	MONITORING
of demining a	nd agricultural land use state in the liberated territories of Karabakh
	Reporting period: January 2022 - June 2023
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	Economic Research Center under the leadership o
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Keywords: Karabakh, territories exempted from occupation, humanitarian demining, agricultural lands,

share lands, land reform, backyard lands, rent

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ABBREVIATION

EU - European Union

ANAMA - Demining Agency of the Republic of Azerbaijan

UN DP - UN Development Programme

UNHCR - United Nations High Commissioner for Refugees

MIA - Ministry of Internal Affairs

SBS - State Border Service

EAIS - Electronic Agricultural Information System

CH- Coordinating Headquarters

SSPI - State Service of Property Issues

MES - Ministry of Emergency Situations

AC - Accounting Chamber

MoE - Ministry of Economy

MoF - Ministry of Finance

MoD - Ministry of Defense

MM- Milli Mejlis //National Assembly

CoM - Cabinet of Ministers

APM - Anti-personnel mine

UO - Unexploded ordnance

SFSMAO - a system for surveying mined areas from the outside (from the air).

ATM - Anti-tank mine

LEA - Local executive authorities

Summary

In this report, monitoring of demining and use (lease) of arable lands was carried out in line with assessment of the state of water, land and other resources of the liberated areas and the changes made during the reporting period (January 2022 - June 2023) in the legislative acts providing for the legal regulation of the mentioned activities were reviewed in duly manner. The monitoring report divulged that the Ministry of Agriculture (MoA) has not provided specific criteria (mechanisms) to select agricultural companies for the purpose of leasing land in the liberated territories of Karabakh until the beginning of 2023; the issue is that one legal norm (i.e. the law adopted by the Parliament) was applied in certain areas of Azerbaijan regarding the leasing of agricultural lands, and another legal norm (Presidential decree) was applied to the lands located in Karabakh. In February 2023, by amending the law "On Land Leasing", the Land Code and the Presidential decrees on the implementation of both normative legal acts, the dual power in the legislation was put an end to, the leasing of agricultural lands and the changing of the designations of places (lands/grounds) within this type of land authority was given to the Ministry of Agriculture (MoA). The monitoring report revealed that all the companies that rent land in Karabakh either belong to the President's family ("Agro Dairy", "Dost Agropark", "Karabakh Takhil", "Azersun", "Azershekar", etc.) or to high-ranking officials ("Crown K do" LLC, "Agroinkishaf 2017" LLC, "Agro Sell-Service" LLC, "Absheron Agro 2020" LLC, "Grow Group" LLC, etc.) One of the findings of the monitoring report is the fact that the MoA is the executive body in the process of leasing the lands of Karabakh, and all activities in Garabag, including the use of land, are directly managed by the Coordination Headquarters (CO) established in the Presidential Administration.

In the course of monitoring and research, it became apparent that the humanitarian mine-clearing activity was not aimed at accelerating the settlement of the population, but rather at clearing arable land of mines and unexploded ammunition and bringing these arable lands into circulation. Therefore, although there is great interest in demining at the foreign and local level, only 4 local private companies belonging to state institutions and officials were involved in this process under the general management of the Demining Agency of the Republic of Azerbaijan (ANAMA). ANAMA's embezzlement of large amounts of public funds together with private companies is among the findings of the report.

The results of an in-depth interview conducted among a total of 60 people representing 10 different fields (agriculture, construction, road, etc.) from each of the 6 regions liberated from occupation (Aghdam, Fuzuli, Jabrayil, Zangilan, Gubadli and Kalbajar) and confirmed that there is an opaque or shady environment in the field of restoration works. The report also turned out with the help of official documents and facts that after the repatriation of IDPs to the territories liberated from occupation, the authorities intend to keep 990,723.36 hectares of agricultural lands of Karabakh and will not carry out land reform.

In the report, it was also reflected that the Coordination Headquarters, CoM and other state institutions operating in Karabakh did not observe the standards of transparency and accountability, did not divulge information and did not respond to inquiries.

