

Looking ahead: who are the winners and losers after the Armenia-Azerbaijan meeting in Washington?

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Executive Summary

The recent meeting between Armenia and Azerbaijan in Washington, DC marked a significant political step towards peace, normalisation and regional connectivity. The Joint Declaration and launch of the “Trump Route for International Peace and Prosperity” (TRIPP) signal progress. However, core issues – including potential constitutional changes in Armenia – remain unresolved. It is important to understand what has been agreed and what has not. While the United States emerged as a key broker, its sustained commitment is uncertain. Russia and Iran are the clear losers, facing diminished influence.

The fragile window for peace could quickly close without continued external engagement. To seize the current momentum, the European Union should: (1) facilitate the formal signing of a peace agreement through practical compromises; (2) promote ongoing US involvement via joint initiatives on trade, energy, defence and technology; (3) rebuild the EU’s credibility in Baku by leveraging US involvement; (4) seek ways to maintain the EU Mission to Armenia; and (5) strive to advance Turkish-Armenian normalisation, which is essential for peace, regional integration and reduced Russian leverage.

Introduction: a consequential meeting?

On 8 August, Prime Minister of Armenia Nikol Pashinyan and President of Azerbaijan Ilham Aliyev [met](#) with US President Donald J. Trump in Washington, DC. The meeting produced a [Joint Declaration](#) committing to continued dialogue, and led to the publication and initialling of a previously agreed 17-article [peace agreement](#) between Armenia and Azerbaijan, as well as the announcement of a US-facilitated land [route](#) across Armenia connecting Azerbaijan with its exclave, Nakhichevan, and bilateral agreements between Washington and both capitals on energy, technology and the economy.

The outcome was [hailed](#) by all three leaders as a historic success – and by the [White House](#) misleadingly as a definitive peace deal. While the results represent clear steps to consolidate progress on the bilateral dialogue and peace [process](#), much remains uncertain and unresolved. Immediate obstacles include Baku's demand for constitutional change in Armenia while popular and political will and trust in both countries, as well as the issue of the right of return of Karabakh Armenians represent long-term normalisation challenges. Nonetheless, these developments demonstrate the shifting geopolitical dynamics in the South Caucasus, which highlight changes in the regional balance of power and have produced clear winners and losers.

After Washington: Who are the winners and losers in the South Caucasus?

Peace, normalisation and connectivity: Winners, but to what extent?

The Washington meeting marked clear progress in the Armenia–Azerbaijan peace and normalisation [process](#). The Joint Declaration raised the threshold for renewed conflict by binding both sides to joint commitments, while publication of the draft peace agreement – the content of which was already largely known – was a positive step. Both countries also agreed to [dissolve](#) the OSCE Minsk Group, which had been long demanded by Baku.

A key breakthrough was the announcement of the joint Armenian-American “Trump Route for International Peace and Prosperity” (TRIPP), [designed](#) to connect Azerbaijan with its Nakhichevan exclave [through](#) Armenia's Syunik province. The United States will oversee construction and operation of the route, including its rail and energy infrastructure. If realised, the project, which represents the biggest US regional initiative in decades, would send shockwaves through the region's power balance, not least by counteracting the influence of Iran and Russia.

Essentially, the project addresses one of the most contentious issues since the 2020 ceasefire: the [reopening](#) of regional transport links. While Azerbaijan has consistently [demanded](#) unrestricted access to Nakhichevan, Armenia has [emphasised](#) its rights to sovereignty, jurisdiction and reciprocity. By reflecting both positions, the Joint Declaration appears to bring a resolution closer. Nonetheless, the timeline, modalities and ultimate feasibility of the TRIPP remain uncertain, and its implementation will be a critical test of the peace process.

In many respects, however, the Washington meeting merely consolidated earlier understandings rather than produce new commitments. The peace agreement is short and vague, leaving critical questions unanswered, such as the right of return for [Karabakh Armenians](#), the fate of the hundreds of thousands [displaced](#) since the first Karabakh war and the status of destroyed [cultural sites](#). Moreover, the agreement's ban on third-party forces along the border casts doubt on the [future](#) of the EU Mission to Armenia ([EUMA](#)), which Baku opposes.

Armenia and Pashinyan: Winner, but at what domestic cost?

