



## Armenia as a Regional Hub

### TRIPP, the Crossroads of Peace, and the New Infrastructure Order of Eurasia

*Armenia's repositioning over 2025–2026 is the deepest geopolitical reconfiguration this state has undergone since it gained independence in 1991. The package of external commitments — TRIPP, with its dominant American stake; the €2.5 billion European Global Gateway; the quadrilateral defence alignment with France, India and Greece; the Kazakh Roadmap; and the framework nuclear agreement with the United States — is politically coherent and undeniably alters the geometry of the region. It opens up opportunities for Armenia of a kind not previously available, but its success depends on overcoming a series of political, financial and executional risks that may yet prevent the ambitious declarations from translating into durable change.*

#### 1. Introduction

Small states are rarely in a position to conduct a fully autonomous foreign policy. What they can do is build a network of external commitments in such a way as to reduce their dependence on stronger neighbours and widen their room for manoeuvre. Between August 2025 and May 2026, Armenia carried out precisely such an operation, with a consistency rarely seen in post-Soviet conditions<sup>1</sup>. The Trump Route for International Peace and Prosperity<sup>2</sup>, with a 74-percent American stake; the first-ever European Union–Armenia summit, with a Global Gateway<sup>3</sup> package worth €2.5 billion; strategic

<sup>1</sup> The analysis takes into account the geopolitical situation and data available in May of 2026.

<sup>2</sup> Trump Route for International Peace and Prosperity (TRIPP), is an infrastructural and geopolitical initiative announced in 2025, which aims to provide US support for the development of transport and energy corridors linking the southern Caucasus with European and Middle-Eastern markets.

<sup>3</sup> Global Gateway, a European Commission investment programme in place since 2021, which aims to finance transport, energy, cyber and climate infrastructure in partner countries and support economic ties of the EU with strategic regions.

partnerships with France and the United Kingdom; an informal quadrilateral defence alignment with India and Greece; the Kazakh Roadmap for economic cooperation over 2026–2030; and finally a framework nuclear agreement with the United States under Section 123 of the U.S. Atomic Energy Act — all of this adds up to the picture of a country that, **for the first time, is designing its economy on the assumption of durable regional peace rather than permanent blockade.**

Looking at this package from the standpoint of financing and feasibility, however, one has to pose a question that rarely surfaces during political summits, but is fundamental to any assessment of large infrastructure projects.

Is this package financed at a scale commensurate with the task? Does the executing actor — the Armenian public sector and its external contractors — have a documented capacity to deliver multi-billion-dollar investments in difficult, mountainous terrain? Can the capital structure of the TRIPP Development Company, based on a 49-year concession with a dominant American stake, be enforced amid possible changes in Washington and Yerevan over the 2026–2028 and 2030–2032 cycles? And finally, what in this package can Polish public and private entities realistically make use of, given our sectoral competencies?

This analysis answers these questions from the perspective of the feasibility of infrastructure investment and of the capacity to sustain Armenia's current course — **one aimed at reducing dependence on the Russian Federation and gradually transforming the country into a regional economic and logistics hub.**

The thesis I develop in this analysis is as follows. Armenia's repositioning is not a classic pro-Western turn but a strategy for reducing asymmetry vis-à-vis Russia, pursued through simultaneous anchoring in five external centres. The strategy makes sense, and its chances of success are higher than sceptics concede, primarily for one simple reason: **none of the four principal regional actors — Russia, Iran, Turkey, China — has the tools to block it in the long-term.** It does, however, have three fundamental weaknesses that mark out its horizon and its key executional risks: a scale of public financing disproportionate to the scale of the task; a documented history of delays and executional failures; and dependence on the electoral cycle in Washington and Yerevan

## 2. Historical Background

Yerevan's present decisions cannot be understood without familiarity with five historical layers that have shaped Armenia's situation and political psyche. It is worth returning to them, not out of sentiment, but because they explain why certain decisions that appear logical on a spreadsheet are politically unworkable in Armenia, while others that look risky at first glance are decided upon without hesitation.

The first layer is the foundation of identity. Armenia is one of the oldest Christian states in the world. Christianity was adopted as the state religion in 301, before the Edict of Milan. The Armenian alphabet was created by Mesrop Mashtots in 405 as an instrument for protecting religious and cultural identity against Persian pressure. These two facts have contemporary consequences. Armenia sees itself as a state defending Christian civilisation on the frontier of the Muslim world — a narrative that resonates in European conservative circles, among French Catholics, and among Hindu Indian elites. Hence the defence alignment with France, India and Greece is, for Armenian policy, a natural one — not by virtue of geography, but of a shared distance from the Turkish and Azerbaijani narratives.

The second layer is the trauma of the 1915 genocide. The Ottoman state murdered roughly one and a half million Armenians in Anatolia during the First World War<sup>4</sup> — a fact that Ankara to this day does not recognise as genocide. Three consequences of this crime matter most for current policy. The Armenian diaspora dispersed across the world, above all to France, the United States, Argentina and Lebanon, and became a political actor autonomous from the Armenian state. The Armenian lobbies in Washington and Paris are genuine political amplifiers. The question of genocide recognition continues to weigh on diplomatic relations — more than thirty states have recognised it, including France, the United States (by resolutions of both chambers of Congress in December 2019, and from 24 April 2021 also by a statement of President Biden), and Poland (a Sejm resolution of 2005<sup>5</sup>). And finally, any normalisation of relations with Turkey demands of Armenians the political cost of a magnitude that only strong governments can bear.

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<sup>4</sup> Estimates of the Armenian National Institute and International Association of Genocide Scholars; see: <https://www.armenian-genocide.org/genocide.htm>

<sup>5</sup>[https://orka.sejm.gov.pl/proc4.nsf/uchwaly/3918\\_u.htm](https://orka.sejm.gov.pl/proc4.nsf/uchwaly/3918_u.htm)

The third layer is the Soviet legacy and its inconvenient residue. The Armenian SSR existed from 1922 to 1991 and was among the most developed republics of the USSR. Industrialisation, urbanisation, the higher-education system, and the nuclearisation of the energy economy (the Metsamor nuclear power plant, commissioned in 1976) are direct inheritances from that period. This explains several important particularities: the Armenian technical system still partly adheres to Russian standards (the rail network, nuclear fuel, the gas system); the technical elites speak Russian and know Russian specialist literature; and the Armenian cultural attitude toward Russia is ambiguous — a mixture of political distance and cultural closeness that makes a pro-Western policy emotionally challenging in Armenia.

The fourth layer is the Nagorno-Karabakh conflict, whose political and economic consequences are key to today's geopolitical situation. The dispute began in February 1988, when the parliament of the Nagorno-Karabakh Autonomous Oblast (hereafter: Nagorno-Karabakh) voted for unification with Armenia, and escalated into full-scale war from the start of 1992, ending with the Bishkek Protocol of 5 May 1994. Armenia won militarily and, for over a quarter of a century — until the second Karabakh war in 2020 — controlled the seven Azerbaijani districts surrounding Karabakh: Aghdam, Kelbajar, Lachin, Qubadli, Zangilan, Jabrayil and Fuzuli. Economically this had two serious consequences. The borders with Azerbaijan and Turkey were closed, in 1991 and April 1993 respectively (Ankara closed the border in response to Armenian forces' seizure of the Kelbajar district), which produced an almost total trade isolation of Armenia. All foreign trade thereafter had to pass either through Georgia (the ports of Poti and Batumi) or through Iran. Secondly, Armenia became a state fundamentally dependent on Russia in the security sphere: the Russian military base at Gyumri, a Russian presence on the border with Turkey, Russian control of the rail, gas and nuclear networks. Until 2020 Yerevan operated within the Russian security system in Eurasia, basing its defence architecture on membership of the CSTO and a bilateral military alliance with Russia. Its security policy was to a large degree embedded within the Russian sphere of influence.

The fifth layer, the most recent and decisive for the current repositioning, is the series of defeats of 2020–2023. The first was the forty-four-day war of autumn 2020, in which Azerbaijan, with direct Turkish support and a surprising Russian passivity, regained control of most of Nagorno-Karabakh and of the seven occupied districts. In September 2022, in

response to Azerbaijani aggression on 13 September — the most serious escalation since the 2020 war, with hundreds of casualties on both sides — Yerevan formally invoked Article 4 of the CSTO Treaty<sup>6</sup>, demanding collective-defence mechanisms. The CSTO not only failed to respond militarily but in effect disavowed Yerevan's request<sup>7</sup>. The organisation's chief of staff, Anatoly Sidorov, publicly ruled out the possibility of military intervention, advocating political and diplomatic solutions instead. The Central Asian states, Kazakhstan among them, showed no will to intervene against Azerbaijan, with which they share growing trade ties and common membership of the Organization of Turkic States. Prime Minister Pashinyan, then chair of the CSTO Collective Security Council, refused in November 2022 to sign the summit's joint declaration, arguing that the organisation had taken no decision in response to aggression against a member state. In February 2024 Armenia formally froze its participation in the CSTO<sup>8</sup>. In September 2023 Azerbaijan carried out a lightning military operation that effectively liquidated the Republic of Nagorno-Karabakh, triggering the exodus of the hundred-thousand-strong ethnic-Armenian population from their historic land. The Russian peacekeeping forces deployed there in 2020 remained passive bystanders.