1. Evaluation of the use of agricultural land in areas liberated from occupation according to legislation and transparency criteria

1.1. Land resources of Karabakh

The territories of Karabakh liberated from occupation as a result of the 44-day Armenian-Azerbaijani war that took place in September-November 2020 were included in the composition of 2 newly created economic regions (Eastern Zangezur and Karabakh) in the summer of 2021 by the Decree of the President of the Republic of Azerbaijan¹. Currently, Agdam, Fuzuli, Shusha, Tartar, Khojaly, Khojavend and Khankendi are part of the Karabakh economic region, Jabrayil, Kalbajar, Lachin, Gubadli and Zangilan are part of the East Zangezur economic region.

In the last two years, relevant government agencies have drawn up maps that include the administrative territorial divisions of the regions included in both economic regions, reflecting mineral deposits, soil types, transport (air, land, railway) and water basins, the number of the population has been determined, and detailed information base was formed on the principles of settlement and the stages of development of settlements for each administrative region. It is interesting that the database also includes the territories of Karabakh currently under the control of Armenia. It is to be noted that the maps and data are not open to the public, but are intended only for service use.

According to the official information provided by the State Service for Real Estate Affairs under the Ministry of Economy (MoE)², the total area of the two economic regions, excluding Agjabadi and Barda administrative regions³, is 1,359,977.37 hectares, of which 990,723.36 hectares are agricultural lands, and 299,946.97 hectares are forest fund lands, 5,212.41 hectares are industrial, transport, communication, defense and other designated lands, 8,395.95 hectares are water fund lands, 2,802.71 hectares are lands of specially protected areas, 50,400.7 hectares are residential areas, and 2,495.27 hectares are reserve fund lands. It should be noted that the expression "Reserve fund lands" used in the document does not correspond to the designation set forth by the legislation. According to Article 33 of the Land Code, reserve fund lands consist of state and municipal reserve lands. In addition to state lands owned, used and leased by municipalities, citizens and legal entities, lands whose right of use has been terminated, as well as those withdrawn from economic circulation as a result of conservation, belong to the state reserve fund land. The municipal reserve fund lands include the lands involved for the prospective development of settlements, the municipal lands for which the right of use and lease of legal and natural persons has been terminated, and other municipal lands with reserve purposes. Currently, the municipal institution does not operate in duly manner in the liberated territories of Karabakh due to the

https://president.az/az/articles/view/52389

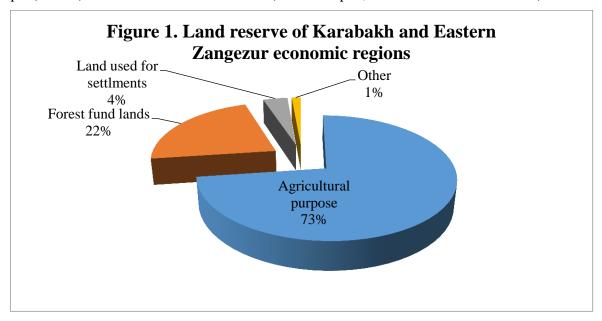
² "İşğaldan azad olunmuş ərazilərin ümumi plani. İzahat yazısı".

⁽Sənəd ictimaiyyət üçün qapalı olduğu üçün linkini təqdim edə bilmirik) // "General plan of territories liberated from occupation. Explanatory note".

⁽We cannot provide the link because the document is closed to the public)

³ Aghjabedi and Barda administrative regions, which are included in the Karabagh economic region, are not included in the development plans prepared by the government regarding the liberated territories of Karabagh, as they are not under Armenian occupation. In this monitoring report, when we say Karabagh economic region, the mentioned 2 regions are not taken into account.

lack of land reform, and at the same time, the state does not officially recognize the property rights of people (settlers) who once lived on these lands. (household plot, common land and real estate)⁴.



