

Cooperation within the framework of transnational projects between Azerbaijan and Georgia and perspectives

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Abstract: The fate of the countries and peoples of the South Caucasus has been closely interconnected for centuries. History shows the dynamics that these nations noticeably improve their economic well-being and security not in isolation from each other, but in close cooperation. Interethnic strife, inspired from outside and supported by some local circles, set our nations back in development for decades. Any regional and global economic system is a connecting vessel. If one of the compartments of the connecting vessel leaks, all participants lose. This was exactly case with the countries of the South Caucasus. When analyzing how much our countries have lost and received in terms of less economic and other benefits due to conflicts, we can confidently come up with hundreds of billions of dollars for each of the countries in our region. Remarkably, our neighbors also lost, including the Russian Federation. If there were no conflicts, devastation, blocking of transport routes, and huge spending on weapons, everyone would benefit. But apparently, it was at such a price that our nations needed to know the price of peace and stability.

Key words: Georgia, Azerbaijan, South Caucasus, cooperation, energy, transnational projects, pipeline, energy corridor, oil, gas, Caspian Sea, Black Sea.

Introduction

The negative trend was reversed by two leaders: Heydar Aliyev and Eduard Shevardnadze. They set an example of how to think and in what direction to move. In 1992-1993, these two leaders again led Azerbaijan and Georgia respectively. In a couple of years, they put things in order in their countries, removed radicals, adventurers of all stripes and other destructive parts of society from the political stage. After all, with independence, the so-called new elite came to power. Most people from the new elites were certainly patriots of their countries, but they lacked management skills, lacked experience in working with the population, and lacked a real understanding of the world political situation and economic processes. Unfortunately, they failed to cope and the destructive processes worsened. Degradation was evident in almost all directions. The population decline was incredibly high. However, the main wealth of the state is its population. The state was created for the individual. In the textbooks of economic geography, human resources are considered the most important wealth of any state. The process of depopulation is not completely stopped, but markedly reduced. In the 1990s, hundreds of thousands of Azerbaijanis and Georgians had to leave their countries to look for jobs. However, strong family and kinship ties, so revered in the Caucasus, do not allow emigrants to completely cut off ties with their homeland, and many of them have either returned or are planning to return at some stage. The return of these people is directly related to the economic development of our countries. This implies

the painstaking and wise work of the entire mechanism of the state to create favorable socio-economic conditions for the return of our people to their homes. Such a process can already be observed, but it does not yet have a mass character. Judging by the dynamics of the region's development, this process may take 15–20 years.

Discussion

Thus, if the highest good goal of our states is to return hundreds of thousands of compatriots to their homeland, then for this it is necessary to create a strong dynamic of stable and sustainable development. The experience of European countries shows that for a stable and moderately prosperous life, where the state can adequately finance and develop the humanitarian spheres of healthcare, education, culture, sports, creativity, science, and sports. To significantly increase the level of human development, you need to have a GDP of \$ 17,000- \$20,000 per capita. Countries that are approximately in this range in terms of GDP parameters are: Poland, Croatia, Greece, Hungary, Latvia, and Slovakia¹. Indeed, the economy, the army, law enforcement agencies, the government, parliament, parties, public organizations, the media should serve one goal: the humanitarian and physical development of a person, and the protection of his health.

For the pre-pandemic year of 2019, Azerbaijan's GDP amounted to \$48.17 billion, which is per capita \$4864. If we compare the GDP of Azerbaijan in 2019 with the GDP in 1993, that is, with the year when Heydar Aliyev came to power, we will get incommensurable figures of \$1.3 billion and \$48.2 billion. That is, the growth of the economy by 36.3 times, or by 3630%! There are few examples of such rapid growth in the world. However, this is not the limit, because if you work with GDP figures then you can see in 2014, Azerbaijan's GDP was \$ 75.2 billion, which compared to 1993, gave an economic growth of almost 58 times, which is, 5800%!

