NEW WAR IN NAGORNO KARABAKH AND THE ROLE OF GREAT POWERS: WHAT IS NEXT?

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I. INTRODUCTION

On September 27, 2020, Azerbaijan launched a large-scale attack along the whole line of contact with the Nagorno Karabakh Republic. This was the third flare-up in Karabakh conflict in recent four years. In April 2016 Azerbaijan again launched an attack on Karabakh, however, hostilities were stopped after four days as a result of active Russian mediation efforts without any significant changes on the ground. In July 2020 clashes broke out along the northern part of Armenia-Azerbaijan international border.

However, the September 2020 attack has few in common with both April 2016 four day war and July 2020 border skirmishes. For the first time since 1994 ceasefire Azerbaijan has been actively using hundreds of tanks, artillery, and multiple launch rocket systems, different types of drones, helicopters and combat aviation. Azerbaijani offensive is a well-planned operation, and the key directions of Azerbaijani attacks are towards the southern and northern parts of Nagorno Karabakh Republic. Another feature of this war is the active bombardment of all Karabakh cities, including capital Stepanakert. Another worrying sign is the active involvement of Turkey in combat operations. Turkey was always supporting Azerbaijan diplomatically in the context of the “One nation, two states” notion, and was one of the key suppliers of weapons together with Russia and Israel. However, this time Turkey’s role is unprecedented, as it includes the supply of modern Turkish “Bayraktar” drones, as well as sending F-16 fighter jets to Azerbaijan and active use of mercenaries from Syria alongside with regular Azerbaijani troops.
II. THE REASONS BEHIND THE WAR

The September 2020 war did not come as a surprise. The negotiations over the Karabakh conflict have been in deadlock since June 2011 failed Kazan summit and April 2016 war only cemented the impasse. Since 2004, negotiations have been conducted within the so-called “phased approach” formula articulated in “Basic principles”. Key features were first presented by the OSCE Minsk Group Co-Chairs in their July 2006 statement, while more detailed version was publicized in the July 2009 statement of the Russia, the US and France Presidents.¹

The idea behind the so-called “Basic principles” was an effort to find a balance between the principles of territorial integrity and the equal rights and self-determination of peoples. They envisaged the return of some territories around former Nagorno Karabakh Autonomous Region and currently part of the Nagorno Karabakh Republic to Azerbaijan while providing interim status to Karabakh and land corridor linking Karabakh to Armenia during the first phase. During the next phase, future determination of the final legal status of Nagorno-Karabakh should take place through a legally binding expression of will. The conventional wisdom was telling that Karabakh Armenians will vote either for independence or for unification with Armenia, thus realizing their right of self-determination, while Azerbaijan would receive back significant parts of territories which he lost during 1992 – 1994 war. However, Azerbaijan rejected this plan arguing that Nagorno Karabakh would not be granted independence either today or tomorrow or in 10 or 50 years.

¹ Statement by the OSCE Minsk Group Co-Chair countries: https://www.osce.org/mg/51152
Meanwhile, April 2016 war launched by Azerbaijan was an alarming bell for Armenia and the Nagorno Karabakh Republic that international guarantees for security did not work, and most probably after taking huge portions of the territory of Nagorno Karabakh Republic, Azerbaijan most probably will reject the idea of a referendum and will use these new territories to launch another war against Karabakh in the future.²

Thus, in recent years the “Basic principles” were perceived mainly as not an effective tool for conflict settlement, but as a tangible way to preserve the status quo and prevent large-scale war. However, this may work only in the framework of the international and regional balance of power. However, the 2008 world financial crisis marked the beginning of Post Cold war order demise, with few hints when new world order may emerge and what it may look like. The relative decline of the USA, the end of “Unipolar moment”, and the rise of the rest have brought strategic ambiguity and significant instability in international relations. Dubbed by many scholars as “Global disorder” these tectonic changes have impacted also regional balances of power. In the absence of global hegemony, the rivalry for regional influence as been launched in many regions of the world, with growing emphasis on economic, political and military coercion by several states.³

These global developments have their influence on South Caucasus too. The region is perceived by Russia as part of its zone of “legitimate interests”, and despite the involvement in the region of the US, NATO and EU, Russia hopes to keep her dominant position there. However, the 2008 Russia – Georgia war and the recognition of Abkhazian and South Ossetian independence by Russia effectively put an end to any meaningful Russian

influence in Georgia. In the period after 2008 war Russian attention was focused on preventing the growth of Turkish influence in Azerbaijan while keeping her strong positions in Armenia. Russia viewed the launch of close economic and defence cooperation with Azerbaijan as a key tool to fulfil its goals. Thus, while “Basic principles” have ceased to be perceived as an effective way for conflict settlement, Russian influence over both Armenia and Azerbaijan was fostering the balance of power and was allowing using “Basic Principles” as an efficient way to keep the status quo.