Source: The chart was prepared by the authors of the report based on the latest official statistics.

It should be noted that 474,080.39 hectares of land included in the territory of the Karabakh economic region (in total: 655,509.37 hectares) are for agricultural purposes, 134,232.51 hectares are forest funds, 3,760.62 hectares are for industry, transport, communication, defense and other purposes, and 4,525.52 hectares are water funds, 2 802.71 hectares of specially protected areas, 33 612.48 hectares of settlements and 2 495.14 hectares of reserve fund lands. The territory of East Zangezur economic district is 704,468 hectares. 0.12 hectares hereof are reserve fund lands, 516,642.97 hectares are agricultural lands, 165,714.47 hectares - forest fund lands, 1,451.79 hectares are lands of industrial, transport, communication, defense and other assignment, 3,870.42 hectares - water fund lands, and 16,788.23 hectares - residential areas.

Table 1. Distribution of land plots in Karabakh and Eastern Zangezur economic regions by administrative regions⁵

Regions	Agricultural	Forest fund	Settlement lands,	Total, ha
	lands, ha	lands, ha	ha	
Aghdam	93 790.15	7 060.25	12 105.6	115 812.4
Fuzuli	124 859.85	197.24	7 748.59	138 926.3
Shusha*	81 193.28	34 079.87	8 125.48	30 896.9
Khojali**	48 233.02	41 554.48	1 468.38	91 615.6
Khojavand***	108 466.31	37 861.72	3 002.66	149 800.3
Xankendi****	936.77	101.26	437.55	1 490.9
Tartar	81 193.28	34 079.87	8 125.48	126 966.9

⁴ This was reported in detail in the section "Prospects of land reform in areas freed from occupation" of the report.

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⁵ The table was compiled by the authors of the report on the basis of the latest data of the State Statistics Committee.

Jabrayil	95 172.87	2 646.17	3 849.31	102 360.3
Kalbajar	177 567.67	86 723.65	3 747.38	269 380.5
Lachin	132 339.93	45 977.24	3791.9	183 176
Qubadlı	67 023.31	8 666.05	2 957.35	79 515.6
Zangilan	44 539.19	21 701.35	2442.29	70 035.7

Notes:

- * a large part of the region is not under the control of the Azerbaijani authorities;
- ** the district is not under the control of the Azerbaijani authorities;
- *** a large part of the region is not under the control of the Azerbaijani authorities;
- **** the city as a whole is not under the control of the Azerbaijani authorities
- ***** 57 populated settlements of Aghdam district, 56 of Tartar district, 38 of Fuzuli district are also taken into account in the table data.

In Table 1, the land plots of the liberated territories of Karabakh with different purposes are presented by administrative regions. As can be seen from the data in the table, the main part of the agricultural land belongs to Kalbajar (177 567.67 ha), Lachin (132 339.93), Fuzuli (124 859.85 ha), Khojavend (108 466.31 ha) and Jabrayil (95 172.87 ha).

71.8% (489.0 thousand hectares) of occupied agricultural lands are high and good quality lands belonging to the I and II quality groups. In the area, 24.0% of lands belonging to the III group - of average quality, 4.0% of the lands belonging to the IV group - low quality lands, and 0.2% of the lands belonging to the V group - conditionally unsuitable. Most of the medium and low-quality soils - 16.0% are pasture lands. The condition of the quality indicators of these occupied lands is very high compared to other economic regions of the country. Up to 17% of quality group I (high quality) lands in Azerbaijan and more than 24% of quality group II (good quality) lands are in the territory of the Karabakh economic region. Namely this situation (the quality of most of the Karabakh lands) that motivates the authorities not to share the Karabakh lands with local residents, but to keep them as a monopoly.