These five layers together explain today's dynamics. Armenia knows from its own experience that its external anchors can fail — Russia in 2020, when it did not intervene against Azerbaijan despite formal CSTO obligations, and in 2023, when it watched passively as Nagorno-Karabakh fell. **The conclusion Yerevan drew from this experience is logical, not ideological: if a single external anchor can give way, one must build many in parallel. The 2025–2026 political package is the embodiment of this principle — not a final choice between East and West, but a diversification of the axes of influence, in which each compensates for the weaknesses of the others.**

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<sup>6</sup> <https://evnreport.com/politics/csto-closer-to-azerbaijan-than-armenia-part-i/>

<sup>7</sup> <https://eurasianet.org/for-armenians-csto-missing-in-action>

<sup>8</sup> <https://armenpress.am/en/article/1130942>

### 3. The "Real Armenia" Doctrine as the Overarching Political Frame

In January 2026 the Armenian government adopted a doctrine of economic and institutional transformation<sup>9</sup> that is the first economic doctrine in Armenia's history designed **on the assumption of durable regional peace**.

Prime Minister Pashinyan's political slogan — "Real Armenia" — expresses the same idea in the language of an electoral campaign: an actual Armenia, based on the recognised 1991 borders (the Alma-Ata Declaration<sup>10</sup>), without territorial claims to Nagorno-Karabakh, open to its neighbours. On this foundation rests everything that follows: the Crossroads of Peace<sup>11</sup>, TRIPP, Armenia's accession to the EU, and the normalisation of political and economic relations with Turkey.

For investment analysis, the significance of this doctrine arises from a factor that usually escapes geopolitical commentary.

**For the first time in Armenia's post-Soviet history, the state's fiscal, capital and allocation decisions are being made on the basis of a scenario of open borders rather than permanent conflict.** The Caspian Policy Center, in a 2026 analysis<sup>12</sup>, observes that for Prime Minister Pashinyan "Real Armenia" means presence on the global market with real stakes, where Yerevan is attempting to use TRIPP not only to strengthen its transit role but also to attract foreign investment. The U.S. Implementation Framework<sup>13</sup> underscores Armenia's ambitions to increase employment, transfer technology and develop workforce skills. The World Bank<sup>14</sup>, in its April 2026 forecast, treats the package as a baseline source of growth above five percent over the medium term.

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<sup>9</sup><https://www.primeminister.am/en/press-release/item/2026/01/08/Cabinet-meeting/>

<sup>10</sup> <https://cis.minsk.by/reestr2/print/documentCard?ids=6>

<sup>11</sup> The strategic vision of Armenia in which the country is to cease being perceived as the periphery of conflict but rather as a regional transit hub based on the opening of borders and infrastructural cooperation, but with full sovereign control without predetermined corridors.

<sup>12</sup><https://www.caspianpolicy.org/research/category/armenia-and-azerbaijan-implement-peace-next-steps-in-constructing-the-tripp>

<sup>13</sup><https://www.state.gov/releases/office-of-the-spokesperson/2026/01/joint-statement-on-the-publication-of-the-u-s-armenia-implementation-framework-for-the-trump-route-for-international-peace-and-prosperity-tripp/>

<sup>14</sup> <https://openknowledge.worldbank.org/entities/publication/1bff85ef-bf05-4708-9059-17fe1e16fd5e>

This doctrine has, however, a political weakness that defines the investment horizon. Prime Minister Pashinyan's Civil Contract is a ruling party without strong institutional continuity and without a deeply rooted electorate. The parliamentary elections of 7 June 2026 will be the first test in which the peace dividend is weighed against the political costs of a constitutional referendum, provisionally planned for 2027. The referendum is intended to introduce a new constitution removing from the preamble the reference to the 1990 Declaration of Independence, which in turn invokes the 1989 joint decision of the Armenian SSR and Nagorno-Karabakh on reunification. Baku<sup>15</sup> treats this preamble as containing territorial claims and makes its removal a condition for signing a peace treaty, even though Armenia's Constitutional Court<sup>16</sup> ruled in September 2024 that the reference to the 1990 Declaration implies no constitutional objectives. The dispute is therefore political rather than legal in character — which makes it far harder to resolve than if it were purely a legal matter.

The referendum has not yet been scheduled, and its political toxicity is obvious. The removal of references to Nagorno-Karabakh is, for many Armenians, a symbolic acknowledgement of a defeat whose emotional cost has not yet been worked through. Without a referendum there is no peace treaty with Azerbaijan. Without a treaty there is no full expansion of the Crossroads of Peace beyond TRIPP.

From the standpoint of infrastructure investment and regional cooperation, in which Armenia is meant to play the role of a hub, this means that full realisation of the doctrine remains contingent on a sequence of political events whose course is not entirely predictable.

The most telling test of real change, however, is not the elections but the question of the rail concession. Armenia's rail network has been since 2008 under a 30-year concession held by Yuzhno-Kavkazskaya zheleznaya doroga, wholly owned by Russian Railways (RZD)<sup>17</sup>. In January 2026 Yerevan formally asked Moscow to accelerate the reconstruction of the Soviet-era stretch running through Armenia, which is a fundamental component of

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<sup>15</sup><https://www.rand.org/pubs/commentary/2026/01/what-prospects-for-lasting-peace-between-armenia-and-azerbaijan.html>

<sup>16</sup> <https://www.primeminister.am/en/statements-and-messages/item/2024/11/13/Nikol-Pashinyan-Speech/>

<sup>17</sup><https://www.railjournal.com/financial/armenia-proposes-new-rail-concessionaire/>

TRIPP. Prime Minister Pashinyan stated publicly that<sup>18</sup>, if Russia does not deliver the reconstruction within an acceptable timeframe, Armenia is prepared to withdraw that stretch from the concession. The Carnegie Endowment, in a March 2026 analysis<sup>19</sup>, reports that Russian Railways is mired in a deep financial crisis — debt estimated at \$51 billion and serious operating losses — which limits Moscow's capacity for open confrontation on the matter. The Armenian government additionally suggested<sup>20</sup> to Moscow the possibility of selling the concession rights to a country "friendly to both Armenia and Russia"; Kazakhstan, Qatar and the United Arab Emirates are named here.

The concession itself, signed in February 2008 for a term of thirty years with an option to extend by a further ten, covers the entire operational management of a network roughly 845 kilometres long, including domestic passenger and freight traffic and international transit. In it RZD committed to investment on the order of half a billion dollars over the first five years and to maintaining employment. The actual inflow of investment historically remained materially below this level, and the infrastructure — especially the southern sections needed for TRIPP — today requires fundamental reconstruction. This non-performance of the concession's terms gives Yerevan a legal instrument for its renegotiation or partial withdrawal.

The decision on this matter, expected in the second half of 2026, is one of the most important signals for foreign investors. If Moscow accepts renegotiation — and RZD's position makes such a scenario plausible — it will confirm that Yerevan's strategy is genuinely feasible. If it is rejected, the risk of hybrid escalation around Armenia in the 2027–2028 cycle will rise materially.

#### **4. TRIPP: The Anatomy of a Compromise and Its Weaknesses**

The Trump Route for International Peace and Prosperity is a forty-two-kilometre transit stretch running through the Syunik marz along the Aras River and the Armenian–Iranian border. Analytically, the project is not a straightforward realisation of Armenia's Crossroads of Peace doctrine, announced by Prime Minister Pashinyan in October 2023 in

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<sup>18</sup><https://civilnet.am/en/news/993900>

<sup>19</sup><https://carnegieendowment.org/research/2026/03/rewiring-the-south-caucasus-tripp-and-the-new-geopolitics-of-connectivity>

<sup>20</sup><https://armenpress.am/en/article/1242159>

Tbilisi at the Silk Road Forum<sup>21</sup>, barely a month after the Karabakh defeat. TRIPP is a compromise between that doctrine and the Azerbaijani concept of the "Zangezur corridor," which envisaged an extraterritorial transport regime through Syunik. The compromise consists of making the project's legal construction more international despite a dominant participation of American entities in the operating company, while also formally preserving Armenian sovereignty over the infrastructure and territory.

The legal architecture is two-tier and requires clarification, because conflicting figures circulate in the media. The Washington joint declaration of 8 August 2025 grants the United States a 99-year development-and-operating mandate, while the land itself remains the property of the Republic of Armenia. The Implementation Framework of 13 January 2026 specifies that the executing entity — the TRIPP Development Company — operates on the basis of a 49-year period of exclusivity with an option to extend by 50 years, with an initial shareholding split of 74 percent United States and 26 percent Armenia, and that the United States may sublease these rights to a consortium operating the project. The construction thus creates a two-layer legal regime: a state mandate (U.S.–Armenia) and a commercial vehicle (an SPV with private capital). The complexity of legal-risk analysis for any subcontractor rises materially.