1. GDP of Azerbaijan 1990-2021².

	Total				Per capita			1\$= manats	1euro= manats
	million manats	million dollars	million euro		manats	dollars	euro		
1990	0,3	2443,3	-	-	0,1	346,3	-	0,0001	-
1991	0,5	703,1	-	-	0,1	98,3	-	0,0008	-
1992	4,8	1309,8	-	-	0,7	180,4	-	0,0037	-
1993	31,4	1326,9	-	-	4,3	179,9	-	0,0237	-
1994	374,7	1629,3	-	-	50,1	217,9	-	0,2300	-
1995	2133,8	2415,2	-	-	282,1	310,3	-	0,8835	-
1996	2732,6	3180,8	-	-	357,2	416,1	-	0,8591	-
1997	3158,3	3960,7	-	-	409,2	513,2	-	0,7974	-
1998	3440,6	4446,4	-	-	441,5	570,6	-	0,7738	-
1999	3775,1	4583,7	4299,2	480,1	582,9	546,8	0,8236	0,8781	-
2000	4718,1	5272,8	5687,2	593,2	662,9	715,1	0,8948	0,8296	-
2001	5315,6	5707,7	6373,6	661,7	710,5	793,5	0,9313	0,8340	-
2002	6062,5	6235,9	6603,3	747,5	768,9	814,2	0,9722	0,9181	-
2003	7146,5	7276,0	6431,9	872,7	888,5	785,4	0,9822	1,1111	-
2004	8530,2	8680,4	6980,0	1030,4	1048,5	843,2	0,9827	1,2221	-
2005	12522,5	13238,7	10603,3	1494,3	1579,8	1265,3	0,9459	1,1810	-
2006	18746,2	20983,0	16713,8	2208,2	2471,6	1968,8	0,8934	1,1216	-
2007	28360,5	33050,3	24126,3	3296,6	3841,7	2804,4	0,8581	1,1755	-
2008	40137,2	48852,5	33174,0	4603,7	5603,3	3805,1	0,8216	1,2099	-
2009	35601,5	44297,0	31738,9	4033,2	5018,2	3595,6	0,8037	1,1217	-
2010	42465,0	52909,3	39952,0	4753,0	5922,0	4471,7	0,8026	1,0629	-
2011	52082,0	65951,6	47377,4	5752,9	7285,0	5233,3	0,7897	1,0993	-
2012	54743,7	69683,9	54180,2	5966,1	7594,3	5904,7	0,7856	1,0104	-
2013	58182,0	74164,4	55826,1	6258,3	7977,4	6004,9	0,7845	1,0422	-
2014	59014,1	75234,7	56581,1	6268,0	7990,8	6009,6	0,7844	1,0430	-
2015	54380,0	52996,8	47785,6	5706,6	5561,5	5014,6	1,0261	1,1380	-
2016	60425,2	37862,8	34217,8	6269,6	3928,6	3550,4	1,5959	1,7659	-
2017	70337,8	40867,9	36213,7	7226,0	4198,5	3720,3	1,7211	1,9423	-
2018	80092,0	47112,9	39858,7	8156,2	4797,8	4059,0	1,7000	2,0094	-
2019	81896,2	48174,2	43019,5	8268,8	4864,0	4343,5	1,7000	1,9037	-
2020	72578,1	42693,0	37407,5	7277,4	4280,8	3750,9	1,7000	1,9402	-
2021*	92857,7	54622,2	46140,5	9269,3	5452,5	4605,9	1,7000	2,0125	-

¹ <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=EU>

² https://stat.gov.az/source/system_nat_accounts/?lang=en

In 2019, the economy (GDP) of Georgia was \$17.5 billion and GDP per capita was \$4,696³. In 1993, Georgia's GDP was \$2.7 billion, and per capita - \$540. It turns out that by 2019 the Georgian economy grew 6.5 times, that is, by 650%. Due to the huge population decline from 5.4 million in 1989 to 3.8 million in 2019, the GDP per capita increased 8.7 times, that is, by 870%.

