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Turkey's participation in energy projects in the South Caucasus

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The main aim of this article is to highlight the role of energy projects in enhancing Turkey's role in the South Caucasus and strengthening the region in modern times.

It is noted that the South Caucasus, which has geopolitical and geostrategic significance, plays an important role in the production of oil and gas to Europe.

Methods. The article mainly comprehensively used the following methods: 1. The historical method, with the help of which the history of the formation of Turkish foreign policy in the South Caucasus and the formation of a new system of international relations was studied; 2. Comparative method, on the basis of which the directions of Turkish foreign policy were compared in the new geopolitical realities; 3. The method of system analysis, thanks to which all the factors influencing the formation of the policy of the South Caucasus.

Scientific novelty of the article. For the first time in the domestic scientific literature, the role of the energy factor in Turkey's policy in the South Caucasus, the nature of its policy towards the states of the region and its place in the modern geopolitical configuration of the region as a whole have been studied.

In conclusion, it is noted that by participating in energy projects in the South Caucasus region, Turkey has strengthened its position as a regional state and is actively involved in solving global problems in the regions where its interests are concentrated.

It is noted that after Azerbaijan gained independence, its oil strategy became the focus of attention of global and regional players, including Turkey. By joining the "Contract of the Century" (September 20, 1994), Western countries, Turkey, Japan and other countries took part in the transfer of oil and gas produced in the Azerbaijani sector of the Caspian Sea to Europe. Thus, Azerbaijan became a country that transports oil and gas to Europe through pipelines passing through the territory of Georgia and Turkey, which played an important role in the energy security of Europe as an important transit country.

It is noted that the Baku-Tbilisi-Ceyhan pipeline, the Baku-Tbilisi-Kars railway line, the Baku-Tbilisi-Erzurum gas pipeline, the Trans-Anatolian Gas Pipeline (TANAP) projects, the Trans-Adriatic Pipeline (TAP) passing through the territory of Turkey had a direct impact on the growth of the political and economic influence of this state in the region.

Key words: Turkey, energy projects, Azerbaijan, BTC, TANAP.

Introduction. In the 1990s, Turkey's South Caucasus policy was mainly aimed at developing bilateral relations with the countries of the region and regaining the positions it had lost many years ago. Having managed to expand its bilateral relations with Azerbaijan and Georgia in many fields, Turkey kept its relations with Armenia at a limited level, putting forward the demand of Armenia's aggression against Azerbaijan and the return of the occupied territories. In addition, Armenia's territorial claims against Turkey and the issue of the so-called genocide (historical facts and archival materials strongly deny this) created great obstacles to the development of bilateral relations. Despite this, the strengthening of Turkey's political and economic positions in the South Caucasus developed on an upward trend. In the 2000s, Turkey managed to become one of the active actors in the region in political, economic, cultural-humanitarian, especially in the field of energy. After the Second Karabakh war (2020), Turkey's superior position in geopolitical competition in the region is being observed.

Turkey's possession of the historical heritage of the Ottoman Empire created opportunities for it to conduct an active foreign policy in the Balkans and the Caucasus during the globalization period [4, 22]. One of Turkey's foreign policy goals was

to develop relations with neighboring regions, and the South Caucasus occupied one of the central places in this plan. Having implemented a proactive foreign policy since the beginning of the 21st century, Turkey aimed to become a global power and have the ability to have its say on the problem anywhere in the world [3, 5]. In this direction, it increased its role by participating in major regional projects as an effective actor in a number of regions, including the South Caucasus. Relations with the South Caucasus are based on historical succession, as the peoples of the region have the experience of maintaining mutual relations formed during the Ottoman rule [5, 64]. After gaining independence, each country of the region implemented a foreign policy in accordance with its national interests. Turkey managed to become the closest economic partner of both Georgia and Azerbaijan. Economic projects, especially cooperation in the field of energy, opened wide opportunities for the development of bilateral relations and the expansion of regional cooperation. Azerbaijan, as well as Georgia, are the countries that will ensure geopolitical strengthening of Turkey in the South Caucasus. At the same time, Georgia's location on the east-west energy route supported by Turkey, and its friendly neighborhood and alliance relations with Azerbaijan serve Turkey's geopolitical interests.