However, the significant shifts in global and regional order have changed this equilibrium. As a part of its assertive foreign policy, Turkey was making significant steps to strengthen its positions in South Caucasus, using Azerbaijan as a strategic asset. Simultaneously, the fostering of Turkey – Georgia – Azerbaijan strategic partnership was supporting the Turkish goal of challenging Russian positions in Azerbaijan. The April 2016 war was the first sign that the previous balance of power has been changed and more was coming. However, it seems that neither Russia nor other OSCE Minsk Group Co-chair states have noticed these transformations. They continued to insist on the implementation of “Basic principles” and phased approach solution as the only viable way for conflict settlement, while it was becoming more and more obvious that within the context of regional transformations and changes in the balance of power, “Basic principles” can neither bring the peace agreement nor secure the status quo any more.\(^4\) Thus, despite some activity in negotiation process after the 2018 “Velvet revolution” in Armenia, there was no breakthrough in the negotiations, and the public debate of the Armenian and Azerbaijani leaders on the margins of the

\(^4\) Is a new war in Karabakh inevitable?: http://neweasterneurope.eu/2019/08/21/is-a-new-war-in-karabakh-inevitable/
February 2020 Munich Security Conference showed that the sides were still too far away from mutually accepted solutions.\textsuperscript{5}

III. GEOPOLITICS OF THE WAR

The changes in the balance of power in the South Caucasus, and especially the growing influence of Turkey, as well as insistence by OSCE Minsk Group Co-Chairs on “Basic principles” and phased approach solution are the main triggers of the start of the new war in Nagorno Karabakh. The launch of hostilities has created a new situation and all external players have to make necessary reevaluations and steps to secure their vital interests in the region.

Russia

Since the collapse of the Soviet Union, Russia has viewed South Caucasus as a part of its sphere of "special interests". Due to both historical and geopolitical reasons, Armenia has been under Russian influence since the early 1990s, while 2008 Russia – Georgia war put an end to any perspectives of Russia – Georgia rapprochement in foreseeable future. Thus, in the last decade, the focal point for Kremlin in the region was Azerbaijan where Russian main competitor was Turkey. Moscow's decision to boost defence cooperation with Azerbaijan and to sell up to 5 billion USD modern weapons,⁶ as well as the elaboration of several joint economic projects such as “North-South international transport corridor” were all aimed at strengthening Russian positions in Azerbaijan. Given the defining role of Karabakh conflict for Azerbaijan foreign and domestic policy, Russia was seeking to pursue a balanced policy between its ally Armenia and partner Azerbaijan.

After failed Kazan summit Russia came up with a slightly revised version of Kazan document, dubbed by experts as “Lavrov plan”, which envisaged the return to Azerbaijan five

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⁶ Azerbaijan purchases military products worth $5 bln from Russia: [https://tass.com/world/1019588](https://tass.com/world/1019588).
regions of the Nagorno Karabakh Republic, interim status for Karabakh and deployment of Russian peacekeepers. Thus, Moscow hoped to foment its influence in Azerbaijan by de facto establishing a military base there, while providing guarantees to Armenia that the Nagorno Karabakh Republic, albeit with reduced size, will continue to function as a de facto independent state.