The fall of the economy in Georgia by 1993 amounted to 80% of the 1988 level. Unfortunately, crises and conflicts in the post-Soviet space had an extremely negative impact on the dynamics of the development of the economies of Azerbaijan and Georgia. Indeed, over all these years, countries have been forced to spend huge amounts of money on defense and security, based on existing challenges and to take care of refugees. Economists can calculate how much the economies of the two states would grow if these funds were used to develop the sectors of the economy and the humanitarian sphere. It is easy to guess that the fiscal effect from such investments could amount to tens of billions of dollars in addition to the existing volume of economies, and if we take into account the synergy and multiplier effect inherent in economic processes, then even more. Such a negative effects from conflict situations appears not only in the South Caucasus itself, but throughout the region as a whole. This is evidenced by the analysis of data from 2014, when the Ukrainian crisis erupted. The conclusion suggests itself: peace in the region is indispensable for full-scale, sustainable and inclusive economic growth and development.

Despite the negative processes in the region, which pursued Azerbaijan and Georgia in the background, rapid economic growth began in both of the countries in the second half of the 1990s. People have learned how to live in new conditions, governments have figured out the new international economic system, but the main driver of development in the region has become, of course, the Caspian energy resources.

Transnational projects of Azerbaijan and Georgia

Aliyev and Shevardnadze did a great job to attract international political support for successful implementation not only in the development of new oil and natural gas fields, but also to attract large investors, and establish new transportation routes to world markets. This work took years. The main thing was to convince the largest players in the world's oil and gas industry (as well as the governments of leading countries) of the political and economic expediency of transnational energy projects in the South Caucasus region. The development model was able to take into account the interests of all or almost all participants. Azerbaijan and Georgia began to look for their place in the world division of labor since the 90's. The newly independent countries had to acquire a new economic function for the world, the world economic system. What could these countries offer the world, and the region? Energy is the backbone of every economy that every country needs. No less important is the convenience and stability of transportation to the markets. Azerbaijan and Georgia, represented by their leaders, played a filigree game and mined from the world ruling circles a consensus on the development and transportation of energy carriers from the Caspian Sea to Europe. The oil and gas sector is one of the most regulated on the globe, and while there are no random players, in reality this area was often controlled by cartel methods. A good example of this is the OPEC organization. The superpowers have

³ <https://www.geostat.ge/en/modules/categories/23/gross-domestic-product-gdp>

always had their imprint on politics related to the oil and gas sector: be it pricing policy, the choice of delivery routes to the consumer, issues of industrial processing of raw materials, and so on. This is exactly the area where new players are not particularly welcome and all the details are viewed in advance through a microscope. Azerbaijan and Georgia formed a tandem to "break" into a kind of closed club, and today Azerbaijan is a major exporter of energy resources, while Georgia provides a stable and continuous transit of these resources to the world market through its territory. It would be fair to note the role of the personal international authority of both leaders in lobbying and implementing international energy projects in the South Caucasus region.

Baku-Supsa oil pipeline

The construction of the Baku-Supsa Oil Pipeline was secured by an agreement dated March 6, 1996 between Heydar Aliyev and Eduard Shevardnadze. The contract for the implementation was received by the Norwegian Kværner. The length of the pipeline is 827 km, the diameter of the pipe is 530 mm, and the capacity is 145,000 barrels (20,000 tons) of oil per day, that is, 7.2 million tons per year. The pipeline went online in 1999 at a cost of \$556 million, including the construction of a terminal at Supsa, which refuels oil tankers from the pipeline. The Supsa oil terminal has a capacity of 160,000 cubic meters. It is technically possible to increase the volume of oil transported to 600,000 barrels per day, that is, to 82,000 tons per day. In annual terms that can amount to 30 million tons. The fee for oil transit through the pipeline is \$3.16 per ton, from which Georgia receives \$1.2 (according to 2016 data), and Azerbaijan receives the rest. For comparison: on the Baku-Novorossiysk oil pipeline, the transit rate per ton of oil is \$15.67⁴.

Baku-Tbilisi-Ceyhan oil pipeline

The start of construction was agreed in 1998 in Ankara, where the corresponding agreement was signed by the Presidents of Turkey, Georgia, Azerbaijan, Kazakhstan, and Uzbekistan. The pipeline began operation in 2006 and its length is 1768 km. Throughput capacity is 1.2 million barrels (164,000 tons) per day and the construction cost \$4 billion. Not only Azerbaijani, but also Kazakh and Turkmen oil is passed through the pipeline. In the future, it is possible to extend the pipeline across the Caspian Sea to directly connect Kazakhstan to the transit infrastructure.