The Implementation Framework, signed in Washington on 13 January 2026<sup>22</sup> by Secretary of State Marco Rubio and Foreign Minister Mirzoyan, establishes mechanisms whose detailed analysis is indispensable for any foreign investor weighing involvement. The TRIPP Development Company is to operate on the basis of a 49-year period of exclusive development and operating rights, with a 74-percent American stake and a 26-percent Armenian stake, with an option to extend by a further 50 years and to raise the Armenian stake to 49 percent. Armenia's contribution consists of land rights, existing infrastructure assets, regulatory support and an in-kind contribution to border infrastructure. The U.S. contribution is the financial investment and — per the wording of Eurasianet of 14 January 2026<sup>23</sup> — the expectation of "a financial return to the United States on the

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<sup>21</sup> <https://www.1lurer.am/en/2023/10/26/Pashinyan-unveils-Crossroads-of-Peace-concept-in-Tbilisi/1019982?>

<sup>22</sup> <https://www.state.gov/releases/office-of-the-spokesperson/2026/01/joint-statement-on-the-publication-of-the-u-s-armenia-implementation-framework-for-the-trump-route-for-international-peace-and-prosperity-tripp/>

<sup>23</sup> <https://eurasianet.org/armenia-formalizes-closer-ties-with-the-west>

original contribution or other economic benefits to the U.S. government or to American firms." The company's revenue streams comprise infrastructure-access fees, service charges, property rental, commercial activity and revenue-sharing.

The legal construction is undeniably ingenious. It satisfies the Azerbaijani demand for "uninterrupted transit" through a "front office–back office" model, in which third-party operators handle operational service — documentation, fee collection, infrastructure maintenance — while Armenian state organs retain exclusivity over customs decisions, security controls and migration controls. All taxes and fees are to flow directly to the Armenian budget. The framework document provides for a pilot digitalisation of customs procedures and the deployment of a single-checkpoint system, with American technical assistance in integrated border management. At the same time it satisfies the Armenian requirement for full sovereignty through a provision that Armenia retains legislative, regulatory and judicial authority by virtue of full sovereignty and territorial integrity over all areas of TRIPP within its territory. The parent company creates separate special-purpose vehicles (SPVs) for key infrastructure components — energy, digitalisation, telecommunications — with the possibility of bringing in private capital at later stages.

The project's principal element is the reconstruction of the Soviet-era rail line running along the Armenian–Iranian border. Carnegie<sup>24</sup> describes this as the re-creation of the so-called "Persian Corridor" — the road-and-rail route that during the Second World War was one of the key supply lines under the Lend-Lease programme, enabling the transport of a substantial part of aid from the United States and the United Kingdom to the Soviet Union through the territory of Iran, Armenia and Azerbaijan.

All this legal ingenuity does not, however, mask three fundamental weaknesses that every potential subcontractor and investor must price in. The first concerns the very character of the framework document. The Implementation Framework referred to above contains, in its preamble, a clause stating outright that the document does not impose, and does not intend to impose, any legal obligations on any of the parties.

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<sup>24</sup><https://carnegieendowment.org/research/2026/03/rewiring-the-south-caucasus-tripp-and-the-new-geopolitics-of-connectivity>

In other words, all the parameters indicated — the equity stakes, the concession period, the operating model, the SPV structure — remain subject to further negotiation of executory agreements that have not yet been concluded. From a risk-pricing standpoint, this means there is at present no binding legal instrument on the basis of which the project's cash flows could be modelled. All publicly available information on TRIPP has the character of a declaration of intent. The early positioning of suppliers and subcontractors must allow for material changes in terms, especially depending on the outcome of the U.S. midterm congressional elections in November 2026 and the Armenian parliamentary elections of June of the same year.

The second weakness is legal-constitutional in nature. The combination of a 49-year exclusivity, a dominant American stake, and an SPV architecture that opens the door to private capital creates a long-term dependence that does not formally breach sovereignty but raises the cost of enforcing it. Special Eurasia<sup>25</sup>, in a January 2026 analysis, puts it sharply: under the current structure Yerevan cedes control over a strategic transit artery for at least half a century, with a concentration of decision-making power in Washington, creating an asymmetric exposure. Armenia bears the consequences locally; the United States retains freedom of manoeuvre. Eurasianet<sup>26</sup> adds that the framework document preserves a strategic ambiguity on the security question: it states that Armenia retains full authority over its own territory but leaves open the possibility that private contractors will be responsible for the day-to-day security of TRIPP. This opens the way to a permanent presence of American private security firms on the border with Iran<sup>27</sup> — something Tehran could hardly fail to notice. The "Lex TRIPP" legal analysis, advanced by Armenian lawyers and by the outlet Hetq<sup>28</sup>, goes further, proposing that the Armenian parliament adopt a separate law unconditionally subordinating all SPVs to Armenian law and excluding international arbitration in sovereign matters.

For a Polish entity entering as an SPV subcontractor, this means a concrete risk: in the event of a future crisis decision by the Armenian parliament — for example a suspension of transit arising from a conflict with Iran, or a forced renegotiation of terms after a change of government — the contractor may find itself in an arbitration dispute with the

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<sup>25</sup> <https://www.specialeurasia.com/2026/01/28/armenia-tripp-corridor-russia/>

<sup>26</sup> <https://eurasianet.org/armenia-formalizes-closer-ties-with-the-west>

<sup>27</sup> <https://carnegieendowment.org/research/2026/03/rewiring-the-south-caucasus-tripp-and-the-new-geopolitics-of-connectivity>

<sup>28</sup> <https://hetq.am/en/article/179294>

Armenian state. Arbitration clauses based on ICSID or LCIA are the minimum standard here, and KUKE insurance against political risk is simply essential.

The third weakness is economic-political in character and is perhaps the hardest to price. The project has no economic rationale independent of the political context that gave rise to it. The American Enterprise Institute<sup>29</sup>, in a 2026 critique, puts it bluntly: Azerbaijan and Turkey could obtain transit by lifting the thirty-year blockade of Armenia and establishing normal diplomatic relations. The fact that they do not do so means they calculate that TRIPP gives them more for less — without having to acknowledge a political defeat. As a result the infrastructure may be built and remain underused, which from the standpoint of a special-purpose company with U.S.-government participation would be a profitability problem. The Carnegie Endowment<sup>30</sup>, in April 2026, extends this critique to the whole Middle Corridor system, pointing out that the falling level of the Caspian Sea — in recent years on the order of several tens of centimetres per year at observed extremes — the port limitations of Aktau and Kuryk, and operational bottlenecks render current volume projections too optimistic. TRIPP is not a panacea — it is one element of a wider, underfunded system whose economics have not yet been proven at a scale matching the political declarations.

## 5. The Money That Is Not on the Table

The most serious weakness of the current package around Armenia is the mismatch between the scale of public financing and the scale of the task. Simple arithmetic of the costs of comparable projects reveals it.

On 11 September 2025 Brendan Hanrahan, a senior official of the State Department's Bureau of European and Eurasian Affairs, announced<sup>31</sup>, that the U.S. administration plans to provide Armenia with \$145 million in aid as a first significant step toward realising TRIPP. Eurasianet, in an analysis of 30 September 2025<sup>32</sup> noted that it was not clarified at the time whether the funds had already been appropriated by Congress, or when they

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<sup>29</sup><https://www.aei.org/op-eds/the-trump-route-for-international-peace-and-prosperity-through-armenia-hits-a-pothole/>

<sup>30</sup> <https://carnegieendowment.org/russia-eurasia/politika/2026/04/middle-corridor-transport-prospect?>

<sup>31</sup> <https://en.armradio.am/2025/09/12/us-announces-145-million-in-aid-to-armenia/>

<sup>32</sup> <https://eurasianet.org/armenian-transit-corridor-making-slow-progress-pashinyan>

would begin to flow. Armenian officials articulated an expectation that this was the first of further tranches — which the American side pointedly did not confirm.

The \$145 million needs to be calibrated against the real costs of comparable projects in Armenia's difficult mountainous terrain. The Sisian–Kajaran section of the North–South Corridor — a roughly 60-kilometre stretch of road comprising nine tunnels with a combined length of 12.5 kilometres and 27 bridges with a combined length of 4.7 kilometres — was estimated in 2021 by the then-minister Suren Papikyan at around one billion dollars<sup>33</sup>.

The Bargushat tunnel alone, 8.65 kilometres long, requires separate financing on the order of several hundred million dollars<sup>34</sup>. The Kajaran tunnel, 7.2 kilometres long, requires a separate loan<sup>35</sup> of \$200 million from the Eurasian Fund for Stabilization and Development. The Kajaran–Agarak section, 32 kilometres long, with two tunnels totalling 920 metres and seventeen bridges, required a contract worth \$215 million for an Iranian consortium<sup>36</sup>.

TRIPP is a 42-kilometre multimodal corridor comprising rail, road, an oil pipeline, a gas pipeline, digital infrastructure and, optionally, power lines, running through terrain topographically comparable to the most difficult sections of the NSRC. A conservative estimate of the cost of the rail and road infrastructure alone, together with the border infrastructure, falls in the range of one and a half to two and a half billion dollars. The energy and digital components add a further five hundred million to one billion. The full project cost, in a realistic scenario, falls in the range of \$2–3.5 billion. The first American tranche will therefore suffice for feasibility studies, engineering design and initial site mobilisation — not for delivery itself.