However, this plan was apparently rejected by both Azerbaijan, who wants to re-establish its control not only over five regions, but over whole Karabakh, and by Armenia and the Nagorno Karabakh Republic, as after April 2016 war, they had suspicions of any viability of international security guarantees. Russian Foreign Minister Lavrov spoke about this offer again in April 2020, but neither side was enthusiastic about this.\(^7\)

Meanwhile, in recent two months, Moscow is facing multiple new crises – the poisoning of Alexey Navalny which brought additional tensions in Russia – West relations, and post-electoral instability in Belarus, where Moscow seeks to prevent the immediate ouster of President Lukashenko while thinking how to foment her influence and organize a smooth transition of power in the mid-term perspective. The October 4 Parliamentary elections in Kyrgyzstan and following “Revolution” and “Counter-Revolution” created chaos in this country and forced President Jeenbekov to declare an emergency situation, to deploy army units in capital Bishkek and then to resign from his position on October 15.\(^8\)

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in Kyrgyzstan have resulted in additional headache for Moscow. Currently, three of CSTO and Eurasian Economic Union members – Armenia, Belarus, and Kyrgyzstan – are facing problems, which definitely concerns Moscow. These developments have been added to the relatively old and ongoing issues – such as the war in Donbas, Russian involvement in Syria, the fate of Iranian nuclear program and the difficult negotiations with the US regarding the extension of the new START treaty, due to expire in February 2021. The COVID triggered economic slowdown has put additional restrictions on Russian ability to act quickly and decisively.

The new Karabakh war has put tough dilemmas in the South Caucasus for Russia. Azerbaijan – Turkey military and political cooperation has been significantly deepened since July 2020. Given overt Turkish involvement in hostilities and full support of Ankara to Azerbaijan, each day of the war makes Turkey more influential in Baku. This runs against core Russian interests in the region. Russia is also very concerned about the emergence of Syrian mercenaries very close to Northern Caucasus, where memories are still fresh about Islamist forces led insurgency of the late 1990s. Russia also could not afford complete defeat of Nagorno Karabakh Republic. Despite the fact, that Russian security guarantees cover only internationally recognized territory of Armenia, the Azerbaijani victory over Nagorno Karabakh will send a clear signal to all that Russia’s posture in the South Caucasus has been significantly weakened.

Meanwhile, if Russia decides to make direct military intervention targeting mercenary groups to stop Turkish growing influence in Azerbaijan and prevent the defeat of Nagorno Karabakh, she will immediately turn Azerbaijan into another Georgia. In this case, Russia

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will face two hostile neighbours in the region and only one ally. Any Russian direct military intervention may also theoretically result in Russia – Turkey direct collision. This may create another constant low-intensity conflict in Russia’s neighbourhood alongside with Donbas. Russia may have doubts, that despite the tensions in the US-Turkey relations, Washington may tacitly support growing Turkish role in the South Caucasus, seeking to trigger overt Russia – Turkey clash and use it in its overall Russia containment strategy.

Thus, not surprisingly, Russia has put enormous efforts to cease the hostilities and establish a ceasefire. A durable ceasefire will allow Russia to slow down the process of Azerbaijan’s transformation into the de facto Turkish protectorate, prevent the perspective of Nagorno Karabakh Republic’s defeat and also reinvigorate “Lavrov Plan”.

After the direct intervention of Russian President Putin Armenian and Azerbaijani foreign ministers left for Moscow and as a result of 11 hours trilateral Armenia – Azerbaijan – Russia negotiations joint statement was signed on the early morning of October 10. All sides agreed to declare humanitarian ceasefire starting from noon October 10, to confirm the current negotiation format, and to start substantive negotiations based on the “Basic principles”. However, almost immediately ceasefire was violated by Azerbaijan and hostilities continued. Turkey was quite unhappy with Moscow negotiations, as he was not invited to participate. Another reason for Turkey’s concerns could be the possibility of implementation of “Lavrov plan” which may evaporate all influence Turkey gained in Azerbaijan in recent months.

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However, Russia continued its efforts to solidify the ceasefire. Both Foreign Minister Sergey Lavrov and Defence Minister Sergey Shoigu had phone conversations with their Armenian, Azerbaijani and Turkish colleagues emphasizing the necessity to follow the agreed ceasefire.\(^\text{11}\) On October 14 Lavrov stated that Russia did not accept Turkey’s views that military solution was possible in Nagorno Karabakh conflict and again reiterated that only way forward is the ceasefire and the phased approach solution based on the “Basic principles”. On October 14 phone call between President Erdogan and President Putin was held along the same lines.\(^\text{12}\)

