MSC 2026: Reconfiguring South Caucasus Security

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Introduction: Decoupling the Caucasus

Russia's invasion of Ukraine in February 2022 reshaped security perceptions not only in Eastern Europe but also across the wider Eurasian region. Before 2022, the South Caucasus – comprising Armenia, Azerbaijan, and Georgia – was largely conceptualised in Western policy as a peripheral zone with limited strategic prioritisation. The war in Ukraine, however, disrupted this equilibrium.

As Russia's capacity and credibility in the region have diminished, due to its military overextension in Ukraine, its failure to enforce regional security guarantees, and a mounting administrative paralysis triggered by systemic isolation, other external actors – notably the United States, the European Union, and China – have seized the opportunity to expand their political, economic, and security agendas. This growing engagement has not merely supplemented existing regional dynamics; rather, it has begun to fundamentally reshape them. As new infrastructure investments as well as security partnerships take root, Russia's previously dominant position is gradually eroding. Consequently, these developments have accelerated a broader recalibration of regional power dynamics, transforming the South Caucasus into an increasingly contested and strategically significant geopolitical region.

At this year's Munich Security Conference, these evolving dynamics were reflected in debates that reframed the South Caucasus from a peripheral zone of post-Soviet dominance into a region of strategic importance for Euro-Atlantic security, energy, and transit architecture. Against a backdrop of heightened geopolitical competition, the conference conceptualized the region's infrastructure corridors and energy transit routes as critical pillars of supply diversification, resilience, and deterrence as Russia's regional dominance shrinks.

Hard Infrastructure and Trans-Caspian Scaling

The transition of the South Caucasus from a peripheral zone to a core node of Euro-Atlantic security was framed during the 2026 Munich Security Conference not as a mere policy preference, but as a result of the materialization of "hard" infrastructure designed to physically decouple the region from Russian networks. Across various panels, including the high-level session "Open Corridor Policy? Deepening Trans-Caspian Cooperation," discussions centered on the privatization of regional security via US equity, the digitization of the "Middle Corridor," and the integration of the Caucasus into the Eastern European energy defense ecosystem.

The TRIPP Project and the "Equity-Tripwire" Model

A fundamental shift in Western engagement emerged through the "Trump Route for International Peace and Prosperity" (TRIPP). During the conference, President Ilham Aliyev explicitly contrasted this model with the 1990s energy boom. While projects like the Baku-Tbilisi-Ceyhan (BTC) pipeline relied on Western diplomatic patronage, TRIPP introduces direct US ownership. Aliyev clarified the specific ownership structure – 76% US and 24% Armenian – paired with a 49-year lease, a move EU Commissioner Marta Kos identified during the panel as a "game changer" for the region's relationship with Türkiye and the West.

The logical consequence of this "equity-based" model, as analyzed during the debates, is the creation of a commercial tripwire. By branding the

route with the "Trump" name, Aliyev argued that the project becomes an "integral part of US national strategy." The security implications discussed are profound: because the infrastructure is a majority-US asset, any kinetic or hybrid interference by Russia or Iran would be interpreted not as a local regional dispute, but as a direct provocation against US national interests. This effectively creates a commercial deterrence that replaces the need for formal, yet often elusive, military alliances.

Operationalizing the Zangezur-Nakhchivan Link

The physical construction of the rail link – comprising 600km of track in mainland Azerbaijan and the critical 42km Zangezur section in Armenia – was presented as the operational core of the C6 realignment (Central Asia's C5 + Azerbaijan). Aliyev provided specific details on the diplomatic genesis of this corridor, noting it was "initiated in the White House" with the US President as a witness.

A significant revelation during the conference was that this is no longer a theoretical peace project; mutual trade in oil products has already commenced between Armenia and Azerbaijan, and all cargo restrictions have been lifted. With a target capacity of 500,000 TEU (Twenty-foot Equivalent Units), the corridor is designed to achieve a scale that makes it indispensable to the EU's "Global Gateway." this framework, the project represents a synergy of Western influence: while the White House provides the high-level geopolitical initiation and deterrence, the Global Gateway serves as the institutional and financial engine required to integrate this infrastructure into the European market. The security logic emerging from the MSC debates suggests a "security through sunk costs" dynamic: both nations are now financially incentivized to maintain the infrastructure, making a return to hostilities prohibitively expensive for both Baku and Yerevan.

Digital Sovereignty and the Trans-Caspian Fiber-Optic Link

The scaling of the Middle Corridor was expanded during the aforementioned panel, including the realm of data. Aliyev confirmed that the Trans-Caspian fiber-optic cable is scheduled for completion in 2026.

