



Maksym Aliiev

National Aviation University, Kyiv (Ukraine)

ORCID: 0000-0003-1359-4656

The EU-Azerbaijan Relations in the Gas Transporting Sector

Relacje Unia Europejska – Azerbejdżan w sferze dostaw gazu

Abstract

The war in Ukraine changed the security landscape in Europe, the aggression of the Russian Federation also affected the energy security. For decades European elites negotiated and signed contracts for energy supplies from the Russian Federation, which gave Russia the opportunity to restore and strengthen its military capacity, and as a result, to launch an unprovoked aggression against Ukraine. Realizing the fallacy of its own energy diplomacy, the EU began searching for new and intensified relations with existing energy suppliers. The aim of this article is to analyze the role and significance of Azerbaijan as a potential supplier of gas to Europe, especially to its southern flank, where strong positions of Russian influence remain. During the preparation of the study, the international legal basis of relations between Azerbaijan and the EU was systematized and analyzed, the main supply routes of Azerbaijani gas to the European markets were determined and characterized. Prospects for deepening cooperation between the EU and Azerbaijan in the implementation of energy projects have been determined. Possible threats to the supply of Azerbaijani gas to European markets under the conditions of preservation of Russia's influence are separately described.

Key words: *gas pipeline, Energy security, EU, Azerbaijan, Southern Gas Corridor.*

Abstrakt

Wojna na Ukrainie zmieniła krajobraz bezpieczeństwa w Europie, agresja Federacji Rosyjskiej wpłynęła również na bezpieczeństwo energetyczne. Europejskie elity przez dziesięciolecia negocjowały i podpisywały kontrakty na dostawy energii z Federacji Rosyjskiej, co dało Rosji możliwość odbudowy i wzmocnienia jej zdolności militarnych, a w efekcie rozpoczęcia niczym niesprowokowanej agresji na Ukrainę. Zdając sobie sprawę z błędu własnej dyplomacji w kwestii energetyki, UE zaczęła szukać nowych i zintensyfikowanych relacji z istniejącymi obecnie dostawcami energii. Celem artykułu jest analiza roli i znaczenia Azerbejdżanu jako potencjalnego dostawcy gazu do Europy, zwłaszcza na jego południową flankę, gdzie pozostają silne wpływy rosyjskie. W trakcie przygotowywania tego opracowania, usystematyzowano i przeanalizowano międzynarodowe podstawy prawne relacji między Azerbejdżanem a UE, określono i scharakteryzowano główne szlaki dostaw azerbejdżańskiego gazu na rynki europejskie. Określono perspektywy pogłębienia współpracy między UE a Azerbejdżanem w realizacji projektów energetycznych. Osobno opisano potencjalne zagrożenia dla dostaw azerbejdżańskiego gazu na rynki europejskie w warunkach utrzymywania się wpływów Rosji.

Słowa kluczowe: *gazociąg, bezpieczeństwo energetyczne, UE, Azerbejdżan, Południowy Korytarz Gazowy.*

Introduction

Azerbaijan is a country located in the South of Caucasus, which has long been known for significant energy resources located in relative proximity to EU countries. After the collapse of the USSR, the country tried to find its way and place in the international arena. As a result of the truce between Azerbaijan and Armenia signed in 1994, at the initiative of President H. Aliyev, a negotiation process to attract foreign investments in the oil and gas sectors of the State was started. The country was open to cooperation with both American and European partners. Quickly enough, stability of the Country, its predictability and openness led to the first successful projects, such as the development of the Azeri-Chirag-Deepwater Gunashli oil fields and the Shah Deniz gas field. The mining activities required the development of transport and energy supply infrastructure to foreign markets, the oil pipelines – Baku-Tbilisi-Supsa, Baku-Tbilisi-Ceyhan and the gas pipeline – South Caucasus Pipeline. Systematic and complex work turned Azerbaijan into a powerful producer and exporter of energy, to be reckoned with by Western partners.