Baku-Tbilisi-Erzurum gas pipeline (South Caucasus pipeline)

The official decision to build a gas pipeline along the Baku-Tbilisi-Erzurum route was made in 2001 under an agreement between Azerbaijan, Georgia and Turkey. In 2007, the gas pipeline started operating and gas from the Shahdeniz field began to flow to Georgia and Turkey. The length of the pipeline is 970 km, the pipe diameter is 1067 mm, and the design capacity is 25 billion meters cubed of gas per year. Since 2013, work has been underway to expand the throughput to the design capacity. The cost of the project is \$4 billion.

2. *Baku-Supsa (red); Baku-Tbilisi-Ceyhan (green); Baku-Tbilisi-Erzurum (yellow)*

⁴ https://www.azernews.az/oil_and_gas/96668.html



TANAP, Trans-Anatolian Gas Pipeline

TANAP is an infrastructural extension of the existing Baku-Tbilisi-Erzurum gas pipeline. The decision to build it was made in 2012 and the facility was commissioned in 2019. The length of the pipeline is 1841 km, the pipe diameter 1220 mm, and the design capacity is 16 bcm. The highway connects Azerbaijan and Georgia with the western border of Turkey. In 2022, an interconnector with Bulgaria and Greece was put into operation. The cost of the project is \$11 billion. Europe receives 10 billion meters cubed, and Turkey 6 billion meters cubed. A subsequent increase in supply volumes up to 31 billion meters cubed per year is planned.

3. TANAP, Trans-Anatolian Gas Pipeline



TAP, Trans Adriatic Gas Pipeline

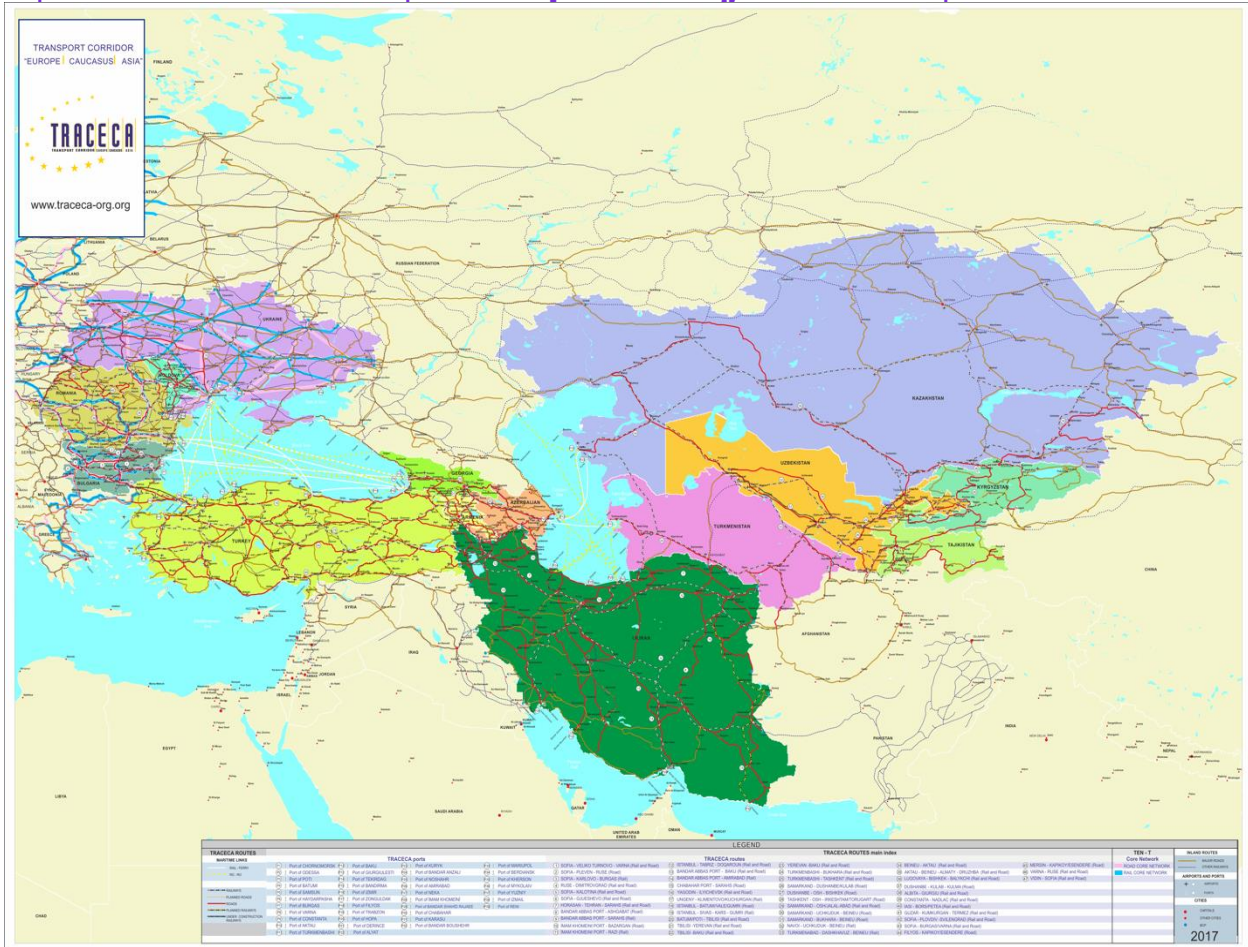
The idea of building a gas pipeline that will connect the Turkish section of TANAP with Italy through Greece, Albania and the Adriatic Sea was voiced in 2003. The pipeline was launched in 2020. Its length is 878 km, the pipe diameter 1129 mm, and the capacity 10 billion meters cubed per year. The purpose of this gas pipeline is to deliver Azerbaijani gas to the EU countries (Greece, Italy) and Albania through Georgian and Turkish territory. A total of 4.5 billion Euros were spent on the project implementation.