This project represents a strategic move toward digital sovereignty. By bypassing Russian terrestrial cables, the South Caucasus provides Europe and Central Asia with a "safe data node." This reduces Moscow's hybrid leverage – specifically signal interception and cyber-sabotage – over Eurasian communications. Furthermore, the Chinese representative, Wang Huiyao, noted that the Belt and Road Initiative (BRI) is actively financing new arteries through Kyrgyzstan and Uzbekistan that converge on this Azerbaijani hub, creating a multi-route resilience that ensures the corridor remains functional even if northern routes are compromised.

The Vertical Corridor and Energy-Defense Integration

The emergence of the "Vertical Corridor" – running from Greece and Poland into Ukraine – was a focal point for Jarrod Agen during the panel "Raw Power: The Geopolitics of Resources". He detailed how Azerbaijani

natural gas, via the TAP pipeline, is now being funneled into Ukrainian underground storage facilities to sustain Ukraine's wartime economy.

This creates a "Security Interdependence" loop discussed heavily at the conference: the stability of the South Caucasus is now functionally linked to the survival of the Ukrainian state. Azerbaijan is no longer just a vendor of resources; it is a primary stakeholder in the defense of Europe's eastern flank. Jarrod Agen further introduced the "National Energy Dominance Council" as a vehicle for providing Small Modular Reactors (SMRs) to Armenia. The logical chain here is the total technological decoupling of Armenia from Russia; by replacing the aging Metsamor plant with US-backed SMRs, the West is removing Moscow's final "hard" lever of energy influence over Yerevan.

The Deterioration of the Russia-Azerbaijan "Strategic Understanding"

The scaling of this infrastructure has led to a visible collapse of the Russo-Azerbaijani relationship, a point underscored by Aliyev's dramatic disclosure during the conference. He revealed that Russia has conducted three deliberate strikes on the Azerbaijani Embassy in Ukraine, despite Baku providing Moscow with the exact coordinates of diplomatic facilities to prevent "accidents."

Aliyev's categorization of these as "deliberate and unfriendly acts" serves as the ultimate evidence of the regional shift. The conference discussions made it clear that as Azerbaijan moves from a "neutral buffer" to an "active Western node," Russia is shifting from strategic partnership to active hostility. The hard infrastructure of 2026 is thus designed to create a "locked-in" Western presence. Through US equity ownership, digital bypassing of Russia, and the integration of energy flows into the defense of Ukraine, the South Caucasus is being physically and legally re-engineered to function as an autonomous node within the Euro-Atlantic system, permanently raising the cost of any future Russian re-entry into the region.

Power Vacuums and Secondary Sanctions

At MSC 2026, the strategic discourse shifted from the "voluntarism" of decoupling to the "coercion" of mandatory alignment. This shift effectively ended the era of multi-vector balancing for the South Caucasus. For example, Senators Graham and Blumenthal detailed a filibuster-proof Secondary Targeting Bill with 85 co-sponsors, which enables 0% to 500% tariffs on any nation purchasing Russian energy. Should it pass, this legislation would transform regional banking and energy interdependencies into existential liabilities. The conference discussions underscored that the mere prospect of such measures now forces a recalibration in the region, where access to Western markets increasingly demands a total economic pivot.

Simultaneously, the proposed "closing of the Black Sea" has created a sanctions compliance trap for Georgia. During the conference, President Zelenskyy urged the confiscation of Russia's "Shadow Fleet," while Swedish

FM Stenergard outlined a 20th Sanctions Package banning all maritime services for Russian energy vessels. For Tbilisi, the choice is binary. It must either comply and risk Russian naval retaliation against its ports, or refuse and face 500% tariffs and the derailment of EU accession. The Black Sea is thus being reclassified from a trade artery into a zone of maritime interdiction.

This external pressure coincides with a domestic Russian power vacuum defined by "implementation paralysis." Expert Ekaterina Schulman diagnosed a "cannibalistic" system consuming its own nomenklatura. This environment leaves the Kremlin incapable of enforcing its regional security guarantees. Consequently, Russian threats regarding Abkhazia or the Zangezur corridor can be viewed as "paper tiger" postures. Moscow retains the intent to destabilize, but it lacks the bureaucratic cohesion to manage the fallout.

Finally, the collapse of the Russia-Iran axis complicates this vacuum. Highlighting the use of 6,000 Shahed drones in January 2026, Zelenskyy's support for regime change in Tehran signals the potential severing of Armenia's "Southern Gate." If the Iranian regime collapses or turns inward, Yerevan loses its last non-Russian regional lifeline. This shift forces a rapid, high-risk pivot to French and EU security frameworks. Collectively, these insights underscore the elimination of the regional "Grey Zone." The South Caucasus must now integrate into the "Common European Security" pillar or face the systematic dismantling of its ties to the Russian-Iranian axis.

