The Armenia-Azerbaijan Peace Deal – Final Reset Under Way?

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Armenia-Azerbaijan Peace Deal – Final Reset on the Way?

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Conditions of the Peace Deal

On March 13 Jeyhun Bayramov, Azerbaijan's Minister of Foreign Affairs, unexpectedly broke the news that Armenia and Azerbaijan had finally agreed to all 17 points of their framework agreement on the establishment

of peace and interstate relations. This demonstrates a major breakthrough after the negotiating process began in the wake of Azerbaijan's victory in the 2020 Nagorno-Karabakh War. Simultaneously, **Yerevan** stated "the Peace Agreement is ready for signing" and that they are "prepared to initiate consultations with the Republic of Azerbaijan regarding the time and venue for the signing of the Agreement." The breakthrough came after the Armenian side agreed to give ground on two outstanding issues in the twelfth draft of a 17-article text that had been negotiated for more than a year.

Azerbaijan insists that the expected peace deal can only be signed once Armenia makes changes to its constitution and renounces all territorial claims against Azerbaijan. This matter concerns the Armenian constitution's preamble referring to Armenia's 1990 Declaration of Independence. This references a 1989 resolution on the union of Armenia and Nagorno-Karabakh with the then-Armenian Soviet Socialist Republic. Azerbaijan says this constitutes a lurking territorial claim that needs to be removed. The new text commits the parties to withdraw, dismiss, or settle legal claims against each other currently filed in international courts, such as the International Court of Justice. They have agreed not to deploy "third-party forces" on their common border. That precludes a Russian presence on the border threatening the future of the European Union Mission in Armenia (EUMA) with the mandate extended until 2027.

One more important issue, which is negotiated separately, is that of connectivity and the modalities for the restoration of rail links and road, especially the route connecting western Azerbaijan with the Azerbaijani exclave of Nakhchivan across Armenian territory. Moreover, the Azerbaijan MFA has emphasized that so as to seal the deal, Armenia must dissolve the Minsk Group, a 1992 format created under the OSCE, co-headed by the U.S., Russia and France to resolve a conflict over the Nagorno-Karabakh region. However, meeting these demands will take some time, considering that amending the constitution requires that a referendum be held. The Armenian PM called for a referendum on a new constitution in February 2025.

Internal Context

Armenia and Azerbaijan have fought two wars over three decades for control of the Armenian-populated Nagorno-Karabakh region of Azerbaijan after the dissolution of the Soviet Union. The conflict reignited in 2020, and Azerbaijan seized the entire region in a 24-hour offensive in September 2023. Nagorno-Karabakh is legally part of Azerbaijan, but had maintained itself as a breakaway region in the South Caucasus since the 1990s with the help of the Armenian military and support from Russia. Pashinyan now acknowledges that Karabakh is part of Azerbaijan, and no one expects that the Karabakh Armenians will return home any time soon.

As with the preconditions of signing the treaty, the matter of constitution in Armenia is fixable with some creative diplomacy — and also because Pashinyan himself wants a new constitution after the next parliamentary election, due in 2026. He essentially tells voters that Armenia must now accept a new reality: it must try to make peace with Azerbaijan and Türkiye, open its borders and connections to Europe, so as to free itself from a dangerous dependence on Russia. Azerbaijani officials openly declare that they are in no hurry and believe that a peace agreement will benefit Armenia more than Azerbaijan.

Azerbaijan's Defence Ministry has issued a series of statements accusing Armenia of initiating firefights in borderline areas. A Caliber report on March 18 said Azerbaijani military posts had again come under Armenian small arms fire. However, Armenia's Defence Ministry has steadfastly denied all the reports of armed actions, accusing Azerbaijan of spreading disinformation. Furthermore, Azerbaijan considers Armenia's recent proposal concerning a land connection between the Azerbaijani mainland and the Nakhchivan exclave to be unsatisfactory, suggesting that while the treaty text may be considered finalized, other obstacles are still standing in the way of genuine peace.

International Context

The international context is critical. As Moscow and Washington negotiate over Ukraine's future, the Armenians fear a scenario where Russia, unburdened by war, will turn an aggressive gaze on the South Caucasus once again. Even agreeing to the text of this bilateral peace agreement to open diplomatic relations between the two adversaries gives Moscow less leverage to interfere. These developments are occurring as American pressure builds on Iran and discussions between the U.S., Ukraine, and Russia advance, indicating Yerevan's consideration of the broader international dynamic when agreeing to these additional compromises. As Russia has been distracted by its war in Ukraine, a unique window of opportunity, amplified by Moscow's own strategic miscalculations, presented itself to Armenia for decreasing its dependencies.Ankara acknowledges that normalising relations with Armenia makes Türkiye a stronger player in the South Caucasus, loosens Russia's historical hold over Armenia, and is good for impoverished eastern Turkish border regions.

Potential developments for the peace deal

Any current optimism deserves equal, if not greater, levels of accompanying caution as Azerbaijan continues to present further concessions by Armenia, including constitutional changes, as the only means by which the agreement can be signed. With the new Trump administration seeking an end to the war in Ukraine and even a potential reconsideration of the U.S.-Russia relations, Armenia's window of opportunity may be fading. If Russia is

able to secure a favourable agreement in Ukraine and specifically in the South Caucasus, Moscow's attention to its other border regions will possibly increase. Armenia likely hopes that this development — Azerbaijan's obstinance notwithstanding — will be enough for Turkey to press ahead with normalisation of relations and the opening of the border. Even though Ankara has previously noted that progress will be connected to the signing of the agreement between Baku and Yerevan.

The most important development to watch is whether the finalised agreement will be signed and ratified in short order, or if Azerbaijan will not acquiesce to this until Armenia implements changes to its constitution. The process is not expected to take place before parliamentary elections in June 2026. While this agreement has received international support, Washington and other capitals must not lose sight of the still unresolved elements of Armenia-Azerbaijan relations.

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