4. *Baku - Tbilisi - Erzurum (SCP), TANAP, TAP, SEEP, NABUCO***Baku-Tbilisi-Kars railway**

As soon as Turkey closed the Kars-Gyumri-Tbilisi railway in 1993, the question arose of creating an alternative route. On the initiative of Presidents Aliyev, Demirel and Shevardnadze, the concept of the railway on the route Baku - Akhalkalaki - Kars was developed. The length of the route is 829 km. The throughput capacity of the highway is 1 million passengers and 6.5 million tons of cargo per year. In the future, the capacity can be increased to 3 million passengers and 20 million tons of cargo per year. Investments in the project amounted to \$1 billion.

TRASECA, Transport Corridor Europe-Caucasus-Asia

The TRASECA (Transport Corridor Europe-Caucasus-Asia) project has been operating since 1993. The organization was established in Brussels with the aim of establishing transport and logistics links between the EU, the Black Sea region, the South Caucasus and Central Asia. The organization consists of 12 states (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Iran, Moldova, Turkey, Ukraine, Uzbekistan, Tajikistan and Turkmenistan) of the region and 27 EU members. Mongolia has observer status. The secretariat of the organization has been operating in Baku since 2000.



Transnational fiber optic Internet cable "Europe - Asia"

A fiber-optic cable for the Internet has been laid along the bottom of the Black Sea, which will connect Bulgaria and Georgia. Further, this backbone Internet cable provides Internet traffic and communication with Azerbaijan, Armenia, Iran, Turkey and Russia. The length of the cable at the bottom of the Black Sea is 1200 km.

Potential transnational projects

The NABUCCO gas pipeline network meant sending natural gas from Iran, Turkmenistan and Kazakhstan to Europe, and in particular to Austria and Germany. The length of the pipeline was 3300 km, and the design capacity was 32 billion meters cubed per year. The project began to be prepared in 2002, but due to the conflict over the Iranian nuclear program, it was adjusted and the focus was placed on the Central Asian countries of Kazakhstan, Uzbekistan, and Turkmenistan. According to the project, they planned to build a trans-Caspian pipeline through the territories of Azerbaijan, Georgia, Turkey, Bulgaria, Romania, Hungary and Austria, but the route ended in Germany. In 2009, an idea arose to participate in a gas field project in northern Iraq. Due to a complex series of different problems, the project has not yet been implemented, and that is now a matter of regret particularly in Europe. It is too early to write off the NABUCCO project, and in the new geopolitical situation that has been created,