The consequences for any investor are serious. Either the United States raises its engagement significantly — which requires the consent of Congress amid numerous competing domestic priorities and may be blocked if the Republicans lose in November

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<sup>33</sup> <https://hetq.am/en/article/136034>

<sup>34</sup> Eurasian Development Bank, „Financing of the Sisian–Kajaran Section”, dokumentacja projektowa 2024–2025, <https://eabr.org/en/projects/>

<sup>35</sup> <https://arka.am/en/news/economy/armenia-will-begin-construction-of-the-kajaran-tunnel-in-2026-and-complete-a-number-of-key-road-proj/>

<sup>36</sup>

2026 — or the financing structure of the TRIPP Development Company will have to attract private capital on a scale not yet identified. In both variants, a real start of construction in the second half of 2026, as declared by Prime Minister Pashinyan, is unlikely in the sense of full operability. More probable is the commencement of preparatory works alongside continued negotiation of the final financial structure over a further 12–18 months, with a real construction start no earlier than the first half of 2027.

The €2.5 billion Global Gateway package, announced by European Commission President Ursula von der Leyen at the EU–Armenia summit in Yerevan on 4–5 May 2026<sup>37</sup>, requires separate analysis. Global Gateway is not a grant instrument but a platform that mobilises capital through guarantees, blended finance and concessional loans. The real grant component in Global Gateway packages in other beneficiary countries typically constitutes between five and fifteen percent of the declared pool. The remainder consists of debt instruments of the European Investment Bank and the European Bank for Reconstruction and Development, guarantees under the EFSD+ instrument, and private capital. The genuinely inflowing grant stream is the EU Resilience and Growth Plan for Armenia, with a budget of €270 million over 2024–2027, divided into three pillars of roughly €80–90 million each. These funds are real but disproportionate to the scale of TRIPP infrastructure.

The financial burden of the remaining infrastructure projects in Armenia is currently borne by four multilateral financial institutions. The Asian Development Bank, under its five-year country partnership strategy for 2026–2030, finances the northern Sisian–Kajaran section, 27.1 kilometres long, with \$255 million jointly with the EIB, which contributes €107 million, out of a total budget of \$400 million. The EBRD, under its 2025–2030 country strategy, finances the southern Sisian–Kajaran section, 24 kilometres long, with €236 million, with EIB co-financing. The tender deadline for this stretch fell on 16 March 2026 — which made it the first concrete contract accessible to Polish construction firms in the 2026–2027 award cycle. The Eurasian Development Bank finances the Kajaran tunnel with \$200 million. The World Bank, under its Country Partnership Framework FY25–FY29, allocates roughly one billion dollars of IBRD plus the mobilisation of private capital through IFC and MIGA, with an active portfolio comprising the \$200 million

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<sup>37</sup><https://new.soliton.az/en/news/20260505122508838-Ursula-von-der-Leyen-EU-plans-to-allocate-2-5-billion-euros-to-Armenia>

Economic Transformation Development Policy Operation of March 2026, a \$250 million housing-and-mortgage programme of December 2025, \$100 million for tourism and regional infrastructure of April 2025, and \$80 million for irrigation and water of June 2025.

The most objective indicator of the market's pricing of risk is how the market prices Armenian debt. Here we have concrete, fresh data. Fitch in March 2026<sup>38</sup> affirmed the BB-rating with a stable outlook, justifying it by per-capita income and governance indicators consistent with the peer group, strong growth prospects and sound macroeconomic policy frameworks. At the same time the agency signalled a range of risks: a wide fiscal deficit relative to the peer group, relatively weak external finances, high dollarisation of the financial sector and geopolitical risks. Moody's maintained<sup>39</sup> Ba3 with a stable outlook. Both assessments place Armenia in the speculative segment, at the highest level of that segment, but unambiguously below investment grade.

In March 2025 Armenia issued ten-year U.S.-dollar-denominated Eurobonds in the amount of \$750 million at a yield of 7.1 percent and a coupon of 6.75 percent<sup>40</sup>. The issue was three times oversubscribed — a signal of strong investor appetite despite the geopolitical risk. The spread at issue was, according to the Armenian Ministry of Finance, around 2.86 percentage points (against 2.84 pp at the 2021 issue), reflecting the risk premium of the BB-/Ba3 segment at a ten-year U.S. yield on the order of 4.5 percent. Historically, between one and a half and two percent of speculative-segment issuers declare default in a given year, which over a five-to-ten-year cycle implies a real, non-marginal default risk, especially under adverse macroeconomic or geopolitical conditions. **The implications for financing TRIPP are serious. Armenia will not finance the project from its own debt market, because at current spreads the cost of servicing would be unbearable for a project with an infrastructure-typical rate of return. Every additional public liability worsens the rating profile, which limits issuance capacity.** TRIPP must therefore be financed either from American intergovernmental aid — where \$145 million is insufficient — or through a special-purpose company with private capital, which has not yet been identified, or from international financial institutions, where procedures are standard but slow and the appetite for exposure in an unstable region is

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<sup>38</sup> <https://www.fitchratings.com/entity/armenia-83313661>

<sup>39</sup> <https://www.moody.com/researchandratings/region/asia-pacific/armenia/042042>

<sup>40</sup> [https://minfin.am/en/content/release\\_on\\_new\\_eurobond\\_issuance\\_by\\_the\\_republic\\_of\\_armenia/](https://minfin.am/en/content/release_on_new_eurobond_issuance_by_the_republic_of_armenia/)

limited. The most probable scenario is a hybrid — which implies considerable delays relative to the declared timetable.

For comparison, the regional peer group trades at materially tighter spreads. Georgia (a rating close to Armenia's) issued ten-year Eurobonds in 2021 at a yield of around 2.8 percent under lower base rates, and after normalising against current U.S. yields maintains a spread in the region of 350–400 basis points. North Macedonia (BB-) sits in a similar range. Armenia's spread, around 100–150 basis points above the peer group, reflects the market's pricing of a geopolitical discount: irrespective of solid macroeconomic indicators, investors demand a higher premium for exposure to a region with active conflicts in its immediate neighbourhood and unresolved dependencies on Russia. This discount is what the 2025–2026 package repositioning seeks to reduce — a successful execution of the strategy should translate into a convergence of spreads over the 2028–2030 horizon.

## 6. The Lessons of the North–South Corridor

There is a second layer whose omission turns any discussion of TRIPP into an exercise in optimism: Armenia's real executional history in delivering large-scale infrastructure projects. The North–South Corridor, established by government decision in 2009 to connect, via a 556-kilometre Bavra–Yerevan–Meghri highway, the southern border with Iran to the northern border with Georgia, is here the most telling case study. The route forms part of Asian Highway Corridor AH-82, linking the countries of Central Asia with Europe<sup>41</sup>.

After seventeen years of implementation, according to government documentation and an analysis by Ampop Media of June 2025<sup>42</sup>, only about one-seventh of the project has been fully completed. Tranches one, two and three are at various stages of advancement, but the technically most difficult tranche four — comprising Sisian–Kajaran, Kajaran–Agarak, Artashat–Sisian and the Kajaran tunnel — remains for the most part at the design stage or in early construction. The economist Suren Parsyan, cited by Ampop Media, estimates that the original budget of two billion dollars announced in 2017 has risen to around three

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<sup>41</sup>[https://www.unescap.org/sites/default/d8files/AH%20Agreement%20with%20Amended%20Annex%20I-%202020\\_EN.pdf](https://www.unescap.org/sites/default/d8files/AH%20Agreement%20with%20Amended%20Annex%20I-%202020_EN.pdf)

<sup>42</sup> <https://ampop.am/en/north-south-road-corridor-multi-tranche-financing-and-transparency-challenges/>

billion dollars. The reasons are rising construction-material prices, the depreciation of the dram and a protracted timetable. According to the Ministry of Territorial Administration and Infrastructure, full completion of the Sisian–Kajaran section will occur around 2032 — six years after the start of works in 2026<sup>43</sup>.

The most instructive executional case is the story of the Spanish firm Corsan-Corviam Construcción, the main contractor for tranches one and two of the NSRC. Over 2019–2021 the contract there collapsed. According to JAMnews of January 2022<sup>44</sup> workers organised two-day blockades of the NSRC in protest against wage arrears exceeding two billion drams — that is, over four million dollars — for work performed from August to November 2021. The government argued that it had met all its financial obligations to the private firm; the firm claimed the money had not been transferred. The director of Corsan-Corviam Construcción was charged; he is on a wanted list. The legal dispute went to international arbitration, for which the Armenian government allocated two million dollars from the state budget<sup>45</sup>.

The conclusions of this case for TRIPP are direct, and every serious project-risk-pricing model must take them into account. Armenia does not have a strong mechanism for enforcing infrastructure contracts when the main contractor encounters financial or operational problems; delays stretch over years, and international arbitration consumes the state budget. Exposure to the risk of a single dominant contractor is high here, because the Armenian infrastructure-construction market is too small to provide alternative domestic contractors of comparable scale. Every Western partner of the TRIPP company must assume that, over the 49-year concession period, at least one or two such executional crises will occur — each generating delays on the order of 18–36 months and arbitration costs on the order of several million dollars.