Thus, immediate Russian task is to stop hostilities, to avoid the necessity of direct military involvement, and to prevent the complete defeat of Nagorno Karabakh Republic. In coming weeks Russia’s key goal could be to push forward for ”Lavrov plan”, using the eruption of large scale war as another proof that status – quo is unsustainable and arguing that only option to prevent another outbreak is the deployment of Russian military monitors and then peacekeepers. This is one of the options for Russia to decrease Turkish influence in Azerbaijan and bring itself back the role of the key player in the region. However, if despite Russian efforts and calls, Azerbaijan and Turkey continue their military offensive; the only way for Russia not to lose the South Caucasus is to ratchet up military supplies to Armenia allowing Nagorno Karabakh Republic forces to stop the advancement of Azerbaijani troops and thus forcing them to respect the ceasefire.


\(^\text{12}\) Telephone conversation with President of Turkey Recep Tayyip Erdogan: http://en.kremlin.ru/events/president/news/64204.
Turkey

The collapse of the Soviet Union has opened up for Turkey the Muslim and Turkic speaking republics of the former Soviet Union. Turkey was seeking to portrait himself as the big brother of these republics; however, the political and economic instability in Turkey in the 1990s prevented Ankara from significantly strengthening his positions there. The situation was changed in the mid-2000s after coming to power of Justice and Development Party. Turkey played a key role in establishing the Cooperation Council of Turkic – Speaking States in 2009 and signed a strategic partnership agreement with Azerbaijan in 2010. During the second decade of XXI century, as Prime Minister and then President Erdogan launched its policy of transforming Turkey from the junior ally of the US into the independent regional power with vast spreading interests in the Middle East, Eastern Mediterranean, Northern Africa and beyond, South Caucasus was part of this strategy.

Turkey’s policy in the region is based on a strategic alliance with Azerbaijan and on fostering trilateral Turkey – Georgia – Azerbaijan strategic partnership. In recent years Turkey was developing very complex relations with Russia, simultaneously cooperating and competing in several areas such as Syria, Libya, and the Black sea region. In this nexus of pragmatic friendship and strategic rivalry, South Caucasus plays a significant role. Turkey’s decision to convince Azerbaijan to launch a large-scale war in Karabakh with full Turkish support is obviously aimed it further reducing Russian presence in the region, transforming Azerbaijan into Turkish de facto protectorate and use it as a launchpad for further

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enlargement into Central Asia, to put pressure on Iran and also come closer to Russia’s Northern Caucasus.

Turkey may reach its goals only by complete defeat of Nagorno Karabakh Republic. Every other option creates a room of manoeuvres for President Aliyev to resist full Turkish control over Azerbaijani defence and security policy and keeps the door open for implementation of ”Lavrov plan”. That is why President Erdogan was so critical against any calls for a ceasefire, accusing Minsk Group of failing to solve the conflict for 30 years and arguing that only full control over Karabakh by Azerbaijan may bring the conflict to the end. By deploying mercenaries from Syria very close to Russian Northern Caucasus, President Erdogan has sent clear signals to Moscow that he is ready to cross the “Red lines”.

USA

Since the collapse of the Soviet Union, the US has perceived its relations with South Caucasus through the lenses of its overall policy towards Russia. As for the President Trump administration, it has three key goals in the region.

The first is the region’s involvement in the policy of “maximum economic pressure” against Iran. Both Armenia and Azerbaijan are bordering Iran, and Georgia also may play a role as an alternative route for Iran towards Europe via Armenia and the Black Sea. The US policy aims at decreasing the region’s relations with Iran as much as possible and securing a free hand in using the region in different kind of anti-Iranian activities.

The second goal of the current US administration is the facilitation of the launch of the Southern Gas Corridor, which will bring Azerbaijani gas to Europe circumventing Russia, as

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was the case with Azerbaijani oil delivered through the Baku - Tbilisi - Ceyhan pipeline. The US has much less enthusiasm now regarding the capabilities of Azerbaijan to strategically decrease Europe’s gas dependency on Russia, as it transpires that Baku has only the potential to pump into Europe a maximum 20 billion cubic meters gas annually. However, despite the decreased significance of Azerbaijani gas for Europe, it still matters for the US to have alternative routes of gas supply to Europe.

