produce 270 gigawatt-hours of electricity, and support irrigation for 74,000 hectares of farmland.¹³⁶ It is therefore not

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133. Lia Avagyan, "Iran Cannot Replace Russia as Armenia's Gas Supplier: Former Official," *CivilNet*, October 15, 2025, <https://civilnet.am/en/news/816957>.
134. "Armenia, Turkmenistan Negotiate Major Gas Deal," *Armenpress*, March 26, 2025, <https://armenpress.am/en/article/1215509>.
135. "Construction of Iran–Armenia Power Transmission Line 80% Completed," *Armenpress*, June 9, 2025, <https://armenpress.am/en/article/1221740>; Siranush Ghazanchyan, "Armenia to Fast-Track Iran–Armenia 400 kV Power Transmission Line Project," *Public Radio of Armenia*, August 14, 2025, <https://en.armradio.am/2025/08/14/armenia-to-fast-track-iran-armenia-400-kv-power-transmission-line-project/>.
136. President of the Islamic Republic of Iran, "Official Opening of Two Projects of Qiz Qalasi Dam/ Providing 2bn Cubic Metres of Water, 270 Gigawatts of Electricity per Year, Covering 74k Hectares of Agricultural Lands," May 19, 2024, <https://president.ir/en/151984>.

Chart 1: Iranian gas supplied to Armenia (million cubic meters, 2011-2025)



Source: Data collected by the author based on official statements.



only an electricity project but also an important water-management tool with long-term implications for both Azerbaijan and Iran, especially the latter's northern provinces.

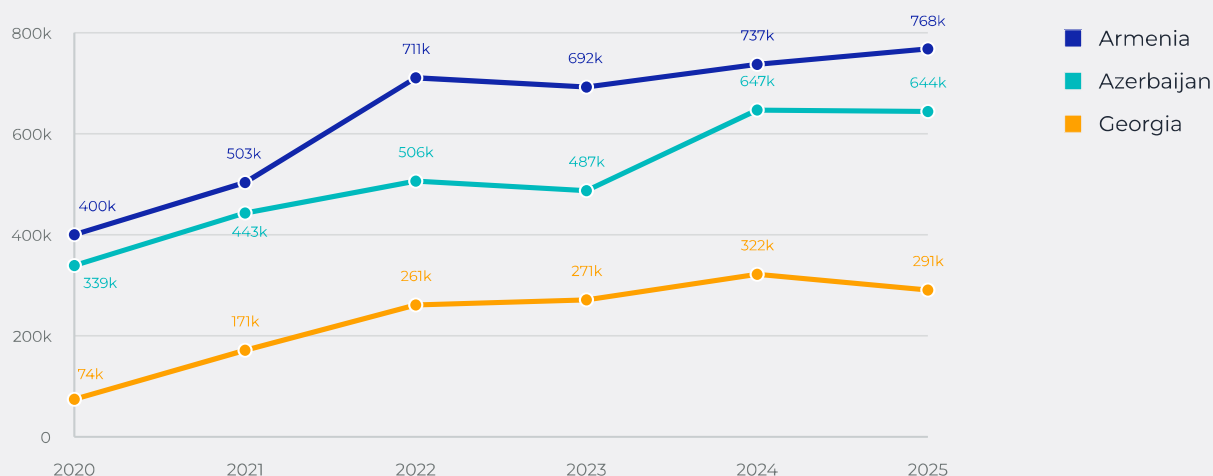
A further dimension of Iran–Azerbaijan cooperation is the regional gas-swap arrangement established under the 2021 trilateral agreement with Turkmenistan. Under the deal, Iran was receiving 5–6 million cubic meters of Turkmen gas per day at its northeastern border for use in several Iranian provinces, while supplying an equivalent volume of Iranian gas to Azerbaijan at their shared border. Iran also receives a fee for facilitating the swap.¹³⁷ This deal complements the planned Iran–Russia gas transit route through Azerbaijan and shows how Tehran links transit infrastructure to its bilateral ones.

