

**What are the prerequisites for advancing our approaches and policies on the international stage?**

Coordination and cooperation between field and diplomacy can prove effective in this arena — a strategy that the late foreign minister Hossein Amir-Abdollahian employed in the previous government, showcasing successful handling of such matters. He deftly harnessed the potential of diplomacy, facilitating Iran's accession to treaties like the Shanghai Cooperation Organisation and BRICS, among others. Simultaneously, during this period, our ties with neighboring countries strengthened. Regardless, when the Zionist regime au-

daciously attacked the Iranian consulate in Damascus, we delivered a decisive response on the ground, thereby defending Iran's national interests and projecting strength in the diplomatic sphere.

The new Iranian government must tread carefully to avoid providing pretexts for other countries to sever ties while it pursues negotiations on the international stage and maintains the close and amicable relationships we've cultivated with friendly and neighboring nations.

**Another issue that Pezeshkian intends to address to tackle economic challenges on the global stage is****the matter of the Financial Action Task Force (FATF). In your opinion, to what extent has this issue impacted the country's economic landscape?**

It's inaccurate to claim that Iran's non-adherence to the FATF standards hasn't inflicted any harm on the country's economic front, including monetary, financial, and banking issues. Our compliance could yield positive economic outcomes, but the conditions under which we accept the FATF are crucial. The previous government accepted some requirements, but the process didn't reach a conclusion, and we lacked the endorsement of institutions like the Expe-

diency Council, the executive branch, and the legislative branch.

Now, the discussion revolves around whether it's still possible for us to accept the FATF as it is a prerequisite for working within the international trade system. If we come on board, we'll resolve certain problems in the export and production sectors, paving the way for Iran's integration into global financial markets and attracting more foreign investors and tourists. Simultaneously, we should also contemplate the possibility that if accepting the FATF proves unattainable, we can explore alternative solutions to address our challenges in this domain.



Leader of Iran's Islamic Revolution Ayatollah Seyyed Ali Khamenei (R) and President-elect Masoud Pezeshkian take part in mourning rituals for Imam Hussein (PBUH) beside a framed picture of the late president Ebrahim Raisi in Tehran on July 13, 2024.

● khamenei.ir

## Iran, Azerbaijan's rapprochement gaining momentum



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### PERSPECTIVE

On July 15, Azerbaijan announced it was resuming consular services at a newly relocated embassy in Iran, after having suspended them in early 2023. The decision culminated in a rapprochement between the neighboring countries after a series of developments led to an almost total breakdown of diplomatic relations. The proximate cause of that breakdown was an assault on the Azerbaijani Embassy at its previous location in Tehran in January 2023, when a lone attacker killed one person and wounded several others. But a range of more significant factors lay behind Baku's decision to suspend its diplomatic operations in Iran. Bilateral relations had already grown tense after Azerbaijan defeated Armenia in the second Nagorno-Karabakh war in 2020, leaving it in position to push for the so-called Zangezur Corridor — a passage through Armenian territory along the Iranian border that Baku has long sought to connect Azerbaijan with its Nakhchivan exclave. The corridor would effectively block Iran's land route to Armenia, on which it depends as a link to Georgia and the Black Sea.

Tehran's concerns were heightened by its fear of Turkey's growing influence in the South Caucasus. Long an ally of Azerbaijan, Ankara has further expanded its strategic partnership with Baku in recent years, offering critical support in the 2020 war. In the war's aftermath, Turkey has also supported Baku's ambitions for the Zangezur Corridor, while seeing Azerbaijan as a bridge for projecting its own influence across the Caspian Sea into the Central Asian region. That has left Iran facing the prospects of a veritable Turkic corridor from Turkey to Turkmenistan, another Turkish-speaking country bordering the Islamic Republic to the north.

In recent months, however, both Tehran and Baku have signaled their desire for a thaw. In fact, the death of former Iranian president Ebrahim Raisi in a helicopter crash in northern Iran in May occurred when he was returning from a visit to the Azerbaijani border, where alongside Azerbaijani President Ilham Aliyev he inaugurated a dam jointly developed with Baku. The hydropower facility, located on the Aras River that serves as the border in the area, will produce electricity for both countries.

But efforts toward improving bilateral ties began before that. The inauguration attended by the two presidents had been announced in March when the two countries' foreign ministers met in Jeddah, Saudi Arabia. Also in March, Iran's ambassador to Azerbaijan declared that the two sides were intent on opening a "new chapter" in bilateral relations.