The second dimension of executional risk is the identity of the current contractors. The Kajaran–Agarak section, a key component linking the Armenian road system to the Iranian border, is being delivered by the Iranian consortium Abad Rahan Pars International Group and Tunnel Sadd Ariana, under a contract worth \$215 million signed on 23 October 2023

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<sup>43</sup><https://armroad.am/en/projects/north-south-road-corridor-investment-program/Artashat-Qajaran-Sisian-Qajaran-Qajaran-Agarak>

<sup>44</sup> <https://jam-news.net/armenia-north-south-highway-workers-protest-unpaid-wages/>

<sup>45</sup> <https://hetq.am/en/article/135476>

with EDB financing<sup>46</sup>. This places the Armenian government before three dilemmas. If U.S. secondary sanctions against Iran extend to construction firms executing contracts within the sphere of American interests, Armenia may be forced to exclude the Iranian contractors. Every Western TRIPP partner will avoid sharing a construction site with Iranian firms because of secondary risks. Iranian firms are currently the most cost-effective contractor in Armenian conditions — their exclusion will significantly raise the project's cost.

The Sisian–Kajaran section, financed in March 2025 with ADB and EIB<sup>47</sup> participation for the northern part and EBRD for the southern part, is the technically most difficult road section in Armenia's history. Sixty kilometres of road comprise 27 bridges with a combined length of 4.7 kilometres and nine tunnels with a combined length of 12.5 kilometres. The longest tunnel, Bargushat, is 8.65 kilometres. The anticipated delivery period is around six years plus a two-year defects-liability period. The combined cost of the section in the current calculation falls in the range of \$700–900 million. This is one NSRC road section, technically comparable to what TRIPP must deliver as a rail-and-road multimodal corridor over 42 kilometres — in terrain that additionally runs along the border with Iran amid an ongoing armed conflict.

The average cost per kilometre of NSRC road in the Sisian–Kajaran section is around \$12–15 million (60 kilometres for \$700–900 million). TRIPP, as a multimodal corridor with rail, road, energy and digital infrastructure, in comparably difficult terrain, should fall in the range of \$35–80 million per kilometre — which for a 42-kilometre stretch gives \$1.5–3.4 billion. The upper bound is consistent with international benchmarks (Alpine and Scandinavian tunnel corridors), the lower with a more optimistic scenario of partly open terrain. The midpoint of \$2.5 billion remains seventeen times higher than the announced first American tranche.

For an investor wishing to extrapolate the executional track record to date onto the delivery of TRIPP, the conclusions are clear. A realistic timetable for an operational TRIPP rail route is 2030–2032<sup>48</sup>. The real cost of the entire project, including the costs of delays and contract renegotiations, falls in the range of \$2.5–4 billion, not one and a half billion.

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<sup>46</sup> <https://iranpress.com/content/236666/iran-armenia-construct-agarak-kajaran-north-south-road-corridor>

<sup>47</sup> <https://www.eib.org/en/projects/all/20230365>

<sup>48</sup> Estimates are authors own. Official sources do not provide dates.

Time calculations for any Polish subcontractor should assume a 30–50-percent time buffer relative to the declared timetable — in line with the historical NSRC data. A hard escrow mechanism for contractor remuneration, arbitration clauses based on ICSID or LCIA, and KUKA political-risk insurance are required. These requirements are not pessimistic — they are simply realistic against a documented history.

## 7. External Actors

The Armenian strategy can be understood only in the context of the five axes of external influence that cross its territory. Each of these actors has a real bearing on whether the regional-hub project succeeds. They are not, however, equivalent — they differ in the scale of their engagement, their instruments and their expectations.

The United States plays the role of a political anchor with an uncertain horizon. The visit of Vice President J. D. Vance to Yerevan and Baku in February 2026<sup>49</sup> and the U.S.–Armenian framework agreement on civil nuclear cooperation under Section 123 of the U.S. Atomic Energy Act<sup>50</sup> confirm that the American administration treats Armenia as an element of a broader regional agenda encompassing the Middle Corridor and Central Asia's strategic minerals. The Times of Central Asia<sup>51</sup> reports that the nuclear package contained a preliminary framework signifying billions of dollars of potential exports and long-term fuel-and-service ties — a formulation significant in the context of the planned reactor replacement at Metsamor. The weakness of American engagement, however, is its political volatility. TRIPP is called a personal presidential project — which is an asset in the short term but a risk in the long term. The U.S.–Israel–Iran war, which began on 28 February 2026 (operations "Epic Fury" and "Roaring Lion") and, despite a conditional ceasefire of 8 April 2026, remains a destabilising factor, has already — according to the Armenian Foreign Ministry — slowed progress on TRIPP<sup>52</sup>. The State Department publicly maintains that TRIPP remains a top priority, but no concrete new financing tranches have been announced after September 2025. Every investor must therefore price in a scenario

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<sup>49</sup><https://www.osw.waw.pl/en/publikacje/analyses/2026-02-12/a-greater-us-presence-caucasus-vice-president-vance-armenia-and>

<sup>50</sup><https://www.reuters.com/world/asia-pacific/us-vice-president-vance-heads-armenia-azerbaijan-push-peace-trade-2026-02-09/>

<sup>51</sup> <https://timesca.com/ru/tripp-i-srednij-koridor-posle-vensa/>

<sup>52</sup> APRI Armenia, „The US–Israel–Iran War: Implications for the South Caucasus”, March 2026, <https://apri.institute/us-israel-iran-war-implications-for-the-south-caucasus/>

in which American engagement erodes over the 2026–2028 cycle, forcing Yerevan to seek alternative partners or to renegotiate the framework terms with Washington.

The European Union plays the role of an institutional and capital anchor. The first-ever EU–Armenia summit of 4–5 May 2026<sup>53</sup> is an event of greater significance than its concrete content. At the symbolic level, Brussels communicates that Armenia has entered the same strategic segment in which Moldova and Ukraine sit, and has left the segment in which Belarus — and, since the 2024 escalation, increasingly Georgia — remain. The summit's concrete achievements comprise a Joint EU–Armenia Declaration acknowledging Armenia's European aspirations anchored in the March 2025 law initiating the accession process, an EU–Armenia Connectivity Partnership in transport, energy and the digital sector, the €2.5 billion Global Gateway investment package, the €270 million Resilience and Growth Plan for 2024–2027, an Armenia–Frontex operational agreement on border management, and a visa-liberalisation progress report. From the Polish perspective, what matters most is that the Connectivity Partnership and Global Gateway create a programming architecture analogous to that from which Poland itself benefited under pre-accession and structural funds after 1998. One must, however, see the limitations. Armenia has not lodged a formal application for EU membership, which means that the CEPA framework and the strategic partnership agenda remain the most advanced level of relations. **Moldova and Ukraine are officially candidate countries with open negotiating chapters. Armenia, on its current path, will not approach a similar status before 2028–2030 — if at all.**

Russia retains leverage that cannot be removed quickly. The Russian stakes look as follows: roughly 54 percent of Armenia's imports, around 24 percent of exports, a monopoly on gas supply through Gazprom Armenia, operation of the rail network through YuKZhD/RZD, and supply of nuclear fuel to Metsamor. A Polish investor approaching the Armenian project must assume that, over a five-year horizon, these dependencies will persist. A warning signal is the Azerbaijan–Russia agreement of 15 April 2026 closing the diplomatic crisis after the AZAL plane disaster of December 2024<sup>54</sup>. This restores the façade of normal Russian–Azerbaijani relations at a key moment for the western leg of the INSTC and for the competition over TRIPP. Moscow is conducting an open interference

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<sup>53</sup> <https://www.consilium.europa.eu/pl/meetings/international-summit/2026/05/04-05/eu-armenia/>

<sup>54</sup> <https://meduza.io/en/news/2026/04/15/russia-and-azerbaijan-say-they-have-settled-all-issues-related-to-the-2024-azal-plane-crash-including-compensation>

campaign against Prime Minister Pashinyan's Civil Contract party ahead of the 7 June 2026 elections, instrumentalising, among others, influential oligarchs such as Samvel Karapetyan<sup>55</sup>.

Iran is, for Armenia, a strategic partner whose importance is hard to overstate — and at the same time the actor most threatened by TRIPP. Yerevan relies on a gas-for-electricity barter arrangement with Tehran that has a significant bearing on energy security and price stability in the country. Beyond energy, Iran is a critical transit corridor linking Armenia with the Persian Gulf and Asian markets. Iranian firms are actively modernising sections of the Agarak–Vardanidzor–Kajaran road, a key component of Armenia's NSRC. In 2024 Iran opened in Yerevan the largest foreign trade centre in its history, functioning as Iran's strategic gateway to EAEU markets<sup>57</sup>. TRIPP threatens Iran for three reasons. Iran loses transit revenues from the Aras Corridor, which has handled traffic from Azerbaijan to Nakhchivan since the 1990s. It fears an American intelligence presence near its northern border. And finally, Armenia is the only EAEU state with a land border with Iran, so if Yerevan were to leave the EAEU, Iran would lose access to a market of millions of consumers. Iran's reaction is currently constrained by the ongoing war with the U.S.–Israel coalition, which absorbs most of Tehran's reactive capacity. That war itself, however, threatens the Armenian economy: rising fuel costs, lengthened air routes due to the closure of Iranian airspace, a potential drop in cross-border trade. The most serious scenario is the collapse of the Islamist government in Iran, which would trigger destabilisation of the periphery: unregulated migration flows, a rupture of the gas-for-electricity barter, a possible Azerbaijani attempt to exploit the chaos to seize Syunik by force.