Bilateral trade is another area in which Iran's footprint has expanded with all three South Caucasian countries, especially since 2020. In 2025, South Caucasian countries accounted for just over US\$1.7 billion, approximately 1.5% of Iran's trade turnover.¹³⁸ Nonetheless, maintaining economic relations with these countries remains important for Iran: it helps foster interdependence, generate additional hard-currency inflows, and, more importantly, increase the role of Iran as a trade partner as much as possible. Smaller neighboring markets are also less vulnerable to secondary Western sanctions than Iran's major partners, making them strategically valuable despite their limited size.

Since 2020, Iran–Armenia bilateral trade has increased steadily. In 2025, it reached almost double its 2020 size (see Chart 2). The turnover is imbalanced to Iran's favor, yet the longer-term target of \$1 billion in annual trade, and eventually \$3 billion (though the time frame was not specified), underscores that both sides see room for expansion, especially as the EAEU–Iran FTA, new commercial infrastructure, and growing business contacts reduce transaction costs and widen market access.¹³⁹

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137. "Iran, Turkmenistan and Azerbaijan Agree to Swap 2bn M³ Gas," *IRNA English*, November 28, 2021, <https://en.irna.ir/news/84558661/Iran-Turkmenistan-and-Azerbaijan-agree-to-swap-2bn-M3-gas>.
138. "Tejarat-e khareji-ye keshvar dar sal-e 1404 be hodud-e 110 miliard dolar resid," [The country's foreign trade reached nearly \$110 billion in 1404], *IRNA*, April 1, 2026, <https://www.irna.ir/news/86116005/>.
139. Office of the Prime Minister of the Republic of Armenia, "Nikol Pashinyan and Masoud Pezeshkian Sign Joint Statement; Other Documents Also Signed Between the Two Countries," August 19, 2025, <https://www.primeminister.am/en/press-release/item/2025/08/19/Nikol-Pashinyan-Masoud-Pezeshkian-19-08/>.

Chart 2: Iran's trade turnover with South Caucasus countries (thousands of US dollars, 2020–2025)



Source: Statistical Committee of the Republic of Armenia, State Statistical Committee of the Republic of Azerbaijan, National Statistics Office of Georgia.



Azerbaijan represents the most dynamic recent shift. Trade remained relatively flat for several years but rose by 35% in 2024, indicating a possible turning point to a better bilateral economic relationship. If current trends continue, however, Azerbaijan could soon overtake Armenia as Iran's leading trade partner in the South Caucasus.

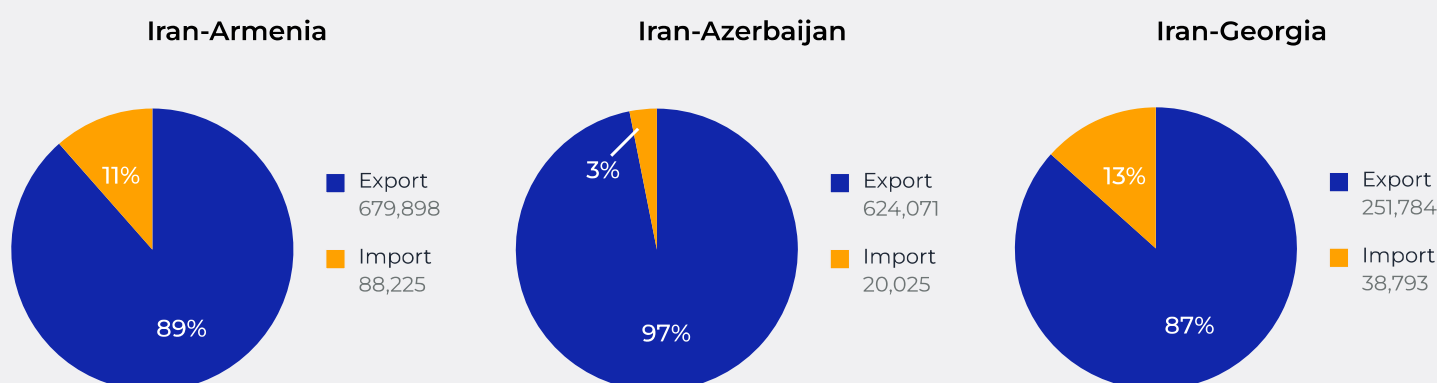
Georgia stands out for the speed of its growth rather than the size of its trade. Although bilateral turnover remains smaller than Iran's trade with Armenia or Azerbaijan, it has expanded more than fourfold in five years. This trajectory is likely to continue in 2026, with trade turnover passing \$23 million in the first half of the year—just \$6 million short of the total recorded for all of 2025. Part of this rise, as suggested, likely reflects the low initial baseline but the pattern may also indicate the Georgian government's interest in diversifying economic cooperation, with a focus on eastern and southern countries.¹⁴⁰ That makes Georgia important not as Iran's largest market in the region, but as an emerging one whose rapid growth could broaden the geography of Iranian trade if current trends persist.