1.2. Water resources of Karabakh

The liberated territories have rich surface water resources, i.e. rivers, lakes and reservoirs. Among them we observe 18 natural rivers, 11 lakes and 9 reservoirs in the region. Water resources are formed due to local and transit rivers. Local rivers mainly include Tartarchay, Levchay, Tutgunchay, Khachinchay, Gargarchay, Kondalanchay, Guruchay, the Hekari, and Zabukh rivers. The source of the transit rivers is formed outside the territory of the republic (at the expense of Bargushadchay, Okchuchay and Basitchay). The rivers passing through the area mainly flow into the Kura and Araz rivers or the rivers belonging to their basin. Tartar and Hekari rivers originate from the volcanic plateau. It is possible to irrigate the Mil and Karabakh plains with the Tartarchay, Khachinchay, Gargarchay, Hekari and Okchu rivers flowing from the southeastern slope of the Lesser Caucasus. The total water resources of the rivers

⁶ "İşğaldan azad olunmuş ərazilərin ümumi plani. İzahat yazısı"

flowing through the territory is 2295 mln.m³, of which 46% or 1049 mln.m³ is formed due to the transit rivers.

Table 2. Rivers in de-occupied areas and opportunities for use

SN	Name of river	Length,	Irrigation	Energy
		km	usage	usage
1.	Ballicachay - the left branch of Gargarchay	24	+	
2.	Badarchay - the left branch of Gargarchay	32	+	
3.	Bargushad – the left branch of Araks	158	+	
4.	Basitchay – the left branch of Araks	44	+	
5.	Hekeri	113	+	+
6.	Hocazsuchay - the left branch of Hekeri	63	+	
7.	İncechay – the left branch of Araks	51	+	+
8.	Kondelen – the left branch of Araks	89	+	
9.	Levchay – the left branch of Tartarchay	36	+	
10.	Oxchu	83	+	
11.	Qarqarchay	115	+	+
12.	Quruchay - the left branch of Araks	82	+	
13.	Tartarchay - the left branch of Kura	200	+	+
14.	Turaghaychay - the left branch of Tartarchay	35	+	
15.	Tutqunchay – the right branch of Tartarchay	35	+	
16.	Xachınchay – the right branch of Kura	119	+	
17.	Xelfelichay – the left branch of Qarqarchay	24	+	
18.	Zabux - the right branch of Hekeri	51	+	

The lakes located in Karabakh (Boyukalagol, Boyukgol, Dibgol, Ayrigol, Eyvazallargol, Parichingilalagol, Ganligol and others) are mainly of glacial origin. Almost all of the lakes are used for watering livestock. There are 9 water reservoirs with a total volume of 2285 mln.m³ in the area. 2 of them (Khudafarin and Gyz Galasi with a total volume of 1674 mln.m³ and the construction of which is continued) Araz River, 2 (Sarsang and Sugovushan with a total volume of 570.9 mln.m³) Tartarchay, 3 (total volume of 15 6 mln.m³ of Lower Kondalanchay, Kondalanchay-1, Kondalanchay-2) Kondalanchay, 1 (Khachinchay with a total volume of 23 mln.m³) Khachinchay, and 1 (Aghdamkend with a total volume of 1.6 mln.m³) on Gargarchay is located.

As it can be seen, the irrigation water basins in Karabakh are of sufficient volume. The authorities are already using some of them for the purposes of agriculture and animal husbandry for the economic needs of their companies. During the monitoring, it was recorded that 113 km of Hekari river water was transported through pipes with a diameter of 2 meters for use in farms in Zangilan.

1.3. Requirements of the legislation on the lease of state-owned agricultural lands (liberated from occupation and other areas)

Sowing of the liberated lands started immediately after the end of the 44-day war. Leasing (use) of Karabakh lands to companies belonging to the ruling family and high-ranking officials was carried out by MoA under the direct supervision of the Coordination Headquarters⁷ and local executive authorities for the centralized resolution of issues in the liberated territories of the Republic of Azerbaijan.