A **high-voltage power line** at the bottom of the Black Sea is possibly the next mega project that Georgia is implementing. We are talking about a powerful transmission line that will connect Georgia and Romania, that is, the South Caucasus and the EU. It is no secret that the purchase prices for electricity in the EU are higher than in the Caucasus region, so the implementation of this project will give a serious impetus to the development of the electricity industry in the entire Caucasus. Georgia has excess electricity in the summer when hydroelectric power plants are full, and Azerbaijan also generates a lot of electricity. Direct access to the European market is strategically very important for both Georgia and Azerbaijan. After all, it will be possible to use all the countries of the region and theoretically, a trans-Caspian power transmission line from Central Asia is possible, which will also participate in electricity trading with the EU through Azerbaijan and Georgia. Currently under the patronage of the World Bank, the feasibility study of the project is being studied. Also, together with the laying of a power line, the parallel laying of a new fiber-optic cable for the Internet is being considered which again will connect Georgia and the Caucasus with Romania. According to preliminary estimates, the cost of the project may reach \$3 billion and the EU, together with Georgia, will attract investors to the project.

Liquefied natural gas (LNG) is one of the potentially interesting projects that the countries of the region can jointly implement. Turkey's position is well-known, which is that it does not allow liquefied gas tankers to pass through the straits. At the same time, there is a great demand for liquefied gas in Europe and in the countries of the Black Sea region. In fact, here you can come up with a lot of configurations, but the delivery of liquefied gas can take place in the EU and Ukraine because they are the ones who need to diversify gas supplies. LPG technology is getting cheaper but still expensive. The main attraction of LPG is that natural gas is compressed about 600 times in volume and can be transported in special tankers in liquid form. The construction of compression terminals is possible on the Black Sea coast, specifically on the territory of Georgia, and receiving terminals - that is, decompression - can be located in Ukraine, Bulgaria, and Romania to deliver LNG along the Danube River to the existing liquefied gas decompression station in Austrian Ennshafen . This scheme will be able to work with the participation of Central Asian natural gas.

The new Silk Road is not a completely new reality for our region. For centuries, trade caravans from Asia to Europe, the Middle East, Egypt and vice versa passed through the territory of Azerbaijan and Georgia. In this sense, a lot has already been done, the countries have agreed on through tariffs for the railway. Azerbaijan is building up transport infrastructure linking it with Iran. Georgia is modernizing the main transport routes, as well as the renovation of the ports of Poti and Batumi. There are also plans to build the commercial port of Anaklia. If you take a closer look at the map and analyze the trade relations between Asian countries and the EU, it will become clear that the New Silk Road is not a utopia, but a reality in which there are many interested parties. For example, the volume of EU trade with India is \$88 billion, with Iran \$5 billion, with Pakistan \$12 billion, and with China \$700 billion⁵. Even if we attract 5% of this cargo turnover, it will be at least 40 million tons per year. And this can act

⁵ https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/china_en

as a locomotive for the rapid development of logistics infrastructure and transport routes/hubs in Azerbaijan and Georgia. The multiplier effect will be much more impressive, as it will cause the development of related sectors of the economy and bring substantial revenues to the state treasury.

Financial Hub

Georgia has begun cooperation with the office of the Rothschild family company and, if successful, this initiative can become the main engine for the rapid development of the entire region along with the oil and gas complex of Azerbaijan. We are talking about the establishment of financial hubs in Tbilisi and Batumi. Perhaps Batumi is a more convenient location for such a project, as it is the capital of the Autonomous Republic of Adjara, which in turn is a state entity with its own legal framework. This makes it possible to create a specific tax and legal framework for an international financial hub, which may differ from the national one and create favorable conditions for the placement and management of international financial assets. It is no secret that despite the impressive economic growth in Azerbaijan and Georgia, credit resources are not cheap. For example, the refinancing interest rate set by the Central Bank of Azerbaijan is 7.75% per annum⁶, and in Georgia as much as 11%⁷ in national currency. For comparison: the interest rate in the EU countries ranges from 0.5% to 2.25%. It is worth noting that interest rates in Switzerland and Denmark are negative⁸. It is impossible for the real sector of the economy to develop without credit resources using acceptable interest rates, so the creation of attractive conditions (no taxes, ease of management, attributes of the stock market, etc.) for private and entrepreneurial capital can attract hundreds of billions of dollars from many neighboring countries, including the Arab world. It is not yet known what the scheme of the financial hub will be, but even if we assume that 2–3% of the allocated funds will be issued to companies and residents of the countries of the South Caucasus at the Libor⁹ + 1% rate. This means that several billion dollars will be poured in every year to the economy of the region. In view of the absence of classical European banking in the Arab countries, it is quite realistic to attract \$200-300 billion to the Batumi financial hub.