Soon, the EU has become one of the most important trading partners of Azerbaijan. This mutual interest has been continued for several decades. As a result, the formats of political cooperation made Azerbaijan participate in such EU projects and programs as the European Neighborhood Policy (ENP) and the Eastern Partnership. However, the greatest attention is paid to the opportunity of developing the energy sector – namely, the supply of Azerbaijani energy to the European market.

The introduction of sanctions against Russia and its energy sector forced the EU to look for new reliable suppliers, as well as to intensify the dialogue with already existing partners in order to guarantee the energy security. Azerbaijan is one of the countries located on the border between Europe and Asia, whose role in European energy security is worth investigating.

The purpose of the article is to study the role and importance of Azerbaijan as an alternative energy supplier to the EU in the context of increased sanctions pressure on the Russian Federation, as well as the possibility of enhancing the dialogue with this country.

Research methodology

In the process of preparing the article, a historical method was used, which made it possible to analyze the relations between the EU and Azerbaijan, as well as the stages of transportation infrastructure construction viewed as a dynamic process. The method of document analysis made it possible to systematize and comprehensively study the international legal framework regulating the EU-Azerbaijan relations in various fields. The system method helped to comprehensively approach the study of production volumes, ways and possibilities of transportation of energy carriers, as well as to establish the necessary volumes of natural gas consumption by interested states. The forecasting method made it possible to determine the problems and prospects of the EU-Azerbaijan relations in the short- and medium-term perspective.

The source of the study includes international legal acts of the EU, Azerbaijan and other states which determine the rules of interaction in the international arena. Normative documents of the ministries and departments of oil, gas, and transport industries are also examined. Besides, the following issues are taken into consideration: statistical data of individual states and international organizations, reports of commercial and state structures on the state of implementation of international gas pipeline projects or media reports, etc. The following researchers studied the topic: I. Kraś, M. Kubiak, J. Misiągiewicz, K. Stachowiak.

Relations between Azerbaijan and the EU have a long history. Since the declaration of independence, Azerbaijan has tried to establish relations with all important partners. The process of rapprochement was mutual and involved cooperation in the field of political and economic reforms, the construction of international transport corridors, energy supply, infrastructure development, and others.

The formalization of cooperation was reflected in a number of international agreements, but it is worth noting that the regulatory and legal basis of bilateral relations is not extensive. Thus, the Partnership and Cooperation Agreement (PCA) was signed on April 22, 1996, and entered into force on July 1, 1999, which established the directions of bilateral cooperation. The document covered a ten-year period, but is extended every year by the signing of the renewed document (*Relations between Azerbaijan and the European Union*).

In 2004, the European Neighborhood Policy (ENP) program was extended to include Azerbaijan, and the State implemented a number of political, economic and legal reforms within its framework. Since 2009, Azerbaijan has been invited to participate in the Eastern Partnership program to deepen relations with the EU. (*Azerbaijan – European Union*)

The Memorandum of Understanding on a Strategic Partnership between the European Union and the Republic of Azerbaijan in the Field of Energy, signed on November 7, 2006, was an important stage in establishing bilateral relations. (*Relations between Azerbaijan and the European Union*)

In the document, the parties emphasize the importance of ensuring the sovereignty, territorial integrity and inviolability of internationally recognized borders of the countries in the region, especially in terms of eliminating threats and risks in order to strengthen European energy security.