The types of normative legal acts are determined by Article 148 of the Constitution of the Republic of Azerbaijan, and their legal force is determined by Parts II, III, IV, V, VI of the article 149 and Article 151. In accordance with the Constitutional Law "On Normative Legal Acts", the law is applied when a decree or other normative legal act conflicts with the law. According to the Constitution, public relations that are supposed to be regulated by law cannot be regulated by Presidential decree or other normative legal acts. Because social relations regulated by law are more important and significant than decrees, they must be approved by the President after being accepted by the National Assembly.

Leasing of agricultural land should be regulated by law, as it is a public relationship assigned to the powers of the Milli Majlis of the Republic of Azerbaijan in accordance with Article 94 of the Constitution of the Republic of Azerbaijan. It is for this reason that the Law of the Republic of Azerbaijan "On Land Lease" was adopted.

However, according to the Presidential Decree dated April 27, 2021, MoA was given the authority to lease agricultural land for the production and processing of agricultural products in Karabakh⁹, control the use of leased land for its intended purpose, and assign land to the category of agricultural land. In accordance with the legislation in the territories of Azerbaijan outside of Karabakh, this process was carried out by the city and district executive authorities, and in Karabakh by the by the MoA as per the Presidential Decree.

In the field of leasing and use of state lands, the discord actually lasted for 2 years. Finally, on February 24, 2023, the President approved the changes made by the Milli Majlis (MM) to the law "On Land Lease" and the "Land Code" and the laws related to the implementation of both legislative acts were amended. With this, a person who wants to rent an agricultural plot of land owned by the state, not only in Karabakh, but in the entire territory of Azerbaijan, must apply to the National Agricultural Research Service through the Electronic Agricultural Information System (EKTIS), not to the district (city) executive authorities. However, applying through EKTIS does not mean complete electronicization of the process. There are still some unanswered questions about the process. For example, how to get information about demined farmland in Karabakh? Or if there are several applications related to the same field, based on which criteria will be selected?

Another exclusive authority given to the Ministry of Agriculture was legalized by the Cabinet of Ministers (CoM) on the basis of the President's order. With the above-mentioned Decree, the President instructed the CoM to approve the simplified procedure to assign the lands in the liberated territories to

11 https://e-qanun.az/framework/53932

https://president.az/az/articles/view/47738

⁸ Article 2.6 of the Constitutional Law "On Normative Legal Acts".

⁹ https://president.az/az/articles/view/51301

¹⁰ https://e-qanun.az/framework/53933

https://e-qanun.az/framework/5051, https://president.az/az/articles/view/59401

the category of agricultural land, as well as assigning and changing the composition of the agricultural land within that category by agreeing with the President of the Republic of Azerbaijan within two months. With its decision No. 421 dated November 24, 2022, the CoM of the Republic of Azerbaijan Republic approved the "Simplified Rule on the classification of lands in the liberated territories of the Republic of Azerbaijan to the category of agricultural land, as well as the inclusion and change of agricultural land within that category.¹³"

With the adoption of the rule, the authority to change the intended purpose of agricultural land (farm lands) under the category of agricultural land, under perennial crops and under cultivation, was officially given to MoA. The MoA will make a decision (consent) on this matter as before - on the basis of the land lessee's application (without CoM). The change of land with other purposes to the category of agricultural land, even though it is formal, is the work of CoM (consent decision must be made), and other issues related to the change of category (movements within the category of agricultural land) are under the exclusive competence of MoA.

As in all the works carried out in the liberated territories of Karabakh, the main figure in the issue of the involvement of land in the agricultural circulation, as it is officially called, is the centralized resolution of issues in the liberated territories of the Republic of Azerbaijan, which was established on November 24, 2020, two weeks after the signing of the tripartite declaration, is the Coordinating Headquarters. Without the consent of the headquarters, no company can plant land or engage in construction and installation works in the liberated territories of Karabakh.