Bio food program and non-GMO seed bank

It's no secret that the lion's share of food production in the world is based on GMO seeds. It must be admitted that despite justified skepticism, GMO technology brings results in the food security of the world, and especially for the poorest countries. But, on the other hand, this trend creates a demand for bio or biodynamic food products. Azerbaijan and Georgia do not have large areas of arable land, so it is better, of course, to grow crops that are more expensive and provide high added value during processing. In principle, for the countries of the South Caucasus, the development of the food industry has no alternative based on a whole range of reasons. Our countries, with proper planning and appropriate state policy, can feed the post-Soviet region, the Arab countries and beyond. This is where smart solutions are needed. For example: due to the limited area under crops, it is better for us to not grow wheat, but wheat seed material instead. Thusso it is for many agricultural crops, because usually seed material is 2.5 or 3 times more expensive than the product itself. A separate topic is bio and

⁶ <https://tradingeconomics.com/azerbaijan/interest-rate>

⁷ <https://countryeconomy.com/key-rates/georgia>

⁸ <https://tradingeconomics.com/country-list/interest-rate?continent=europe>

⁹ <https://www.global-rates.com/en/interest-rates/libor/libor.aspx>

biodynamic products, where there are a lot of opportunities since the demand for such a product is great and they pay much more for it. In Europe, the trend towards the consumption of bioproducts is steadily increasing. In this matter, it is important for states to agree on the division of labor, on a joint coordinated policy to support cooperation and develop the food industry. The most important issue will be the establishment of a network of trading houses and smart logistics solutions. The existing free trade regimes with the EU, China, India and with the countries of the former USSR can become a trigger for this cooperation.

Hydrogen sulfide of the Black Sea, "Liquid Coal", Hydrogen

The world elites have already made a decision to gradually move away from hydrocarbon energy. This is a very important trend that cannot be underestimated, especially for our countries. There is a plan to introduce a so-called tax on the carbon footprint of industrial products, and this will worsen the competitiveness of our products. In Georgia, 85% of energy is obtained from renewable sources, so according to this indicator, Georgia is one of the world leaders. Already it is necessary to prepare for the transition to alternative energy sources. However, in this matter it is impossible to do it without science. Therefore, countries should combine scientific and technical potentials for an applied solution for the use of Black Sea hydrogen sulfide as an energy source. Indeed, in the Black Sea, below the mark of 80 meters, there is a huge concentration of hydrogen sulfide, and its reserves are virtually unlimited which will last for 1000 years. The issue of establishing a joint research laboratory for the conversion of hydrogen sulfide into energy and other useful components can already be resolved today. Moreover, in Russia such an institute has already been created with scientific and technological developments are underway.

Also important is the issue of developing the issue of obtaining hydrogen and its application for energy needs. This issue can partly be combined with the production of liquid coal based on the Tkibuli coal basin. Coal is crushed and mixed with water, then after enrichment of coal and the removal of organics and heavy metals, it is homogenized and becomes convenient for transportation. Further, before injection into the nozzle, electrolysis takes place, where hydrogen is released from the "liquid coal" and it turns out that enriched carbon and still pure hydrogen are burning. In such a scheme, the efficiency of coal increases noticeably, the fuel burns to the end, and emissions of volatile and greenhouse gases are reduced significantly. This technology is widely used in South Africa, China and Japan.