Both sides agreed to cooperate in four specific areas:

- Establishment of a strategy and a programme for the gradual harmonisation of Azerbaijani legislation with the Community legislation in the energy field;
- Enhancing the safety and security of energy supplies and transit systems from Azerbaijan and the Caspian Sea basin to the EU;
- Development of a comprehensive energy demand management policy in Azerbaijan;
- Technical Cooperation and exchange of expertise. (*Memorandum of Understanding...*)

On January 13, 2011 the Joint Declaration on the Southern Gas Corridor was signed in Brussels, where the both parties emphasized the importance

of energy security and the security of energy transportation. The signatories noted that the diversification of the routes of gas supply from the Caspian region to Europe was one of the factors determining that energy security was ensured. Parties declared that their common objective was to see the Southern Corridor established and operational as soon as possible, and to establish the Republic of Azerbaijan as a substantial contributor to – and an enabler of – the Southern Gas Corridor. (*Joint Declaration...*)

In February 2017, the EU and the Republic of Azerbaijan started a negotiation process on the development of a new document to replace the Partnership and Cooperation Agreement (PCA). (*Facts and Figures Eu-Azerbaijan...*)

The consequences of the 44-day war in Nagorno-Karabakh caused difficulties in the preparation of the new document. The EU acts as an active mediator in the settlement of the conflict between Armenia and Azerbaijan. Azerbaijan is watching the actions of the EU carefully, as it is wary of the influence of the powerful Armenian lobby in Europe upon the peace settlement process.

As some EU representatives note, the unresolved Nagorno-Karabakh conflict remains an obstacle to stability and prosperity in the region. The EU, through its Special Representative for the South Caucasus and the crisis in Georgia, supports and complements the efforts of the Co-Chairs of the OSCE Minsk Group to facilitate the resolution of the conflict. (*Facts and Figures Eu-Azerbaijan...*)

On July 11, 2018, in Brussels, with participation of the President of the Council of the European Union – Donald Tusk and the President of Azerbaijan – Ilham Aliyev, the signing of the new document “Partnership Priorities”, which replaced the ENP Action Plan, took place. The document entered into force on September 28, 2018.

Partnership Priorities include cooperation in the following areas:

- Strengthening institutions and governance
- Economic development and market opportunities
- Connectivity, energy efficiency, environment and climate activities
- Mobility and people-to-people contacts. (*Relations between Azerbaijan and European Union*)

Summing up, it can be stated that the legal framework is gradually updating and covers various areas of bilateral cooperation.

The EU is the most important trade partner of Azerbaijan. This is confirmed by new statistical data from the European Commission. In 2021, EU countries accounted for approximately 36.7% of all foreign trade of Azerbaijan. The EU is the Country’s largest export market with a share of 51%. Azerbaijan’s imports from the EU, on the contrary, make up only 16%. It

should be noted that for Azerbaijan the trade balance with the EU is positive, in 2021, the amount was about 10 billion euros. (*EU trade relations with Azerbaijan...*)

It is also important that the EU is the main investor both in the oil and gas industry and in other areas of Azerbaijani economy.

A priority for the EU both in foreign trade and in the context of guaranteeing energy security is the supply of gas from Azerbaijan. As a result of the Russian attack on Ukraine, the EU has faced an extremely difficult task, as according to the International Energy Agency (IEA) in 2021, the European Union imported 155 billion cubic meters of natural gas from Russia, accounting for around 45% of EU gas imports, and close to 40% of its total gas consumption. (*How Europe can cut...*)

From the very beginning of the war, the EU started to look for alternative energy suppliers, and Azerbaijan became one of them. In this context, it is worth analyzing the available capacities of gas deposits and the existing possibilities of transporting gas to the EU countries.

The Shah Deniz gas field, which is located 70 km from Baku on the shelf of the Caspian Sea, is considered the main gas field of Azerbaijan. The deposit is estimated by experts as one of the largest in the world. Its capacity is 1.2 trillion cubic meters of gas and 240 million tons of condensate. These indicators are quite significant for the region, and thanks to them Azerbaijan turned into a powerful regional gas player.

After the long war with Armenia over the Nagorno-Karabakh region, and the signing of the tripartite ceasefire agreement on May 11, 1994, Azerbaijan did not have enough of its own financial resources to develop ambitious energy projects.