Energy projects in South Caucasus and Turkey. Turkey's favorable geostrategic position gives it the advantage of being one of the main transit countries for transporting energy from regions rich in natural resources to the west. As the leading state of the South Caucasus, Azerbaijan is implementing large projects as the main economic power of the region. Turkey is its economic partner in most of these projects. The basis of the largest regional project in the South Caucasus with the participation of Turkey was laid in 1994 with the "Contract of the Century". Azerbaijan knew that Turkey's participation in the agreement was very important from the international and regional point of view, and in this regard, it did everything possible for Turkey's participation in this project. Turkey has made concrete proposals regarding the construction of the Baku-Tbilisi-Ceyhan (BTC) line. It agreed to take the oil to its territory for local consumption or to process and sell it in the ports of Bulgaria, Ukraine, and Romania. The construction of the Baku-Tbilisi-Ceyhan oil pipeline was the most important of the energy projects between Azerbaijan and Turkey. The role of this energy project, as well as the regional projects implemented later, is great in increasing the geopolitical importance of the South Caucasus. It should be noted that the BTC pipeline with a length of 1,768 km (443 km passes through Azerbaijan, 249 km through Georgia and 1,076 km through Turkey) has a daily transmission capacity of 1.2 million barrels [8]. The long-term perspective of BTC transportation, the fact that it does not pass through the straits, the cost of transportation from Ceyhan to Rotterdam is twice as cheap as the Black Sea ports, it passes through zones with low seismicity, and other factors made it a very efficient pipeline. Also, according to the political-ideological-diplomatic assessment of the pipeline: it is the most optimal route, it is in line with the geopolitical interests of Azerbaijan and Turkey, it stimulates regional cooperation as the main component of the East-West corridor through the Caucasus, and at the same time it stimulates the construction of Kazakhstan's oil and Turkmenistan's gas pipelines. It was favorable due to its rapprochement with Central Asia, the window opening to Europe from the territories of Georgia and Turkey, and the possibility of getting out of the geopolitical blockade created by neighboring states Russia, Iran, and Armenia in the region. About the selection of the Azerbaijan-Georgia-Turkey (Baku-Tbilisi-Ceyhan) route, the famous American geostrategist Zbigniew Brzezinski noted: "Independent Azerbaijan, which finds its way to Western markets through an oil pipeline passing through territories not controlled by Russia, is also at the center of a major highway through which the energy sources of Central Asia will pass. If Azerbaijan is completely under the control of Moscow, the independence of the Central Asian states can be considered practically meaningless" [6, 78]. The BTC

pipeline began to be filled with oil on May 10, 2005, and crude oil reached the Ceyhan terminal on May 28, 2006. Approximately 10 million barrels of oil were required to fill the pipeline. The first tanker loaded with export crude oil transported through the BTC pipeline departed on June 4, 2006 [8]. In modern times, crude oil from Turkmenistan is also transported through this pipeline, and from October 2013, the Baku-Tbilisi-Ceyhan Pipeline Company (BTC Co) began to transport a part of the Tengiz crude oil produced in Kazakhstan through the BTC pipeline.