The third factor influencing US policy in the region is the policy of containment and deterrence of Russia. Despite the seemingly warm attitude of President Trump towards Russia and President Putin, the current US administration has adopted a tough policy towards Russia, putting in place various new sanctions and providing lethal weapons to Ukraine and Georgia. The South Caucasus, as a part of the former Soviet Space, is included in this containment strategy. Washington aims to prevent any possible increase of Russian influence in Georgia and Azerbaijan and to decrease Russian involvement in Armenia.16

Meanwhile, due to the “America first” policy and the shift of the US focus to China; the US has been relatively disengaged from the South Caucasus recently. This trend was once more emphasized by the new war in Nagorno Karabakh. Besides calls to both sides to stop the fighting and the joint statements by the Presidents and then Ministers of Foreign Affairs of the OSCE Minsk Group Co-Chair states, there was no tangible action by the US government.

US Department fo State Secretary Mike Pompeo mentioned about Turkey’s active involvement in the conflict and Ankara’s support to Azerbaijan, arguing that third parties should not pour additional fire and expressing its hope that Armenians can defend

16 None of the US strategic goals in the South Caucasus coincides with the Armenian national interest: http://commonspace.eu/index.php?m=23&news_id=5245.
themselves against what the Azerbaijanis are doing. However, despite all the US-Turkey tensions concerning the purchase of S-400 air defence systems by Turkey, Washington’s support to Syrian Kurds, and growing authoritarianism of Turkish leadership any increase of Turkey’s role in the region is in line with the US strategic interests, as it will weaken Russia. In this context, the fomenting of Turkish influence over Azerbaijan and the possible significant deterioration of Armenia - Russia relations as a result of a new war in Karabakh should be tacitly welcomed by the US.

**Iran**

The South Caucasus is an integral part of Iran’s neighbourhood and plays a significant role in Tehran’s geostrategic calculations. Definitely, South Caucasus is not as vital for Iran as the Middle East, but from the Iranian perspective, it is part of common Iranian civilizational area. It is worthy to mention that till the first half of the 19th century vast territories of current Armenia and Azerbaijan were part of the Persian Empire, and Persia influenced also Georgia.

However, given Iran’s current geopolitical and geoeconomic difficulties, Tehran has no resources to increase its influence in the South Caucasus. As for now, the key priority for Iran is to prevent the use of the South Caucasus as the launchpad for Anti-Iranian activities and protect the current level of its involvement and influence.

As for Iran’s position towards the new war in Nagorno Karabakh, several factors are shaping Iran’s attitude. The most significant one is Armenia’s and Nagorno Karabakh Republic’s role as a buffer between Turkey, Azerbaijan and Central Asia. Despite growing cooperation with

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17 Secretary Michael R. Pompeo with Erick Erickson of The Erick Erickson Show on WSB Atlanta: https://www.state.gov/secretary-michael-r-pompeo-with-erick-erickson-of-the-erick-erickson-show-on-wsb-atlanta/
Turkey since Erdogan’s ascendance to power, Turkey and Iran are strategic competitors in the Middle East. Iran clearly understands that in the case of a land corridor becomes operational connecting Turkey and Azerbaijan, it will strategically increase Turkey’s capacities and capabilities.18

Not surprisingly, Iran keeps balanced and neutral stance on new Karabakh war, expressing its concerns over the hostilities and deployment of mercenaries along Iranian border and calling both sides to find a peaceful solution to the conflict.19

**EU**

The EU has included the South Caucasus in its Eastern partnership program and signed an Association Agreement with Georgia in 2014 and Comprehensive and Enhanced Partnership Agreement with Armenia in 2017. Currently, negotiations are underway with Azerbaijan to sign strategic partnership agreement. EU is not represented in the Minsk Group as an organization; however, France is a Minsk Group Co-Chair country, while several EU states are members of the Minsk Group including Germany and Italy. EU has a special position of Special Representative for the South Caucasus and the crisis in Georgia, held by Estonian diplomat Toivo Klaar since November 2017,20 who visited Baku just two days prior the start of the war.21

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18 Iran – South Caucasus. Current stage and perspectives of relations: [https://cacds.org.ua/?p=7460&fbclid=IwAR1AOORb8ykJMiWzN6nekeCoT-byktYHdQuYUQ9oyujwt0Yx3N9mlPggH3Q](https://cacds.org.ua/?p=7460&fbclid=IwAR1AOORb8ykJMiWzN6nekeCoT-byktYHdQuYUQ9oyujwt0Yx3N9mlPggH3Q)