Iran's limited economic engagement in the South Caucasus before 2020 and the sharp reversal that followed, as reflected in the trade and connectivity trends discussed above, point to a more active and multidimensional regional economic policy. Rather than pursuing bilateral ties solely for immediate mutual gains, Tehran now appears to be using trade, energy, and infrastructure to build interdependence, even though this strategy remains in its early stages.

At the same time, Iran is linking bilateral cooperation to broader regional connectivity, especially North–South transit, while seeking to reduce the risk of circumvention by positioning itself as a viable alternative route and partner. It is likely that the South Caucasus will grow in importance from an economic and connectivity standpoint amid ongoing instability in the Persian Gulf, as well as the desire of Armenia and Georgia, for instance, to pursue a diversification policy in which there is room for Tehran.

140. Ministry of Foreign Affairs of Georgia, "Statement of the Deputy Prime Minister, Minister for Foreign Affairs of Georgia, Maka Botchorishvili, at the Panel Discussion of the Dubrovnik Forum Entitled 'Between Power Centres: Lessons from Multi-Vector Diplomacy,'" June 27, 2026, https://mfa.gov.ge/en/ministris_gantskhadebebi/759031-saqartvelos-vitse-premieris-sagareo-saqmeta-ministris-maka-botchorishvilis-sitkvit-gamosvla-dubrovni.

Chart 3: Iran's trade with the South Caucasus countries in 2025 (thousands of US dollars)





The South Caucasus in the wake of the war on Iran

The South Caucasus has so far remained relatively calm and largely outside the ongoing war that the United States and Israel launched against Iran in February 2026. The only exception was a drone attack on Nakhijevan's airport in March, which Iran and Azerbaijan quickly contained. The war has strengthened Iran's image in the region, demonstrating its ability not only to withstand the aggression but also to inflict significant damage on US interests, Israel, and their regional allies. This growing caution toward Tehran was evident in Prime Minister Nikol Pashinyan's attendance at Supreme Leader Ali Khamenei's funeral and in Ilham Aliyev's near-allied tone of solidarity with Mohammad Bagher Ghalibaf during the latter's visit to Baku in June 2026. It remains to be seen on what terms the war will end. Yet when it comes to Iran's policy in the South Caucasus, the likely outcome is a mix of continuity and change.

Regardless of the outcome of the war, and even if Iran undergoes major internal political change, whether the current government survives, is weakened, or is replaced, its three core priorities in the South Caucasus are likely to endure: no border changes, no hostile foreign military or intelligence presence near its borders, and no geoeconomic exclusion of Iran. These priorities reflect the strategic interests of the Iranian state, not the preferences of any single regime, government, or leader.

By contrast, what is strongly linked to the outcome of the war is Iran's ability to pursue these goals successfully. If Tehran emerges stronger, it will likely act more assertively in the South Caucasus, drawing on the image of a state that deterred US and Israeli aggressions. That image would likely translate into greater diplomatic and political pressure on its northern neighbors to respect its red lines. If such pressure ever moves into the military realm, Iran's threats would also carry more weight.

If Iran emerges weakened, Tehran's ability to take a harder line in defense of its interests would be limited. Its rhetoric, especially regarding a hostile external presence, would likely endure, and may even become tougher. But its leverage and practical instruments for influencing decision-making, especially in Yerevan and Baku, could end up being more limited than they are today. In fact, a weaker Iran may become more dependent on both countries for its economic recovery and for keeping open its connectivity routes to the Black Sea and Russia.



Conclusion

The post-2020 transformation of the South Caucasus has abruptly pulled Iran out of its long-standing “comfort trap.” For decades, Tehran could afford a passive posture in a region whose balance was broadly managed by Russia. As that order is remade, Iran has come to view the South Caucasus less as a peripheral frontier and more as a national security priority, one directly linked to the stability of its northern borders and to the preservation of both East–West and North–South connectivity. The key break with the past, therefore, is Iran's determination to play an active role in shaping the emerging regional order.