Cross-border environmental projects include planting forests, windbreaks, and organizing a system of ponds, reservoirs and lakes on the territory

Urbanization, the development of infrastructure projects, intensive agricultural activities, and extreme climatic conditions negatively affect the state of the natural environment. There are examples in history when entire countries and civilizations disappeared due to deforestation, which necessarily entails the loss of water sources and underground water horizons. Forests are a natural powerful pump that cause groundwater to rise closer to the surface and retain the right moisture creating a favorable microclimate for agriculture. The whole geographical area from the Caspian Sea to the Black Sea is a single eco-space, and it is also necessary to approach the conservation and restoration of the ecosystem in a holistic

way. Thanks to the slopes of the Greater Caucasus, we still have preserved forest massifs, so it is difficult for lumberjacks to get there. However in the lowland part, the picture is sad. Based on the real situation, it is paramount that our countries develop a unified plan based on science for the development of forest plantations, lake systems, ponds, and reservoirs. It is also important to restore the windbreaks of the fields. Such an integrated approach will double the yield of our fields and significantly improve the ecology of our environment. It is possible to carry out these events and plant the so-called "Kyoto Forests", where you can receive payment from international organizations. The systematic overlapping of hot and dry winds from Central Asia with forest belts will favorably affect both agriculture and the health of the population. The 1 trillion tree planting global initiative announced by the World Climate Forum gives us the opportunity to be leaders in this field and plant approximately 1 billion new seedlings over the next 10 years which will form an interconnected forest system. This means both the revival of the fauna and a large-scale increase in the hydro potential of our countries. There is a folk wisdom in Georgia that teaches, "The duty of a father is to preserve the forest for children."

Conclusion

It is clear that each country has its own interests. Azerbaijan and Georgia at the dawn of their independence realized that together they could achieve much more. Political life and geopolitical processes have passed so that the destinies of our countries are intertwined. The only correct development model for our states can be characterized by the term used by the scientist Peter Schwartz in his sensational Rockefeller Foundation report "A Scenario for Future Technologies" when he called it "clever together". It is this smart collaborative approach and planning that we see as the basis for success. We should not be afraid to take the path of moderate integration, where the interests, traditions, identity, culture of the participants, including small ethnic groups, are taken into account and guaranteed. In the modern world, only cooperation, smart planning and integrated economic systems give the highest results.

By being uncompromising in protecting the national interests of Azerbaijan, the national leader Ilham Aliyev managed to achieve the maximum possible sovereignty of the Azerbaijani state. Experienced people understand that such a format of a sovereign state in the current theater of international relations is an outstanding achievement, because only a few succeed and costs a lot of sweat, energy, and intelligence. It can be said directly that the success story of Azerbaijan is based on this, and not only on oil - as many believe. Azerbaijan can lend a shoulder in this matter and relying on the jointly developed integral development model, pull Georgia up to a higher degree of sovereignty.

The driver for such processes are transnational mega projects and initiatives, some of which we have described in this article. We cannot imagine the development of our region outside the system of international trade, economic, and financial relations. The South Caucasus should offer everyone something they need because every transnational mega project raises the level of our security and safety. The world must need us, the world players must be interested in peace and stability in our region, and this will lead to the maximum possible degree of our security. However, it must be admitted that this is achievable with the guaranteed presence of state sovereignty to the degree that Azerbaijan now has. The conclusion is simple: it is necessary to achieve the highest possible level of sovereignty in order to ensure the security and strength of the same sovereignty. Finally, it should be noted that the South

Caucasus should be a region of peace, prosperity, and economic prosperity. Azerbaijan and Georgia already have a positive experience of mutually beneficial transnational projects, and they can act as initiators to show the way to create an integral model of the region's economy, but it is important that such a model is inclusive and all the peoples of the South Caucasus participate in it. All formats of dialogue are acceptable and necessary, but the main thing is dialogue in the format of the "South Caucasus Troika"¹⁰: Azerbaijan, Armenia and Georgia. Lasting peace and resolution of conflicts is giving opportunity to all three countries of the South Caucasus, so that it is time to begin a new era for our people, which can bring harmony and peace, the highest goal of which is well-being of the humanitarian and spiritual development citizens of our countries.

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