On the initiative of the President of Azerbaijan – Heydar Aliyev, negotiations with international investors, who were interested in the development of new oil and gas fields in the post-Soviet space, began. International cooperation on the development of the Shah-Deniz gas field was institutionalized on June 4, 1996, when The Agreement on Exploration, Development and Production of the Shah Deniz Field in the Azerbaijani Sector of the Caspian Sea was signed. The Shah Deniz Project is structured as an unincorporated Joint Venture (JV) partnership, where the shares are as follows: BP – 29,99%; NICO – 10%; TPAO – 19%; LUKOIL – 19,99% SOCAR – 14,35%; SGC – 6,67%. (*The Shah Deniz Field*) The operator of the project is the British company – British Petroleum (BP).

It is worth noting that, according to BP's estimates, gas production from the Shah Deniz Stage 1 project is 10 billion cubic meters, and with the fur-

ther development of the new Shah Deniz Stage 2 field, another 16 billion cubic meters of gas will be produced per year. Thus, in total, up to 26 billion cubic meters of gas that can be extracted from Azerbaijan's largest gas field. (*Shah Deniz Stage 2*)

According to the Azerbaijani state oil company SOCAR, the domestic consumption of natural gas in 2021 increased by 8.4% and totaled 13 billion cubic meters. Gas production in 2021 increased by 18.1% and amounted to 43.9 billion cubic meters. The export of natural gas increased by as much as 40%, its total volume is 18.8 billion cubic meters, which is linked to the commissioning of new transportation capacities. (*SOCAR's Annual Production...*)

If only the statistical data are taken into account, it can be concluded that Azerbaijan has additional gas reserves for increasing exports to the EU countries, however, all specified volumes are reserved for specific long-term contracts. Therefore, the Country cannot drastically increase supplies to European markets.

One of the biggest problems is the issue of transporting gas from the South Caucasus region to Europe – several thousand kilometers away, which creates additional problems for European energy security.

The main transport route of Azerbaijani gas to Europe is the Southern Gas Corridor project. The starting point of the project is the signing, between the EU and Azerbaijan, of the Joint Declaration on the Southern Gas Corridor, in 2011. The EU expressed interest in the construction of a new gas transport route. From the very beginning, the project envisaged a number of important political goals for all its participants. The EU received a new alternative gas supply route that corresponded to its energy strategy and policy. Dependence on the Russian Federation, its gas and gas transportation capacities decreased. The EU increased its role and importance in the South Caucasus region by providing additional investments and deepening cooperation with interested states. The countries, participating in the project, gained access to the stable and financially attractive European market, and increased their weight as regional energy and transit players.

The Southern Gas Corridor involved additional investment and development of the Shah Deniz 1 and Shah Deniz 2 gas fields, as well as the construction and integration of three gas pipelines:

1. South Caucasus Pipeline (SCPX) – passes through the territory of Azerbaijan and Georgia.
2. Trans Anatolian Pipeline (TANAP) – passes through the territory of Turkey
3. Trans Adriatic Pipeline (TAP) – connects Greece, Albania and Italy.

The length of all pipelines is more than 3,500 km, and the entire project is estimated at 44 billion dollars. After the construction of all the gas pipelines, Azerbaijan can supply 16 billion cubic meters to foreign markets. The declared volumes are relatively small, but there is a promising possibility of increasing throughput capacity up to 31 billion cubic meters, in which the EU is very interested because of the current political conditions. (*Southern Gas Corridor*)

The South Caucasus Pipeline, also known as Baku-Tbilisi-Erzurum Pipeline, (BTE) is the first new pipeline route for the supply of Azerbaijani gas to foreign markets. The shareholders are as follows: BP as an operator (29.99%), SOCAR – (14, 35%), SGC – (6.67%), Lukoil – (19.99%), NICO – (10%) and TPAO – (19%). The uniqueness of this project is that the gas pipeline is paved in the immediate proximity and along the route of the already built the Baku-Tbilisi-Ceyhan oil pipeline (Baku-Tbilisi-Ceyhan (BTC)). The pavement of the gas pipeline along the already implemented route makes it possible to reduce the impact on the environment.