Beyond peace, Armenia has much to gain. The TRIPP would pave the way for normalisation with Türkiye and end Armenia's isolation through its inclusion in emerging east-west global trade routes. Moreover, the Washington meeting advanced the Pashinyan government's agenda on reducing [dependence](#) on Russia and [strengthening](#) ties with the West, which are crucial deliverables ahead of the 2026 national elections.

However, amid widespread [mistrust](#) of the government, low and decreasing popular support, and [criticism](#) from opposition and civil society alike of its “[real Armenia](#)” project to reshape the country’s direction, perceived [concessions](#) to Baku – particularly on the transit route across Syunik – have faced strong [resistance](#) for allegedly undermining Armenia’s long-term interests. Perhaps the biggest unresolved issue is Baku’s [demand](#) that Armenia amend its [constitution](#) to remove any potential claims on Azerbaijan’s territorial integrity. This difficult [process](#) could take years, as it would probably require referendums and elections, and might ultimately fail if it lacks sufficient popular support. It could also [threaten](#) Pashinyan’s hold on power.

Azerbaijan: Winner, but with what motives?

For Baku, the Washington meeting brought several gains. Concessions from Armenia were consolidated, while the prospect of unblocked transit routes would enhance the trade hub [role](#) of Azerbaijan – along with Türkiye. [Strengthened](#) trade and political ties with the United States could also deliver valuable energy benefits and geopolitical leverage – important assets given Azerbaijan’s fragile economic [outlook](#) and tense relations with both [Russia](#) and Iran.

Nonetheless, questions remain over Baku’s commitment to peace. Arguably, the status quo favours Azerbaijan, leaving Armenia [isolated](#), vulnerable and under pressure to agree to demands, while Azerbaijan has [leverage](#) over all actors. Moreover, domestically, Aliyev continues to benefit from the rivalry with arch-enemy Armenia, which bolsters regime [popularity](#) and stability through nationalism and distracts from growing long-term socio-economic [problems](#). Whether other external rivals, such as [Russia](#) or [Iran](#), can serve a similar role remains uncertain.

The United States: Winner, but for how long?

For the United States, the results might boost its influence in the region and beyond. Like the EU, Washington has in recent years [deepened](#) its relations with Armenia, particularly in the [defence](#) sector. Unlike Brussels, however, it retains significant [leverage](#) with Baku, where European credibility has sharply declined. The US further sweetened the deal by offering Azerbaijan a strategic partnership and [suspending](#) enforcement of Section 907 of the 1992 [Freedom Support Act](#), which had barred direct US government aid. The “Trump factor” also played a role, as both Aliyev and Pashinyan were keen to avoid confrontation with Washington, wary of potential tariffs and the loss of narrative control.

The key uncertainty is whether US [engagement](#) will endure under the Trump administration’s volatile foreign policy. Without sustained involvement to provide predictability and put pressure on both capitals, the risk of deadlock and renewed tensions remains high.

Russia: Loser yet again

For Russia, the events mark yet another [weakening](#) of its regional influence. Since 2020, and especially after 2022, Moscow’s role has been reduced from hegemonic power broker to little more than an economic and transit partner. US control over the new transit route through Armenia – a function explicitly assigned to Russia under the 2020 [ceasefire](#) – represents a further blow to its strategic position. A big challenge for Moscow will be to try to leverage the TRIPP to merge its [north-south](#) trade with east-west transport and thereby counter sanctions.

Against the backdrop of Armenia’s [diversification](#) away from Russia and Azerbaijan’s continuing [tensions](#) with Moscow, the Washington meeting appears to reinforce the rivals’ growing geopolitical [alignment](#) against Russia. The long-term peace potential of their joint reluctance to involve Moscow and willingness to cooperate with Washington should not be underestimated.

Russia has long been a central obstacle, due to its imperial strategy of [instrumentalising](#) the conflict and because Yerevan and Baku have historically leveraged Moscow against one another. A key question now is whether this shift will begin to challenge the widespread conviction across the South Caucasus that “the empire will eventually strike back”.

Iran: Loser but placated?