The latest data, however, change the sceptics' calculations. The conditional ceasefire of 8 April 2026, mediated by Pakistan, stabilised the short-term situation but deeply weakened the Iranian regime: the death of Supreme Leader Khamenei on the first day of the war and an economic catastrophe (food inflation of around 105 percent year-on-year, devaluation of the rial, energy and metallurgical infrastructure in a state of deep damage) create conditions for a scenario of a slow collapse of the regime rather than its rapid fall.

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<sup>55</sup> See also: EVN Report, „Election Primer: Understanding Armenia's Parliamentary Vote”, marzec 2026, <https://evnreport.com/elections/election-primer-understanding-armenias-parliamentary-vote/> oraz Civilnet i Hetq, doniesienia z lutego–kwietnia 2026.

<sup>56</sup> <https://ikar-thinktank.org/en/analytics/armenia-2026>

<sup>57</sup> <https://massispost.com/2024/09/18000-square-meter-iranian-trade-center-opens-in-yerevan/>

For Armenia this means a prolongation of the uncertainty around the gas-for-electricity barter and the status of Iranian contractors on the NSRC into at least 2027–2028.

Turkey and Azerbaijan form a complicated pair of conditional partners. The Carnegie Endowment of April 2026<sup>58</sup> notes that Turkey approaches TRIPP with a more expansive strategic horizon and without the same political constraints as Azerbaijan — it sees TRIPP as part of a broader Middle Corridor and is more open to regional cooperation projects with Armenia that would bring trade benefits, especially to the economies of Turkey's underdeveloped eastern provinces of Kars and Iğdır. At the same time, TRIPP may refresh Turkish–EU cooperation in transport and infrastructure financing. Carnegie underscores an important consequence for Georgia: TRIPP challenges Georgia's current status as the region's default transit hub at a moment when the ruling Georgian Dream party is turning away from Europe. Within four to six years, if TRIPP runs smoothly, Tbilisi's de facto monopoly will meet competition. Azerbaijan is the most ambiguous actor. Aliyev has publicly lifted the long-standing ban on transit to and from Armenia through third countries. Between December 2025 and March 2026 Azerbaijan sent several fuel shipments to Armenia by rail through Georgia, which Carnegie describes as practical proof of trade normalisation.

## 8. Central Asia and the Mediterranean Dimension

A full understanding of the Armenian strategy requires taking into account two layers of secondary actors — often omitted in European commentary, yet important for the real chance of realising the regional-hub project.

The first is Central Asia, where Kazakhstan played the situation with tactical finesse. In November 2025 Prime Minister Pashinyan paid a visit to Astana<sup>59</sup>. His talks with President Kassym-Jomart Tokayev focused on trade, infrastructure, transport, agriculture and aviation. The Times of Central Asia notes that the official Armenian account indicated a shared interest of both leaders in unblocking regional communication, importing Kazakh wheat to Armenia by rail, and bringing TRIPP to fruition. Tokayev described the first shipment of Kazakh wheat to reach Armenia, via Azerbaijan, as having both political and

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<sup>58</sup><https://carnegieendowment.org/research/2026/03/rewiring-the-south-caucasus-tripp-and-the-new-geopolitics-of-connectivity>

<sup>59</sup> <https://astanatimes.com/2025/11/kazakhstan-armenia-elevate-relations-to-strategic-partnership/>

economic significance. The shipment passed along existing lines through Russia, Azerbaijan and Georgia — which proves that Astana is not waiting for TRIPP but is actively testing alternative routes today. On the 9th of April 2026<sup>60</sup> Kazakhstan's transport minister, Marat Kosherbayev, met Prime Minister Pashinyan in Yerevan to discuss transport, transit and trade under the Kazakh–Armenian Roadmap for Trade and Economic Cooperation 2026–2030.

The Kazakh logic is balanced and, for a Polish analyst, significant. TRIPP will not replace the existing Middle Corridor through Azerbaijan and Georgia but will extend it with a second western branch. According to a Times of Central Asia analysis, the multimodal route through Azerbaijan, Armenia, Nakhchivan and Turkey to European markets gives the Middle Corridor a second western branch — it supplements the existing route, it does not replace it. Kazakhstan's interest is in adding another working route across the South Caucasus; that is why Astana is investing in parallel in deepening the port of Kuryk to five metres, with the participation of ERSAL Caspian Contractor (a joint venture of Italy's Saipem and Kazakhstan's ERC Holdings), in new super-ferries capable of carrying up to one hundred and twenty wagons, and in a second track on the eight-hundred-kilometre Beijing–Center line.

What makes TRIPP especially important from the standpoint of Washington and Brussels is not general trade but specifically access to Central Asia's strategic minerals. Vice President Vance in February 2026 used a Washington meeting on strategic minerals to promote the idea of an American trading bloc for minerals and rare metals, openly courting Kazakhstan and Uzbekistan. The Times of Central Asia notes that for Central Asia the practical significance of TRIPP lies in reducing dependence on a single route in the Caucasus segment — while drawing critical minerals into the same conversation in which rail schedules and port depths are being weighed. From the Polish perspective, this dimension opens a third level of interest, not directly related to infrastructure but arising from Poland's interest in supply chains for the defence and energy sectors (lithium, cobalt, copper) and for the energy transition.

The second layer of the second circle is the Mediterranean dimension, in which an informal quadrilateral France–India–Greece–Armenia alignment has emerged. The

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<sup>60</sup> <https://www.gov.kz/memleket/entities/mfa/press/news/details/1197731?lang=en>

architecture of this alignment rests on four pillars. The first is the Indian–Greek upgrade of a civilisational partnership to a modern strategic partnership — Modi's visit to Athens in 2023, Mitsotakis's visit to New Delhi in 2024<sup>61</sup>, plans to double trade turnover by 2030, a declaration on defence-industrial cooperation of January 2026, the secondment of a Greek liaison officer to the Indian Information Fusion Centre in Gurugram. The second is Indian–Armenian defence cooperation comprising the Pinaka, ATAGS, MArG, Swathi radars, ATGMs, the Akash air-defence system, and prospectively the Pralay tactical ballistic missiles and the MR-SAM system. The third is French–Armenian armaments cooperation comprising the Bastion APC, GM-200, CAESAR, and plans to transfer Russian-origin air-defence systems from a Greek warehouse to Armenia. The fourth is the French–Indian strategic partnership with the Rafale, Scorpène-class submarines and the Jaitapur nuclear project..

Importantly for the credibility of this format, in March 2024<sup>62</sup> Greek Defence Minister Nikos Dendias publicly acknowledged the potential of a defence-cooperation format comprising Armenia, Greece, France and India — a moment that the Armenian Mirror-Spectator of July 2025<sup>63</sup> notes as the transition of this format from hypothetical status to one considered operationally at the ministerial level. The IMEC Implementation Framework, formalised in April 2026 by the bipartisan Eastern Mediterranean Gateway Act bill of Senators Booker and McCormick<sup>64</sup> complements this architecture: IMEC and TRIPP are not competitive but complementary. IMEC links India with Europe by a sea-and-land route through the United Arab Emirates, Saudi Arabia, Jordan and Israel, terminating at three Mediterranean ports — Haifa, Piraeus and Trieste — while TRIPP links Central Asia with Europe by a land-and-sea route through Kazakhstan, the Caspian Sea, Azerbaijan, Armenia, Turkey and onward to the Black Sea or the Mediterranean. The common enemy is not each other, but the Northern Corridor through Russia and the traditional sea route through Suez, threatened since 2024 by Houthi attacks.

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<sup>61</sup> <https://news.webindia123.com/news/articles/World/20260209/4414595.html>

<sup>62</sup> <https://www.mod.mil.gr/en/minister-of-national-defence-nikos-dendias-visits-armenia/>

<sup>63</sup>

<https://mirrorspectator.com/2025/07/26/the-strategic-imperative-of-a-france-greece-armenia-india-quadrilateral-format/>

<sup>64</sup> S.\_\_\_\_ Eastern Mediterranean Gateway Act, introduced by Senators Cory Booker (D-NJ) and David McCormick (R-PA), April 2026; see. Press release by Sen.McCormick, <https://www.mccormick.senate.gov/>

Poland's operational entry into this conversation requires one concrete move: the activation of the Polish–Kazakh Intergovernmental Commission format, together with the inclusion on its agenda of the issues of strategic minerals and logistics across the South Caucasus. Kazakhstan, as one of the world's leading uranium producers and a key supplier of chromium, manganese and selected rare metals, treats TRIPP not as an alternative to the Middle Corridor but as its western extension. Poland, as a stable destination market with deep-water ports at Gdańsk and Gdynia and logistics hubs connecting north–south routes, has grounds to play the role of the "second end" of this corridor in the European segment, an alternative to Piraeus and Trieste.