The length of the pipeline through the territories of Azerbaijan and Georgia is 692 km. The throughput capacity reaches 7.41 billion cubic meters every year. The construction was completed by the end of 2006. The official opening of the gas pipeline took place on March 25, 2007. The same year, the first volumes of gas were transported to Turkey. On June 30, 2018, the second line of the gas pipeline with a length of 489 km was opened. Implementation of the project allowed to increase the capacity of the gas pipeline to 24 billion cubic meters every year. In the future, there is a possibility of increasing the pipeline capacity to 31 billion cubic meters. Thus, the first part of the Southern Gas Corridor has ensured the transportation of Azerbaijani gas since 2007, and the new capacities have allowed to increase the value of the project.

The South Caucasus Pipeline is connected to another part of the Southern Gas Corridor, namely the Trans Anatolian Pipeline (TANAP). As a result of the negotiation process, The Memorandum of Understanding between Azerbaijan and Turkey in relation to the TANAP project was signed on December 24, 2011. The official opening of the gas pipeline took place on June 12, 2018. The first volumes of gas arrived in Greece at the end of 2019. The shareholders are as follows: SGC – (51%), BOTAS – (30%), BP – (12%), SOCAR Turkey Energy – (7%). (*The Southern Gas Corridor*)

TANAP is the longest part of the Southern Gas Corridor – the length of the gas pipeline is 1,850 km. The maximum throughput reaches 16 billion cubic meters. As in other projects, it is possible to increase the capacity to 31 billion cubic meters. According to various calculations, the estimated cost of the gas pipeline was up to 9 billion dollars. (*Southern Gas Corridor*)

On October 13, 2020, the TAP AG consortium announced the completion of the construction of its gas pipeline. The length of the pipeline is 878 km – the route was paved through the territories of Greece, Albania and Italy. The capacity of this part of the gas pipeline is up to 20 billion cubic meters. The estimated cost of the project was EUR 4.5 billion. Thus, the third section of the Southern Gas Corridor was completed. The shareholders are as follows: BP (UK) – 20%; SGC – 20%; Snam (Italy) – 20%; Floxys (Belgium) – 19%; Enagas (Spain) – 16%; Axpo (Switzerland) – 5%.

In 2021, according to the Ministry of Energy of the Republic of Azerbaijan, the State supplied 8.15 billion cubic meters of gas to European consumers through the TAP gas pipeline. Italy received 6.8 billion cubic meters, about 1.2 billion cubic meters went to Bulgaria and Greece. In the long term, Azerbaijan plans to supply European markets with 9 billion cubic meters in 2022, and approximately 11 billion cubic meters in 2023. By 2025, with the initiatives of the EU and the cooperation of all participants, the Southern Gas Corridor will have reached the maximum capacity of 31 billion cubic meters. (*Azerbaijani gas transported to Europe...*)

The rapid and quite probable growth of the capacity of the TAP project makes it a competitor of the second branch of the Turkish Stream gas pipeline – the route which runs along the bottom of the Black Sea to Turkey, Bulgaria, Serbia, Hungary and Slovakia. The Turkish Stream has a capacity of 31 billion cubic meters and will supply gas to European markets via a new route, starting in 2020. (*Турецкий поток*)

The TAP project is a priority for the EU, so the clash of interests of gas projects will inevitably lead to an increase in political tension in the region.