21 Toivo Klaar paying visit to Azerbaijan: [https://report.ge/en/world/toivo-klaar-paying-visit-to-azerbaijan/](https://report.ge/en/world/toivo-klaar-paying-visit-to-azerbaijan/)
The EU has significant soft power to influence events on the ground supporting various reforms. Brussels was very active in elaborating a robust assistance package for the EaP member states since the outbreak of COVID–19 pandemic within “Team Europe” imitative launched in April 2020. In mid-September 2020 EU allocated 30 million Euros to Armenia to fight against COVID–19 and another 30 million Euros to foster judiciary reforms.

However, soft power is definitely not enough to stop the war in Karabakh. Since the outbreak of the war EU high representative/Vice President Josep Borrell has issued several statements urging to stop hostilities and calling for respecting agreement on a ceasefire reached in Moscow,22 and had several phone conversations with Russian foreign minister.23 As the key driver behind continued hostilities is Turkey, the only tangible leverage for EU to influence Ankara’s strategic calculus is the threat of imposing tough economic sanctions on Turkey. Otherwise, the EU will stay behind other actors and may be involved only in the post-conflict reconstruction process when sides will reach this phase. The active role of President Macron, who strongly criticized Turkey’s involvement and deployment of mercenaries,24 and was instrumental in preparing the October 1 joint statement by Russian, the US and French Presidents,25 can be explained partly by the growing tensions in France–Turkey relations. President Macron was personally involved to bring about Armenian and Azerbaijani agreement to declare another humanitarian ceasefire in the evening of October 17, which

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was almost immediately breached by Azerbaijan. However, France is not EU and its activities can not substitute the decline of EU influence in the region.
IV. FUTURE DEVELOPMENTS

The new war in Nagorno Karabakh has shaken the status quo in Karabakh. The colossal loss of human life, as well as enormous economic damage definitely, will have a serious negative impact on the already vague perspectives of the settlement of the conflict. However, every war ends and sooner or later negotiations will be launched again. As for now, there are four main scenarios for the future.

The first scenario is the restoration of a permanent ceasefire and the continuation of negotiations based on the “Basic principles” without any agreements or pledges to reach an agreement. It will repeat the situation after April 2016 four day war, and most probably it will only lead to another outbreak of hostilities sometimes in the near future.

In the second scenario, Russia will force both Armenia and Azerbaijan to accept a settlement based on “basic principles” (it could be Kazan document, Lavrov plan or some mix of them) and will convince Turkey not to spoil. In this case, the Nagorno Karabakh Republic will return five regions to Azerbaijan, will receive internationally recognized interim status within borders of 1988 Nagorno Karabakh Autonomies Region plus former Soviet Azerbaijan regions of Lachin and Kelbajar as a secure corridor with Armenia. Only or mainly Russian peacekeepers will be deployed along the new line of contact as a security guarantee that Azerbaijan will not use regained territories as a launchpad for a new attack against the Nagorno Karabakh Republic. Meanwhile, negotiations will continue to agree on a timeframe of modalities of the future legally binding referendum in Nagorno Karabakh to fix its final legal status without any real hope for success. In this scenario, the conflict will be frozen for another decade or more.
In the third scenario Armenia, Azerbaijan, the Nagorno Karabakh Republic, Russia, and other external players will not be able to reach any agreement. In this case, we will see a long-term low-intensity conflict with no permanent ceasefire and gradual deterioration of the economic situation in Armenia, Azerbaijan and the Nagorno Karabakh Republic. Azerbaijan and Turkey will not be able to defeat the Nagorno Karabakh Republic, while later will not be able to enforce a ceasefire. These developments will gradually transform Karabakh into another area of Russia-Turkey proxy war.

In the fourth scenario, all sides will finally realize that the phased approach solution, which has been negotiated for sixteen years, has exhausted itself, and that time has come to elaborate a new formula for settlement. In this case, sides will start to work on package deal, which will solve all issues – status, territories and refugees – in one document. This solution should include the recognition of the Nagorno Karabakh Republic’s independence with a secure land corridor connecting two entities, or its unification with Armenia while giving parts of the Nagorno Karabakh Republic territory to Azerbaijan.