## 9. Energy

Connectivity commentators usually overlook the fact that, in parallel with TRIPP, a second and equally consequential game is being played out: the reconfiguration of Armenia's energy system. It matters for several converging reasons. Over the 2026–2036 horizon Armenia is to retire around one thousand megawatts of conventional capacity, including the single WWER-440 reactor unit at Metsamor, which today supplies around 40 percent of electricity. At the same time, the target for the share of renewables in the electricity mix is 66 percent by 2036 — which requires around 950 megawatts of PV and 500 megawatts of wind. The exchange with Iran (gas for electricity) is today subject to real geopolitical risk on account of the ongoing U.S.–Israel–Iran war. And finally, the decision to build a new reactor — in May 2026 it was announced that it would be a small modular reactor (SMR), with the supplier to be chosen by 2027 — will be one of Armenia's most important geopolitical decisions of the current decade<sup>65</sup>.

The SMR decision deserves separate treatment, because from the standpoint of Polish sectoral interest it is one of the single most important Armenian choices. The tender involves entities from the United States (most likely GE Hitachi's BWRX-300 technology, or NuScale), Russia (Rosatom), China (CNNC), South Korea (KHNP) and France (EDF). The choice of supplier is signalling rather than merely technological in character: each supplier brings with it a long-term nuclear-fuel supply chain and servicing that is a function of diplomatic relations. An American choice would mean a definitive departure from the

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<sup>65</sup><https://www.primeminister.am/en/press-release/item/2026/03/10/Nikol-Pashinyan-Second-Nuclear-Energy-Summit/>

Russian fuel cycle. A Russian choice would mean a reactivation of Moscow's leverage at the strategic level. A Korean or French choice would be a diversification variant, a hedge between axes. The U.S.–Armenia framework nuclear agreement of February 2026, under Section 123 of the U.S. Atomic Energy Act, is a signal that Washington intends to compete actively in this tender. The Polish sector — in the context of its own BWRX-300 nuclear programme for the OSGE project — has a natural interest in the Armenian choice falling on American technology, and possesses the tools to position itself within that ecosystem as a supplier of components and design competencies.

The second important front is the transmission grid. The 400 kV Armenia–Iran line, financed by the Iranian EDB and Sanir FZE with €107.9 million<sup>66</sup>, is to raise exchange capacity from 350 to 1,200 MW. In reality this mainly serves the gas-for-electricity barter — it does not strengthen Armenia's energy security. Strategically more important is the Caucasus Electricity Transmission Network project — a 500/400 kV back-to-back HVDC link of 350 MW connecting Armenia with Georgia, financed by KfW, the EIB and an EU grant. This is infrastructure that, over the long horizon, would enable Armenia to export renewable energy to European markets via a future Black Sea Energy Cable. The project is delayed, but for precisely that reason it is strategically attractive to external competencies — any entity that brings operational competence to it will gain an opening position on a regional electricity market whose scale in 2030+ may be many times larger than today. The Polish transmission operator PSE has directly relevant experience in this regard from the construction of 400 kV lines and HVDC links, similar to the projected Armenian–Georgian one.

The third and most operational front is the segment of renewables plus energy storage. Armenia is beginning to liberalise its balancing market under CEPA commitments and needs BESS as a stabilisation tool for a growing solar portfolio. This segment is the best-matched, in competency terms, for the Polish sector. Polish know-how in designing the projected operating-reserve market is, for the Armenian regulator PSRC, reference material of the highest value — not by virtue of formal cooperation, but because Armenia is now solving exactly this set of regulatory challenges, which Poland solved a few years earlier.

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<sup>66</sup> Iran Press / Sanir FZE, press releases 2023–2024; confirmed: Asian Development Bank, „Armenia: Transmission Network Modernization”, <https://www.adb.org/projects/armenia>

The fourth front, linking energy with geopolitics, is the planned AI data centre in Hrazdan, signalled during Vice President Vance's February 2026 visit as an element of a broader American strategy of locating computing capacity in the Pacific-Eurasian regions. The project has a dual significance. On the energy side it introduces a very large, stable baseload draw, which fundamentally changes the logic of investment in baseload generation. On the geopolitical side it is perceived by APRI Armenia as a potential target of Iranian retaliatory attacks, should Tehran interpret it as dual-use infrastructure employed for intelligence operations.

## 10. The Polish Interest

From the Polish perspective, Armenia is a small market but one strategically overrepresented relative to its scale. Three million inhabitants and \$29 billion of GDP is the order of magnitude of a medium-sized Polish voivodeship. What makes Armenia important for us, however, is not the volume of potential contracts but the architecture of the situation. In Armenia, Poland can test its own export competencies in conditions strikingly similar to those in which it itself operated before 2004 as a post-Soviet country in the course of integration with the West. Every Polish entity that builds an Armenian portfolio today is simultaneously building a regional competency transferable to Moldova, Georgia, and in the longer term Ukraine. Armenia is therefore, for the Polish export sector, a testing ground rather than a destination market.

Polish–Armenian relations entered an operational phase over the last twelve months. In November 2025 a session of the Polish–Armenian Intergovernmental Commission was held in Warsaw, during which a roadmap for economic cooperation over 2025–2027<sup>67</sup> was signed. The Polish side signalled at the time its interest in participating in the Crossroads of Peace initiative. In February 2026<sup>68</sup> Prime Minister Pashinyan paid an official visit to Warsaw, during which a Polish–Armenian agreement on military-technical cooperation was signed. Prime Minister Tusk publicly emphasised an interest in deepening cooperation in the areas of the economy, infrastructure, security, education and science, and Poland's role in supporting Armenia's integration with the EU. These are classic positive signals led by government institutions — but ones that open space for the private sector.

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<sup>67</sup> <https://armenpress.am/en/article/1235559>

<sup>68</sup> [https://www.gov.pl/web/primeminister/poland-reaffirms-support-for-armenias-european-path?utm\\_source](https://www.gov.pl/web/primeminister/poland-reaffirms-support-for-armenias-european-path?utm_source)

Analytically, it is worth distinguishing the areas in which Poland has a real competitive advantage from those in which the advantage is merely declared. Six areas meet the first criterion. In transmission energy, the Polish operator PSE has directly relevant experience from the construction of 400 kV lines, HVDC links and balancing-market reforms — analogous to the Armenian–Iranian and Armenian–Georgian projects and the CEPA-driven market liberalisation. The key project to track is the Caucasus Electricity Transmission Network, financed by KfW, the EIB and an EU grant, whose first stage of 350 MW is under delivery. In infrastructure construction, Polish firms — Mirbud, Unibep, Budimex — have a proven capacity to operate in difficult geographical conditions and in politically unstable countries, as confirmed by contracts in Ukraine after 2022. Concrete opportunities are: the southern Sisian–Kajaran section, 24 kilometres long, financed by the EBRD and the EIB (the tender deadline fell on 16 March 2026, the contract to be awarded in 2026), the Bargushat tunnel, 8.65 kilometres long, financed by the EDB with \$200 million, and a potential entry into TRIPP infrastructure should the Iranian consortium be excluded on sanctions grounds.

In defense, the Polish wheeled platforms Rosomak, the Krab and Rak artillery systems, the Piorun air-defence components and ammunition are directly relevant to Armenia's post-2020 modernisation. The military-technical agreement of February 2026<sup>69</sup> provides a framework for further Polish defence exports, complementing the French and Indian channels. This channel also has strategic value: it is a signal within NATO that Poland is able to play actively in the post-Soviet space independently of Germany and France. In EU-funds implementation, Poland has a competency that Armenia directly needs: management of large pools of structural funds, building absorptive capacity, aligning regulation with the *acquis*. Twinning programmes and technical-assistance contracts under the €270 million Resilience and Growth Plan and the wider €2.5 billion Global Gateway pool are the channel most readily accessible to Polish development agencies and consulting firms. In ICT and dual-use technologies, the Polish sector is becoming increasingly export-oriented, and Armenia has a real ICT ecosystem (PicsArt, ServiceTitan with R&D in Yerevan) and a defence-tech sector built up after 2020. Cybersecurity, the cloud and dual-use technologies are areas of common interest, particularly in the context of Armenia building NIS2-equivalent frameworks under CEPA. And finally, in strategic

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<sup>69</sup> <https://www.gov.pl/web/obrona-narodowa/polska-i-armenia-zaciesniaja-wspolprace-wojskowo-techniczna>

minerals and supply chains, a potential supply chain from Central Asia to Europe runs indirectly through Armenia, in which the Polish defence and energy sectors are a natural recipient of raw materials such as lithium, cobalt and copper.

Poland's positioning within the France–India–Greece–Armenia alignment is a separate task and requires a conscious policy. Poland is not a formal part of this alignment but has grounds for a complementary role. All five states are united by a distance from the Turkey–Pakistan–Azerbaijan axis (albeit in differing configurations), an engagement in the NATO/EU security architecture, and an interest in connectivity corridors bypassing Russia. Three practical moves follow. Polish defence firms should actively position themselves in the triangle not only as suppliers to Armenia, but as a cooperative partner for the Indian defence industry (where Poland has already made initial contacts), and also as a recipient of Indian technologies in complementary areas such as radars. The second direction is the building of a Warsaw–Athens–Yerevan–Nicosia diplomatic coalition in the area of the EU's eastern-dimension policy, especially given Greek and Cypriot experience in confronting Turkish assertiveness. The third direction is the use of the port of Piraeus, already connected by rail to Poland through the Balkans (with Chinese COSCO stakes), as the Greek terminus of IMEC, structurally interested in dispatching goods to Polish logistics centres — a detail that, for the Polish maritime and logistics sector, is a real market opening.