The construction and launch of the IGB Project (Gas Interconnector Greece-Bulgaria) in July 2022, is extremely important for the energy security of both the EU and individual states, since it is through it that Azerbaijani gas will be supplied. The completed project is a branch of the TAP and is designed to connect the gas transportation systems of the both states – Greece and Bulgaria. The constructed gas pipeline is 182 km long and connects the settlements of Komotini in Greece and Stara Zagora in Bulgaria. The estimated cost of the project is EUR 240 million. The European Commission allocated 45 million euros for its implementation. The throughput capacity of the gas pipeline is up to 5 billion cubic meters every year. The IGB project is built specifically for Azerbaijani gas, which will allow Bulgaria to diversify sources of natural gas supply, reduce dependence on Russian supplies, and meet the requirements of European legislation in the energy sector. (*IGB Project*)

Military and political threats

An increase in the volume of Azerbaijani gas supplies to the EU, even by the declared 2.6 billion cubic meters, may have military and political consequences and threats. The Russian Federation considers the EU as its own market and hopes for the lifting of sanctions in the nearest future, therefore economic and military-political measures are possible. An example can be the situation with the supply of Kazakh oil to the EU markets, in particular to Italy, the Netherlands, and France. On July 4, the President of the Republic of Kazakhstan – Qasym-Jomart Toqayev in a telephone conversation with the Chairman of the European Council – Charles Michel – declared his readiness to use the Country's hydrocarbon potential in order to stabilize the situation on world and European markets. (*Phone conversation with President...*) Already on July 6, 2022, an explosion occurred at the largest oil field in Kazakhstan – Tengiz. On the same day, the Primorye District Court of Novorossiysk (RF) suspended for 30 days the operation of the Caspian Pipeline Consortium's (KTP) offshore oil terminal, through which the main volumes of oil from Kazakhstan were supplied to world markets. (*Президент Казахстана...*)

The situation is quite complicated, which shows the reluctance of the Russian Federation to lose control over supply flows and energy consumption markets, and the State uses all possible means.

In its turn, the Baku-Tbilisi-Erzurum gas pipeline may be subjected to a missile attack or sabotage operation, which will prevent the smooth supply of gas from Azerbaijan. As practice has shown, the Russian Federation quite often announces military exercises and blocks ports of the Black Sea for this purpose. Obsolete Russian equipment and missiles have an unpredictable trajectory, so the possibility of a missile strike or the work of a sabotage group to undermine a strategically important gas pipeline should not be ruled out.

Conclusions

Azerbaijan's cooperation with the EU, both at the institutional level and with individual member states, will be developed and deepened. Azerbaijan was and remains a component of EU energy security. In the short- and medium-term perspective, there are no quick solutions to the problem of energy security in the EU. The development of new fields and the construction of gas transportation facilities require significant investments and time, which the EU does not have. The war between the Russian Federation

and Ukraine continues, the sanctions pressure on the aggressor continues to grow. The seventh package of sanctions against the Russian Federation does not include a complete ban on Russian gas, as it cannot be replaced quickly. In this context, Azerbaijan is an important participant in the EU's gas strategy, although not a decisive one. In the near future, it is possible to intensify the development of mutual relations leading to the signing of a new comprehensive agreement between the EU and Azerbaijan, and continue the work which already began in 2017. Analyzing the relations of the two parties, one more political and legal factor can be pointed out – Azerbaijan has not yet declared and does not seek integration into the EU, and its participation in European programs and projects is quite limited. Azerbaijan's main focus is on getting investments in the energy sector and access to the richest gas market. It is worth noting that the State has a positive trade balance in relations with the EU, which not all post-Soviet states managed to achieve. It can be stated that the two parties are interested in bilateral mutually beneficial cooperation.

Azerbaijan has significant gas deposits in already existing and promising fields (Shah-Deniz 2), but the Country is unable to quickly increase the volume of production on its own, because this requires significant investments, which will depend on Western partners, in particular, the EU. A gradual increase in gas production is observed in Azerbaijan, and the President of the Country – I. Aliyev declares additional free volumes of gas. However, the produced gas is distributed according to international contracts, and a significant part of the extracted resources should be supplied to Turkey, as a priority. It can be stated that, despite significant reserves, Azerbaijan is not capable of extracting a volume commensurate with Russian production and is unable to completely replace it. Geographically, such powerful gas states as Turkmenistan and Iran are located nearby. They could supply Europe with the necessary gas resources, but in the first case, the problem is the lack of the necessary gas transport infrastructure across the Caspian Sea, and in the second case, the presence of political sanctions that do not allow Iran to freely supply energy to foreign markets.