Energy projects in the South Caucasus were not completed with BTC, on the contrary, they paved the way for the implementation of other projects: Baku-Tbilisi-Erzurum gas pipeline, TANAP, TAP. The Southern Gas Corridor was created for the purpose of expanding the Baku-Tbilisi-Erzurum line, as well as the construction of the TANAP gas pipeline in Turkey and the development of the TAP gas pipeline in Europe. The Southern Gas Corridor is an initiative of the European Commission for a natural gas supply route from Caspian and Middle Eastern regions to Europe, proposed in 2008. The goal of the Southern Gas Corridor is to reduce Europe's dependency on Russian gas and add diverse sources of energy supply [9]. On January 13, 2011, a joint declaration on the Southern Gas Corridor was signed between Azerbaijan and the European Union in Baku. The 3,500 km long Southern Gas Corridor project consists of four components, and it runs through Azerbaijan, Georgia, Turkey, Greece, Albania, then passes through the bottom of the Adriatic Sea and ends in Italy. The route from Azerbaijan to Europe consists of the South Caucasus Pipeline, the Trans-Anatolian Pipeline, and the Trans Adriatic Pipeline. The total investment of this route is estimated US\$35 billion [7]. The main supply source would be the Shah Deniz gas field, located in the Caspian Sea.

The Southern Gas Corridor project aims to increase and diversify European energy supply by bringing gas resources from the Caspian Sea to markets in Europe.

The Southern Gas Corridor comprises the following four projects.

1. Operation of Shah Deniz natural gas-condensate field ("SD1" project) and its full-field development ("SD2" project),
2. The operation of the South Caucasus Pipeline ("SCP" project) and its expansion ("SCPX" project),
3. The construction and operation of the Trans-Anatolian Natural Gas Pipeline ("TANAP" project) and
4. The construction and operation of the Trans Adriatic Pipeline ("TAP" project) (SD2, SCPX, TANAP and TAP collectively, the "Projects").

The Projects have an estimated investment cost of approximately US\$40 billion. Upon completion, the SD2 project will add a further 16 bcm of natural gas per annum to 10.9 bcma (maximum production

capacity) already produced under SD1 project. Total length of the newly constructed SCPX, TANAP and TAP pipelines will be more than 3,200 kilometres. The entity holding and managing the participating interests of the Republic of Azerbaijan in the Projects is Southern Gas Corridor CJSC [7].

Another important step taken in the field of energy between the two countries was the signing of the memorandum of intent on July 19, 2010 between the State Oil Company of Azerbaijan Republic (SOCAR) and the BOTAS company on the construction of a gas pipeline from Turkey to the Nakhchivan Autonomous Republic (NAR). With the implementation of this project, Nakhchivan's dependence on Iranian gas would have disappeared. It was agreed that 500 million cubic meters of Azerbaijani gas will be transported from Turkey through the Igdir-Nakhchivan gas pipeline and construction works will be carried out at the expense of SOCAR. Through the 18 km long pipeline, Nakhchivan would have the opportunity to double gas transportation [2]. The documents related to the Package Gas Agreement signed between Azerbaijan and Turkey on October 25, 2011 in Izmir are of special importance. These documents include the Intergovernmental Agreement between Azerbaijan and Turkey, the gas sale agreement between SOCAR and BOTAS, as well as the gas sales agreement between Azerbaijan Gas Supply Company and BOTAS International Limited. In addition, the Framework Agreement defining the conditions and rules for the transit of Azerbaijani gas through the territory of Turkey is relevant. President of Azerbaijan Ilham Aliyev and Prime Minister of Turkey Recep Tayyip Erdogan participated in the ceremony of signing the documents. The agreements form the legal basis for regulating the sale of Azerbaijani gas to Turkey from the Shah Deniz field, which is one of the richest gas-condensate fields in the world, and its transport to Europe via Turkey. Production from the "Shah Deniz" field started in December 2006. As of April 2010, 188 billion cubic meters of gas were produced from this field. In February 2007, gas was transported to Georgia through the BTE pipeline. At the international level, both the European Union and the United States evaluated the agreement signed between the two countries as the beginning of a great success, and noted that it will play an important role in the delivery of Caspian gas to Europe. Turkey's next participation in energy projects in the South Caucasus was realized on June 26, 2012 in Istanbul with the signing of an agreement between the Republic of Azerbaijan and the Republic of Turkey on the Trans-Anatolian natural gas pipeline system. On November 20, 2012, both agreements were approved by the Milli Majlis of the Republic of Azerbaijan, and President I. Aliyev signed the law on approval of these agreements. TANAP Project is to bring natural gas produced from Azerbaijan's Shah Deniz gas field, and other areas of the Caspian Sea,