At the core of this unprecedented activism is Iran's preference for a regional order in which local actors—especially Armenia and Azerbaijan—and regional powers, namely Türkiye and Russia, respect its interests. Even if this order does not fully align with Tehran's vision for the region, Iran seeks to ensure that it is at least not inimical to its interests. To this end, Tehran has relied on military signaling, diplomatic engagement, and economic initiatives. Thus far, however, this approach has produced mixed results.

Tehran's efforts since 2020 have yielded some positive results for its national security. With Armenia, Iran has deepened bilateral relations and contributed to preventing the creation of an extraterritorial “Zangezur Corridor” by force. The risk of territorial change in southern Armenia also appears to have subsided, at least in part because of Iran's deterrent messaging and its role in mitigating escalation. Tehran has also succeeded in remaining relevant in regional connectivity projects, in particular through the INSTC. With Azerbaijan, relations have also come a long way. What began after 2020 as a period of hostility, threats, and open mutual suspicion has gradually evolved into a more managed distrust, giving both countries mechanisms to better manage disagreements over sensitive issues.

Yet Iran's relative achievements remain reversible, either in part or in full, because they have not yet been consolidated within a stable regional order. The growing role of the United States in the South Caucasus demonstrates that Iran has not fully succeeded in preventing the expansion of nonregional influence. Washington's role in brokering the TRIPP, alongside Israel's continued influence in Azerbaijan, sustains Tehran's concern over hostile external actors near its borders. The TRIPP has also made Yerevan's policy a new source of unease for Tehran, even as bilateral relations have improved. Moreover, Iran remains largely outside the main formal formats and negotiation tracks shaping the future of the South Caucasus. This means that while Tehran has managed to block some outcomes it opposed, it has not yet secured a decisive role in shaping what comes next.

Despite its assertiveness and some tangible gains, Iran remains at a disadvantage in a region where Türkiye, Russia, the EU and the United States have shown greater ability to shape the choices of South Caucasus states. That weakness is compounded by the absence of a reliable regional or extraregional partner willing to consistently support Tehran's interests. Whether Iran can consolidate its gains and offset its disadvantages will depend in large part on the outcome of its ongoing war with the United States and Israel. A favorable outcome could narrow the gap, even if only partially, while an unfavorable one would likely weaken Iran's already limited toolkit of influence.



Appendix: Matrix of Iran's threat perceptions, interests, objectives, and red lines

Core issue	Strategic threat	Interests	Policy instruments	Red lines
Territorial revisionism	Geopolitical encirclement resulting from changes to Armenia's southern border that could sever Iran's physical link to Armenia	Preserve existing international borders and Iran's physical link to Armenia	Mitigate the Armenia–Azerbaijan power imbalance and deter major territorial changes, particularly in Syunik, while strengthening region's resilience	No forced changes to international borders, particularly along the Armenia–Iran frontier
Hostile foreign presence	Entrenchment of hostile foreign actors, particularly the United States and Israel, in ways that enable them to act against Iran's interests	Prevent neighboring states from becoming platforms for activities hostile to Iran	Build bilateral leverage with Armenia and Azerbaijan to limit hostile external involvement, especially in border areas	No overt use of neighboring states' territory to threaten Iran's national security
Regional connectivity	Goeconomic marginalization through new East–West connectivity routes that bypass Iran	Remain embedded in regional and interregional connectivity	Enhance North–South connectivity and promote East–West transit through Iran while many competing projects remain on paper	No extraterritorial corridor through Armenia under foreign supervision or control

This matrix provides a simplified overview of Iran's strategic threat perceptions, interests, policy instruments, and red lines—the crossing of which would likely provoke a strong Iranian response—across three issues central to its South Caucasus policy since 2020: borders and territorial change, hostile foreign presence, and regional connectivity. Rather than offering a comprehensive account, the matrix highlights the most important elements under each issue and serves as a concise guide to a complex and evolving policy landscape.



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Applied Policy Research Institute of Armenia

2/2 Melik Adamyan Street, Yerevan, Armenia

connect@apri.institute

apri.institute