An important factor for the energy security of the EU is the presence of the necessary gas transport infrastructure, namely the Southern Gas Corridor and its components. All projects were ready as far as 2020. In 2021, the necessary volumes of gas were transported to EU countries, which indicates the success of the completed projects. The EU considered these gas pipelines as an alternative that corresponded to its energy strategy and legal norms, however, they were not considered as a possible main route for

the supply of gas to Europe, as Russian gas supplies were dominant, accounting for up to 40% of EU countries' required volumes. The capacity of all constructed projects does not exceed 16-24 billion cubic meters every year, although in the future they can be increased to 31 billion cubic meters. It can be stated that the existing gas transportation facilities are unable to fully satisfy the growing demand of EU countries for energy suppliers. Even in the presence of the necessary additional volumes of gas, pipeline systems are not sufficient to pump the corresponding volumes of gas. The EU has started a negotiation process with all interested parties regarding the possibility of increasing the production of the necessary volumes of gas, and increasing the capacity of existing gas pipelines, but this can only be achieved in the medium term.

In conclusion, it is worth analyzing the positions of individual states regarding the EU energy security. Traditionally, countries can be divided into producers, carriers and consumers of natural gas. Azerbaijan is both a producer and carrier of gas, and in a few decades, the Country managed to turn into a powerful energy hub, the weight of which will only grow.

In recent history, Turkey is trying to combine all possible gas transportation projects on its territory. Additionally, following the Memorandum of Understanding between Azerbaijan and Turkey in relation to the TANAP project, two Russian streams (Blue and Turkish Streams) pass through the Turkish territory. The Country has significantly diversified its own gas supply routes. In addition, in 2021, the president of Turkey announced the discovery of significant gas deposits on the Black Sea shelf, which in the future could turn the Country into a powerful gas producer.

Azerbaijan is a component of the EU's energy security, as it supplies significant volumes of gas to the southern flank of Europe. States such as Bulgaria, Greece and Italy will be able to feel relative independence from Russian gas in the near future, especially if a full gas embargo is imposed on the Russian Federation. The largest market for gas consumption is the Italian market, all prospective gas supply projects in the south of Europe had Italy as their final destination, so the Country is aware of the significance of Azerbaijani supplies.

A number of gas pipelines pass through the territory of Greece, which make it possible to supply energy to the countries of Central and Southern Europe. In turn, the implementation of all possible projects initiated by the EU will only strengthen the State's energy independence, provide additional financial resources and increase its role as a transit player in the South of Europe.

Thanks to the supply of Azerbaijani gas, Bulgaria is already strengthening its negotiating position in relations with the Russian Federation.

Until 2021, Bulgaria was almost completely dependent on Russian supplies. The rejection of the Russian project “South Stream” significantly affected the policy and economy of the State. However, the Russian Federation built a branch of the Turkish Stream gas pipeline to Bulgaria and thus, tied the Country exclusively to Russian gas. Thanks to the implementation of the IBG project, Bulgaria will receive 1 billion cubic meters of gas, which will make it more confident in its relations with the Russian Federation. The expulsion of 70 Russian employees of the diplomatic mission of the Russian Federation from Bulgaria, for their activities incompatible with diplomacy, is a consequence of the Country’s confidence in its energy supplies.

Therefore, despite the limited additional volumes of gas for export and the existing transit routes, Azerbaijan is a reliable energy partner of the EU and guarantees the energy security of southern Europe.