For Iran, which like Russia has seen its regional influence decline in recent years, the meeting may have several negative implications. A direct transit route to Nakhichevan through Armenia would reduce Azerbaijan's reliance on Iranian territory, [diminishing](#) Tehran's leverage over Baku. Peace with Armenia could also prompt Aliyev, for domestic political reasons, to position Iran as the primary external adversary. Moreover, the waning of Russian influence complicates Tehran's broader regional objective – shared with Moscow – of keeping western powers at bay.

Significantly, Iranian officials have expressed [concern](#) since 8 August about a potential US [presence](#) near its border. Historically, Iran has been a strong supporter of Armenia and [opposed](#) Azerbaijani transit plans that might restrict its northern access to Armenia and the wider region. Yerevan has therefore aimed to [mitigate](#) these [concerns](#), culminating in a 19 August [announcement](#) that relations with Iran would be elevated to the level of a strategic partnership.

Georgian Dream: Indirect loser?

These outcomes may have region-wide reverberations that also affect Georgia. Under the increasingly authoritarian and, in practice, pro-Russian Georgian Dream (GD) government, Tbilisi's relations with the West have [deteriorated](#) sharply as the GD regime has shifted its long-term strategy towards [strengthening](#) ties with [Moscow](#), [Beijing](#) and [Tehran](#). A greater western presence and diminished Russian and Iranian influence in the region are therefore probably unwelcome in Tbilisi.

In addition, if Armenian–Azerbaijani transit routes are reopened, Georgia's [role](#) as a central east–west transport hub – similar to Azerbaijan and Türkiye – would be undermined. More broadly, the stronger the West's ties with Yerevan and Baku, the less strategic reliance it would have on an increasingly non-democratic Georgia.

Conclusions and policy recommendations for the EU

Following the important symbolic and political steps in Washington, peace between Armenia and Azerbaijan might be closer. The results are in line with all the EU's larger regional strategic goals – notably, promoting peace and stability, boosting western ties and European integration, ensuring east-west transit routes, and countering and containing Russia.

Nonetheless, many questions remain, such as whether there is genuine will in both countries to continue the long and difficult road to peace, whether US engagement will continue and how other actors will react. As Baku and Yerevan increasingly align geopolitically against Russia, regional dynamics are shifting in ways that affect all actors, notably Iran, Türkiye, Georgia and the EU. Moreover, the current window for constructive dialogue and progress towards peace – made possible by domestic political conditions, western involvement and Russian weakness – might not remain open indefinitely.

To capitalise on the current momentum in the peace process, the EU should:

- **Facilitate the signing of the peace treaty through compromises.** The EU should encourage the signing of the treaty by supporting practical compromises – for example, an arrangement whereby Armenia commits to constitutional changes in the near future.
- **Promote sustained US engagement through joint initiatives.** While challenging, US involvement could be promoted by leveraging shared priorities on energy, the economy, technology and defence. Options would include a US–EU–Armenia–Azerbaijan trade platform and emerging technologies dialogue, as well as joint projects to enhance Armenia's resilience and support the development of [renewable energy](#) in Azerbaijan.
- **Rebuild credibility with Baku.** The EU's credibility problem with Azerbaijan – driven largely by the actions of individual member states – undermines its role in the peace process and weakens its regional influence. The EU should work to restore trust by leveraging US–Azerbaijani ties and pursuing issues of trilateral interest.
- **Strive to maintain the EUMA in some format.** While addressing Baku's [concerns](#) and the peace treaty articles, the EU should aim to [maintain](#) the EUMA, perhaps by partly refitting it to new purposes, such as capacity-building for resilience and supporting reform. Beyond border concerns, which the peace process might resolve, the EUMA boosts EU visibility locally in remote areas and its credibility as a stabilising actor regionally.
- **Engage with Ankara and support Turkish–Armenian normalisation.** Long-term EU goals in the South Caucasus – peace, countering Russia, [integrating](#) Armenia with the EU and reopening transit routes – depend on Turkish–Armenian normalisation. The EU should thus use current progress to [involve](#) Ankara and apply pressure to advance this track.
- **Strengthen contractual ties to reinforce EU agency.** To support reform and bolster EU regional agency, the EU should prioritise deepening contractual frameworks with Armenia – moving towards a Deep and Comprehensive Free Trade Agreement – and explore similar avenues with Azerbaijan. This would be as part of the need to counter Russia's expansionist and aggressive behaviour.



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