primarily to Turkey, but also to Europe. The TANAP Project, along with the South Caucasus Pipeline (SCP) and the Trans-Adriatic Pipeline (TAP) form the elements of the Southern Gas Corridor. Thus, the creation of a legal basis for the Trans-Anatolian pipeline, which will connect Azerbaijan with the gas markets of European countries, was ensured. The State Oil Company of the Republic of Azerbaijan (SOCAR) has started physical works related to the TANAP project. The TANAP project, which is important for Europe's energy security, is one of the important parts of the Southern Gas Corridor. On March 17, 2015, the foundation-laying ceremony of TANAP was held in Kars with the participation of the presidents of Turkey, Azerbaijan and Georgia, on May 29, 2018, the official opening of the Southern Gas Corridor was held in Baku. On June 12 of the same year, the TANAP commissioning ceremony was held in Eskişehir, Turkey, and on June 30, the first gas was transported to Turkey. On November 30, 2019, the part of TANAP connecting to Europe was inaugurated in the town of Ipsala, Edirne Province, Turkey [7].

This project, which will turn Azerbaijan into an important gas exporter for Europe, spent about 7 billion dollars in the initial version. With this project, it was proved once again that the energy cooperation between Azerbaijan and Turkey has a traditional character. BP, Statoil, and Total companies, which are SOCAR's partners on Shah Deniz, also showed interest in the TANAP project. Azerbaijan also offered 29 percent of its shares to those companies. The shareholders of TANAP are the Southern Gas Corridor Company (SGC) (51%), BOTAŞ (30%), BP Pipelines (TANAP) Limited (12%) and SOCAR Turkey Enerji A.Ş. (7%) [7]. The TANAP project was another manifestation of mutual cooperation in the region. This project was realized with the joint effort and strength of two brotherly, friendly countries, Azerbaijan and Turkey. TANAP serves to improve the economic situation of both countries and further strengthen partnership relations. At the same time, TANAP creates opportunities to expand the area of cooperation of the South Caucasus, as well as Azerbaijan, Turkey and Georgia, Turkmenistan and other countries in the Caspian basin in ensuring energy security in the world, and to extract more liquid gas to the gas markets. By increasing the energy security of Turkey and Europe, TANAP brings Azerbaijan, Turkey and the EU closer together, reshaping the global geopolitical energy landscape with the potential it offers. This geopolitical feature of TANAP serves as a source of inspiration for future energy projects.

Thus, TANAP also laid the foundation for the realization of the Trans-Caspian gas pipeline. In the future, with the joining of Kazakhstan and Turkmenistan to this project, Azerbaijan also had the opportunity to become a transit country in gas transportation. In the near future, it can be predicted

that the Central Asian countries will play an important role in Europe's energy security by fully joining the Southern Corridor, and that Turkey will participate more widely in the energy projects of the region as a connecting state.

Conclusion. As a result of Azerbaijan's great importance to regional economic cooperation in the South Caucasus and its active participation in trans-regional infrastructure projects, a number of internationally important regional projects between Turkey and Azerbaijan have been implemented and are currently being implemented. The Baku-Tbilisi-Ceyhan oil pipeline (BTC), Baku-Tbilisi-Erzurum gas pipeline (BTE), Baku-Tbilisi-Kars railway line (BTQ), Trans-Anatolian natural gas pipeline (TANAP) projects are the best examples in this respect. Participation in regional, especially energy projects in the South Caucasus has a direct impact on Turkey's political weight in the region, as well as its role in neighboring regions and at the global level. Turkey plays a key role in the international trade of South Caucasus countries - Azerbaijan and Georgia. Armenia has been left out of regional projects due to its territorial claims to Turkey and Azerbaijan and its occupation policy. After the Second Karabakh War, Turkey expanded its political, economic, cultural and humanitarian presence in the South Caucasus and strengthened its military-technical position in the region. With the alliance agreement signed in Shusha, the cultural capital of Azerbaijan on June 15, 2021 [1], he expanded strategic cooperation with Azerbaijan, including cooperation in the field of energy, and raised bilateral relations to the highest level.