Bibliography

- Azerbaijan – European Union.* <https://azerbaijan.az/en/related-information/193>, 03.07.2022.
- Azerbaijani gas transported to Europe via TAP reaches 10 billion cubic meters.* <https://minenergy.gov.az/en/xeberler-arxivi/tap-ile-avropayaneql-olunan-azerbaycan-qazinin-hecmi-10-milyard-kubmetre-catib>, 04.07.2022.
- EU trade relations with Azerbaijan. Facts, figures and latest developments.* https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/azerbaijan_en, 05.07.2022.
- Facts and Figures Eu-Azerbaijan Relations.* https://euneighbours.eu/sites/default/files/publications/2018-10/EAP%20FACTSHEET%20AZERBAIJAN%20ENG_WEB.pdf, 02.07.2022.
- How Europe can cut natural gas imports from Russia significantly within a year.* <https://www.iea.org/news/how-europe-can-cut-natural-gas-imports-from-russia-significantly-within-a-year>, 04.07.2022.
- IGB Project.* https://www.icgb.eu/about/igb_project, 04.07.2022.
- Joint Declaration on the Southern Gas Corridor.* <http://gpf-europe.com/upload/iblock/bb6/20500c15d01.pdf>, 05.07.2022.
- Kraś, I. (2011). „Bezpieczeństwo energetyczne Unii Europejskiej”. In: *PRA-CE NAUKOWE Akademii im. Jana Długosza w Częstochowie, Seria: Res Politicae t. IV.* <http://dlibra.bg.ajd.czyst.pl:8080/Content/966/ResPoliticae4-35.pdf>, 04.07.2022.
- Kubiak, M. (2009). *Transkaspjska rozgrywka*, <https://warsawinstitute.org/pl/transkaspjska-rozgrywka>, 05.07.2022.

- Memorandum of Understanding on a Strategic Partnership between the European Union and the Republic of Azerbaijan in the Field of Energy.* https://www.europarl.europa.eu/meetdocs/2009_2014/documents/dsca/dv/dsca_20130321_14/dsca_20130321_14en.pdf, 03.07.2022.
- Misiągiewicz, J. (2019). *Bezpieczeństwo energetyczne Unii Europejskiej. Implikacje nowych projektów infrastruktury gazociągowej w Europie.* Lublin.
- Phone conversation with President of the European Council Charles Michel.* <https://www.akorda.kz/en/phone-conversation-with-president-of-the-european-council-charles-michel-464718>, 03.07.2022.
- Relations between Azerbaijan and European Union.* <https://mfa.gov.az/en/category/regional-organisations/relations-between-azerbaijan-and-european-union>, 03.07.2022.
- Shah Deniz Stage 2.* https://www.bp.com/en_az/azerbaijan/home/who-we-are/operations/projects/shahdeniz/shah-deniz-stage-2.html, 06.07.2022.
- SOCAR's Annual Production Performance 2021.* <https://socar.az/socar/en/news-and-media/news-archives/news-archives/id/11680>, 05.07.2022.
- Southern Gas Corridor.* <https://www.sgc.az/en>, 03.07.2022.
- Stachowiak, K. (2020). "The Influence of the Russian Federation on Poland's Energy Security". In: *Safety & Defense*, vol 6, no 1. <https://sd-magazine.eu/index.php/sd/article/view/74>, 04.07.2022
- The Shah Deniz Field.* <https://minenergy.gov.az/en/qaz/sahdeniz-yatagi>, 03.07.2022.
- The Southern Gas Corridor.* https://minenergy.gov.az/en/layiheler/cenub-qaz-dehlizi_2196, 04.07.2022.
- Президент Казахстана закликає створити нові маршрути експорту нафти.* <https://www.radiosvoboda.org/a/news-kazakhstan-nafta-rosia/31932983.html>, 03.07.2022.
- Турецкий поток.* <https://turkstream.info/ru/>, 02.07.2022.

Correspondence concerning this paper should be addressed to Dr. Maksym Aliiev – Associate Professor of the Department of Foreign Relations, National Aviation University, Kyiv (Ukraine)
E-mail: maxaliiev2014@gmail.com