Strategic Reclassification

As the international system shifts from a primarily rule-driven toward a "node-based order", in which power concentrates around infrastructure hubs, transit corridors, energy choke points, and industrial supply chains, regions once treated as peripheral have been gaining renewed strategic weight. As articulated by German Minister Katherina Reiche during the conference, this new paradigm dictates that nations controlling these critical supply chain "chokepoints" gain profound "cohesive power" – the structural capacity to influence both downstream consumers and upstream competitors. This reclassification was clearly visible at the 2026 Munich Security Conference, in which multiple debates and discourses highlighted how connectivity and resource access increasingly shape geopolitical priorities.

Within this context, the South Caucasus has gained renewed significance. Located at the crossroads of major trade routes, between the Caspian Sea and the Black Sea, the region functions both as a source of non-Russian energy and as a transit hub for alternative corridors connecting Asia and Europe that bypass Russian territory. As a result, the South Caucasus is increasingly perceived not as a peripheral neighbourhood, but rather as a structural component of Europe's long-term security, energy, and supply-

chain framework. This conceptual shift fundamentally breaks from the precedents of the past—such as the aftermath of the 2008 war in Georgia —where the West often implicitly treated the region as a negotiable buffer zone within Moscow's sphere of privileged interests. Today, the rhetoric at MSC 2026 underscored a reclassification of the Caucasus as an active, integrated participant in Euro-Atlantic resilience.

In fact, the debate held under the panel "Open Corridor Policy? Deepening Trans-Caspian Cooperation" that counted with the presence of the EU's Commissioner for Enlargement, Marta Kos, along with the current President of Azerbaijan, Ilham Aliyev, illustrates how the South Caucasus is being strategically reclassified within European policy thinking. During this session, a crucial geopolitical rebranding emerged as Azerbaijan's integration into the Central Asian political bloc was emphasized, effectively transforming the "C5" into a cohesive "C6." This conceptual realignment encourages Western policymakers to view the South Caucasus not merely as an isolated post-Soviet fragment, but as the western anchor of a unified Trans-Caspian political and economic space. This framing was further reinforced by the sideline event "The Golden Mean? Connectivity, Security and the Caspian Middle Corridor", which presented the Trans-Caspian International Transport Route (Middle Corridor) as a structural component of Eurasian resilience and an emerging pillar of the wider security architecture, rather than a mere trade project.

Similarly, JD Vance's visit to Armenia and Azerbaijan shortly before the conference can be understood as part of a broader strategic effort to consolidate economic, security, and connectivity ties in the region. This high-level engagement signals that Western capitals are shifting their approach from purely diplomatic crisis management to embedding the region directly into domestic economic and national security strategies, treating regional stability as an American and European strategic asset.

More broadly, the reassessment of the region must be understood as part of shifting global dynamics. Russia's full-scale invasion of Ukraine exposed the structural vulnerabilities generated by concentrated dependencies on Russian transit corridors and energy supplies, therefore, prompting an urgent recalibration of European energy security and connectivity strategies. In response, the European Union has intensified efforts to diversify supply chains, transport routes, and critical infrastructure linkages in order to mitigate geopolitical risk and enhance strategic resilience.

Within this evolving framework, the South Caucasus has emerged as a viable alternative corridor for energy, transit, and technological connectivity between Europe and Asia. Its growing importance in facilitating diversified routes positions the region as a strategic linkage in wider Eurasian networks. This reclassification both reflects and reinforces the broader redistribution of geopolitical influence currently reshaping the region.

As a whole, the strategic reclassification of the South Caucasus emerging from MSC 2026 reflects a broader Western reconceptualization of security

centered on connectivity and geoeconomic resilience. By placing economic interests, transit connectivity, supply chain integration, and energy diversification at the forefront of policy debates, the region is being reassessed as an essential node in the re-ordering of Eurasian connectivity and strategic competition in today's increasingly complex global order.

Conclusion: Securing the Regional Value Chain

Hence, MSC 2026 solidified the South Caucasus's transition from a negotiable buffer into a structural node of Euro-Atlantic security. Driven by direct investment, such as the TRIPP project, and by coercive decoupling through secondary sanctions, these initiatives are no longer mere transit lines; they are strategic tripwires linking regional stability to European resilience.

This "node-based" paradigm has dismantled traditional multi-vector policies. With U.S. tariff threats and the maritime interdiction of Russia's "shadow fleet," the middle ground has vanished. As Russia's internal capacity faces "implementation paralysis," the resulting vacuum is being filled by Western frameworks prioritizing military-industrial integration.

Ultimately, the South Caucasus is now too integrated to fail. By securing digital sovereignty and anchoring the C6 bloc, the region has transitioned from a post-Soviet fragment to an indispensable operational node. It is no longer a zone for crisis management, but a vital link in the global value chain that the West must defend as a core strategic asset.