The accident that killed Raisi as well as former Foreign Minister Hossein Amir-Abdollahian slightly postponed further efforts toward rapprochement because of the ensuing disruption in Tehran. But that did not stop the momentum behind the thaw. Now with the new government of Iranian President-elect Masoud Pezeshkian set to take office, the improvement of ties seems to be in full swing again.

#### Geopolitical drivers

Broader geopolitical developments have created favorable conditions for the rapprochement. To begin with, Eurasian connectivity depends on at least working relations between the



Iranian late president Ebrahim Raisi (L) and Azerbaijani President Ilham Aliyev inaugurate the Qiz Qalasi Dam, constructed on the Aras River on the joint borders of the two countries, in Jabrayil, Azerbaijan, on May 19, 2024, hours before Raisi's helicopter fatally crashed.

● president.ir

two sides. The International North-South Transport Corridor, or INSTC, which runs from Russia's ports in the Baltic and Caspian seas to Iran and India, uses Azerbaijan as the primary transit route among its three branches. Indeed, the recent expansion of the corridor in 2022 and 2023 following Russia's all-out assault on Ukraine has significantly enhanced Iran's bilateral trade with Russia, which grew 48 percent in the first four months of 2024 compared with the same period in 2023.

Tehran and Baku have also made progress on the joint development of the Rasht-Astara railway connection, the only missing link in efforts to connect the two countries' railway systems.

The rapprochement also fits into Iran's overall foreign policy goal of easing tensions in relations with its regional neighbors in recent years. Its normalization of ties with Saudi Arabia in 2023 and ongoing efforts toward reconciliation with other Persian Gulf

states are other examples.

Another factor is Azerbaijan's victory in the Nagorno-Karabakh conflict, culminating in its armed seizure of the territory in September 2023. Iran was often seen by Baku as being more sympathetic to Armenia, if not directly supporting it. With the fall of the ethnic Armenian enclave and ongoing peace negotiations between Baku and Yerevan, the Islamic Republic has accepted the new reality to its north: a stronger Azerbaijan with which Tehran needs to find common ground for longer-term cooperation.

Moreover, Iran is presently more focused on the tense situation in the Middle East, where it has to dedicate greater diplomatic and economic resources to its network of armed groups, from the Houthis in Yemen to Hezbollah in Lebanon. Easing tensions with Baku frees up bandwidth for those efforts.

But Iran is not alone in its desire for a rapprochement. Azerbaijan also has much to benefit from better ties with

Tehran. Baku is focused on negotiations with Armenia and has recently seen its relations with Western countries, such as France, deteriorate. That has left it more open to cooperation with Iran.

Finally, the two sides also find their interests converging in terms of limiting outside influence in the South Caucasus. Both fully support the so-called 3+3 initiative involving Azerbaijan, Armenia, and Georgia alongside Russia, Iran, and Turkey, in an effort to keep Western actors at bay in the region.

#### Potential obstacles to progress

Nevertheless, Azerbaijan and Iran's bilateral relations have historically been uneasy, with mutual distrust always playing a role. And despite the accelerating rapprochement, potential roadblocks ahead remain, including issues such as Iran's close ties with Armenia, the Islamic Republic's purported support for religious groups in Azerbaijan, and problems regarding border control.



A train crosses a road bridge built between Iran and Azerbaijan over Astarachay.

● MEHR

Moreover, Iran also fears that Azerbaijan might still, despite statements from Baku to the contrary, pressure Armenia — including with the threat or use of force — to establish the Zangezur Corridor. In fact, Iran remains unhappy with the present power balance in the South Caucasus, as an overly weakened Armenia reduces its own power projection capabilities.

Iran will also remain vigilant about Azerbaijan's continuing security cooperation with Israel. Tehran has long voiced its discontent over their partnership and as recently as last year openly accused Baku of letting Israel use its territory for intelligence-gathering. However, though Azerbaijan has been careful not to emphasize its ties with Israel against the backdrop of the war in Gaza and the popular anger it has caused across the Islamic world, Baku is unlikely to disavow the valuable security and energy cooperation those ties provide.

That said, the rapprochement between Iran and Azerbaijan will likely continue, especially if Pezeshkian seeks to improve Iran's relations with the West and regional countries, as he has promised to do. Indeed, Aliyev has already invited Pezeshkian to Baku, and Azerbaijan's foreign minister recently expressed Baku's hope that relations with the Islamic Republic will improve under its new president. In all likelihood, they will.

The article first appeared on World Politics Review.