## 11. Risk Map

A classic risk analysis for an infrastructure project in an emerging economy operates with four layers: political, regulatory, operational, currency. For the Armenian case three specific layers must be added that earlier analyses often omit: multi-vector geopolitical risk arising from simultaneous exposure to Russia and Iran; the risk of a change in the regulatory regime associated with the formalisation of TRIPP in Armenia's domestic law; and historically documented executional risk.

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regime associated with the formalisation of TRIPP in Armenia's domestic law; and historically documented executional risk.<sup>70</sup>

Polls from spring 2026 confirm a picture of sharp rivalry. An EMPIRICA survey from March and April 2026 indicated that Samvel Karapetyan (Strong Armenia) and Prime Minister Pashinyan (Civil Contract) sit, in a direct comparison, in the 34–35 percent range each — a signal of a far tenser situation than in 2021, when Civil Contract secured 53.9 percent. At the same time, an International Republican Institute survey of March 2026 showed that 72 percent of Armenians support potential EU accession, which gives Pashinyan a mobilisation resource — provided he successfully separates the "pro-EU" question from the "pro-current-prime-minister" question.

A secondary but escalatory signal is the trajectory of the conflict with Iran. The U.S.–Israel–Iran war, ongoing since 28 February 2026, is for Armenia a threat of the highest order. Rising fuel costs and lengthened air routes due to the closure of Iranian airspace directly hit the Armenian economy. Cross-border trade falls, cooperation in the energy sectors is reduced. Sanctions risk hangs over the Iranian construction firms delivering the critical Kajaran–Agarak section. The most serious of all, however, is the scenario of the collapse of the Islamist government in Iran, which would trigger destabilisation of the periphery: unregulated migration flows, a rupture of the gas-for-electricity barter, a possible Azerbaijani attempt to exploit the chaos to seize Syunik by force. The EU monitoring mission and the EU civilian mission operating since April 2026 only partly mitigate these risks.

The legal-institutional risk concerns the enforceability of TRIPP over the long term. The SPV structure plus a 49-year exclusivity create the conditions for a potential erosion of the enforceability of sovereignty. The "Lex TRIPP" critique advanced by Armenian lawyers proposes that parliament adopt a separate law unconditionally subordinating all SPVs to Armenian law and excluding international arbitration in sovereign matters. Whether such a law will be adopted before the definitive shareholder agreements are finalised remains an open question. An American or Polish investor as a subcontractor should therefore

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<sup>70</sup> The probability assessments of the scenarios are the author's own and qualitative in nature. They derive from an analysis of political conditions and the information available as of the date this text was prepared, and should not be treated as quantitative forecasts based on public opinion polling.

assume that its contract with an SPV may be subject to future political redefinition by Armenia's legislative power.

The fourth layer is executional risk — the most underestimated in the current discussion. The history of the North–South Corridor since 2009 documents that Armenia's executional capacity in large-scale infrastructure projects is limited. The collapse of the contract with the Spanish Corsan-Corviam, with the arrest of its director and a case in international arbitration; the COVID-19 pause affecting the Chinese contractor on the Talin–Gyumri section; the rise in the programme's cost from two to three billion dollars; and the expected completion of only the Sisian–Kajaran section in 2032 — all of these are real, documented risks that every TRIPP investor must take into account in its pricing models. The practical conclusions for Polish firms entering the Armenian market are concrete: a hard escrow mechanism for contractor remuneration is required, arbitration clauses based on ICSID or LCIA, KUKE political-risk insurance, and time calculations should assume a 30–50-percent time buffer relative to the declared timetable — in line with the historical NSRC data.

Macroeconomic risk is relatively low. Growth of 5.3 percent in 2026 and convergence to 5.0 percent, a fiscal deficit under control, foreign-exchange reserves at the level of \$5.1 billion (the equivalent of 3.9 months of imports) — these are levels consistent with the BB-/Ba3 peer group. The main macro risks are further energy shocks from the Middle East, where the World Bank projection assumes a 67-percent rise in gas prices in 2026<sup>71</sup>, and possible U.S. secondary sanctions targeting Armenian re-exports to Russia — a phenomenon in a phase of winding down after the 2022–2024 peak, but remaining a reputational threat for any investor with exposure to the American market.

The five first-order signals to track over a twelve-month horizon are: the outcome of the Armenian parliamentary elections of 7 June 2026; the decision on the Russian Railways rail concession, expected in the second half of 2026; the finalisation of the definitive TRIPP shareholder agreement replacing the current non-binding Implementation Framework; the decision on the SMR supplier, planned by 2027, together with a second tranche of American financing; and the trajectory of the U.S.–Israel–Iran conflict, along with its consequences for Armenia's energy balance and the status of Iranian contractors

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<sup>71</sup> World Bank, Commodity Markets Outlook, April 2026, <https://www.worldbank.org/en/research/commodity-markets>

on the NSRC. Only the materialisation of at least three of these five signals in a positive direction will confirm that the strategy is on track for delivery at the declared pace. Every Polish entity weighing involvement should calibrate its decisions around this matrix of signals.

## 12. Conclusions

Armenia in May 2026 represents a case of both high conviction and high risk — a systemic bet rather than a directional thesis. The conviction element arises from an exceptional concentration of changes occurring over a short horizon, encompassing the peace process, a gradual institutional anchoring within Western structures, and an evolution of the doctrine of domestic policy, which at least directionally converge in a single vector. At the same time the risk profile remains high on account of strong executional dependencies on contested electoral processes, the absence of a formally finalised peace treaty, the persistent pressure of regional conflicts around Iran, and still-unbroken dependencies on Russia.

From the perspective of pricing infrastructure projects, Armenia 2026–2028 offers an unusual combination. A small, transparent market anchored in multilateral financial institutions, with an overt state strategy consistent with the directions of European Union and United States capital, with a peer group comprising the Western Balkans, Georgia and Moldova, which despite weaker fundamentals trade at materially tighter spreads. An investor with a long horizon and a high tolerance for political risk can obtain here an asymmetrically favourable ratio of risk to expected return — provided the exposure is constructed with regard to the concrete executional risks historically documented by projects such as the NSRC, and not solely through macro-political projections.

For the Polish private and public sectors the conclusions are concrete. First, Armenia's repositioning is not a pro-Western turn in the classic sense but a strategy for reducing asymmetry vis-à-vis Russia. The Polish public sector should support this strategy, because Armenia's eventual exit from Russian structures lies in Poland's strategic interest, but forcing it in the short term would be counterproductive. Second, TRIPP is a project of high political weight and ambiguous economic rationale; three fundamental risks — the non-binding character of the implementation framework, the potential

mismatch in the scale of financing, and the uncertainty of sovereignty-enforcement mechanisms — require precisely defined contractual safeguards. Third, the decision on the supplier of small modular reactors is among Armenia's most important geostrategic choices of the current decade, and the Polish energy sector — in the context of its own BWRX-300 programme — has a natural interest in the Armenian technological path turning toward American solutions.

In addition, the Central Asian dimension of TRIPP is underappreciated in Polish public debate; Kazakhstan is a co-architect of the corridor and a natural strategic partner for Poland in the area of critical minerals. The four-actor France–India–Greece–Armenia format, publicly acknowledged at the ministerial level by Greek Defence Minister Dendias in March 2024, is a format in which Poland can act as a natural complementary partner — especially in the areas of defence-industrial cooperation with India, diplomatic coordination with Athens on matters of the EU's eastern dimension, and the logistical use of the port of Piraeus as IMEC's gateway to Central Europe.

The sequence of decisions that will determine the feasibility of the strategy will fit within a very short window of eighteen months: the parliamentary elections (7 June 2026), the decision on the RZD concession (second half of 2026), the official conclusion of the TRIPP shareholder agreements replacing the current non-binding framework (end of 2026 – first half of 2027), the constitutional referendum (second half of 2026 – 2027), the choice of the SMR supplier (2027), and the U.S. midterm congressional elections (November 2026). Each of these decisions is a single node of risk, but their simultaneity means that the picture of whether the strategy is genuinely feasible will be known, with high confidence, by the end of 2027.

Poland should avoid two interpretive traps. The first is treating Armenia as a country that has already made its geopolitical choice — that is to confuse rhetoric with reality. The second is over-inscribing Poland's role into the narratives of the United States, France or India, which would deprive Polish engagement of an independent profile. In Armenia, Poland has a unique asset: post-Soviet integration experience, the absence of colonial baggage, neutrality toward the internal Armenian lines of division. This advantage must be used actively and independently — not by delegating political positioning to larger partners.

**The Casimir Pulaski Foundation** is an independent, non-for-profit, non-partisan Polish-think tank conducting research on different aspects of European and Transatlantic security, with a special focus on Central and Eastern Europe.

The Foundation brings together dozens of international experts in various fields (foreign policy, defence, energy, democratic resilience) and publishes analysis describing and explaining international events, identifying trends in the European and Transatlantic security environment and recommending solutions for government decision-makers and the private sector.

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