In modern times, Turkey is promoting a policy of strengthening its position in the South Caucasus, where it has geopolitical interests, as well as in other regions. As a regional state, it is closely involved in the resolution of global issues in the direction

of increasing its reputation. It is possible to see that the regional and global role of Turkey has increased after Russia's aggression against Ukraine. Turkey, which is one of the active actors in the international fight against all forms and manifestations of terrorism in the South Caucasus and neighboring regions, has declared its unequivocal support for the sovereignty and territorial integrity of Ukraine. Turkey's mediation in the deal on the transportation of Ukrainian grain and agricultural products through the Black Sea is commendable. Turkey's active foreign policy in the South Caucasus is being watched with interest in order to increase its geopolitical influence at a time when the new world order is being formed.

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Участь Туреччини в енергетичних проектах на Південному Кавказі

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Основна мета дослідження – наголосити на ролі енергетичних проектів у підвищенні ролі Туреччини на Південному Кавказі та у зміцненні регіону в сучасний час.

Зазначається, що Південний Кавказ, який має геополітичне та геостратегічне значення, відіграє важливу роль у видобутку нафти та газу до Європи.

Методи. У статті в основному були комплексно використані такі методи як: 1. Історичний метод, за допомогою якого досліджувалась історія становлення зовнішньої політики Туреччини на Південному Кавказі та становлення нової системи міжнародних відносин; 2. Порівняльний метод, на основі якого порівнювалися напрямки зовнішньої політики Туреччини у нових геополітичних реаліях; 3. Метод системного аналізу, завдяки якому всі чинники, що впливають формування політики Південного Кавказу.

Наукова новизна статті. Вперше у вітчизняній науковій літературі вивчено роль енергетичного чинника в політиці Туреччини на Південному Кавказі, характер її політики щодо держав регіону та його місце у сучасній геополітичній конфігурації регіону загалом.

На закінчення зазначається, що, беручи участь в енергетичних проектах у регіоні Південного Кавказу, Туреччина зміцнила свої позиції як регіональної держави та бере активну участь у вирішенні глобальних проблем у регіонах, де зосереджені її інтереси. Зазначається, що Азербайджан після здобуття незалежності взяла її нафтова стратегія, опинилася в центрі уваги глобальних та регіональних гравців, включаючи Туреччину. Приєднавшись до «Контракту століття» (20 вересня 1994 року), країни Заходу, Туреччина, Японія та інші країни взяли участь у передачі нафти та газу, що видобуваються в азербайджанському секторі Каспійського моря, до Європи. Таким чином, Азербайджан став країною, яка транспортує нафту та газ до Європи трубопроводами, що проходять через територію Грузії та Туреччини, які відігравали важливу роль в енергетичній безпеці Європи як важлива транзитна країна.

Зазначається, що трубопровід Баку-Тбілісі-Джейхан, залізнична лінія Баку-Тбілісі-Карс, газопровід Баку-Тбілісі-Ерзурум, проекти Трансанатолійського газопроводу (TANAP), Трансадриатичний трубопровід (TAP), що проходять через територію Туреччини, мали безпосередній вплив на зростання політ держава у регіоні.

Ключові слова: Туреччина, енергетичні проекти, Азербайджан, Баку-Тбілісі-Джейхан, Трансанатолійський Трубопровід Природного Газу.