According to the information as of the end of 2022, 128.8 thousand ha of agricultural land in the liberated territories of Karabakh were brought into crop rotation¹⁴. In the "First State Program on the Great Return to the Territories Liberated from Occupation of the Republic of Azerbaijan", MoA is responsible for determining and mapping the land areas to be involved in agricultural circulation by the end of 2026 and 197,690 ha of natural meadows, rural meadows, summer and winter pastures tasked with carrying out large-scale geobotonic research and mapping.

1.4. "Selection" of companies engaged in agriculture and animal husbandry in Karabakh

During the monitoring, it was found that only monopolistic official companies work in the agricultural sector in the territories liberated from occupation. The largest of these monopolistic companies are "Pasha Holding" owned by the family of Azerbaijan President Ilham Aliyev and "Dost Agropark", the company "Dost Ziraat Hayvancılık A.Ş.", known for its closeness to Turkish President Recep Tayyip Erdogan. Although "Dost Agropark" was built on the lands of Agali villages (First Agali, Second Agali, Third Agali) of Zangilan district, the territory of the agropark is growing a little more every month. In the process of monitoring, it was observed that the agropark has already crossed the borders of Zangilan district and occupied the territories of a number of villages of Gubadli district. The ownership of the Agropark by the presidents of Turkey and Azerbaijan is not hidden, but rather it is promoted in the

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https://e-qanun.az/framework/52812

¹⁴ I State Program on the Great Return to the liberated territories of the Republic of Azerbaijan

government media. The presidents of Turkey and Azerbaijan opened the first stage of "Dost Agropark" which was founded on October 26, 2021, a year later on October 20, 2022¹⁶.

In the first phase of the project, administrative buildings, 5,200 square meter closed and 113 thousand square meter open livestock complexes, social facilities, a cafe, a cinema, a recreation area, a swimming pool, and buildings for the service staff were built. 3500 head of cattle were brought to the complex and production of agricultural products was carried out.

As a result of the completion of the second and third stages of "Dost Agropark", it is planned to create plant-based production and technical areas on 6,000 hectares of land, as well as the establishment of livestock, seed and seedling areas for raising 10,000 head of cattle. It is planned to build an integrated meat processing and packaging enterprise aimed at the entire region, to build a warehouse with a capacity of 100,000 tons. The complex is planned to satisfy the region's demand for seeds, fertilizers and agricultural supplies. It is expected that 500 people will be employed in the complex after the project is fully completed. It is planned to invest a total of 100 million dollars in the agricultural park.

It is no coincidence that "Dost Agropark" was established in Zangilan. The Azerbaijani authorities hope that the Zangezur corridor, which is supposed to pass through the territory of Armenia, will be opened soon. After the construction of the railway and the opening of the Zangezur corridor, it will be easier to bring barley and wheat from Turkey to Zangilan (Azerbaijan), and it will be easier to export the products produced by the agropark through Turkey¹⁷.

In the "Strategic Roadmap for the production and processing of agricultural products in the Republic of Azerbaijan" adopted on December 6, 2016, it was envisaged to create agroparks in order to support farmers and those engaged in the processing of agricultural products, to increase local production and to promote exports. However, unfortunately, the infrastructure (road, irrigation water, gas, electricity) is built at the expense of the state budget funds, and in most cases, even the land is irreplaceable, all agricultural parks belong to monopolistic companies. There are 51 agricultural parks in 33 districts in Azerbaijan. A total of 189,757.1 ha of land has been allocated to agroparks. The agropark belonging to the "Agro Dairy" company has an official area of 58,241.03 ha, which means 31% of the area covered by all agroparks. "Agro Dairy" is an agrarian company of "PASHA Holding" owned by the President's family. There are other agricultural parks connected to "Pasha Holding". These are "Shamkir Agropark" LLC with 604.95 hectares, "Yalama Agropark" LLC with 1479.15 hectares, "Grand Agro" LLC with 3263.4 hectares, "Azershekar" LLC with 17006.51 hectares, "Agroinkishaf 2017" with 12300 hectares, "Azersun Agropark" with 4348 hectares, 1494.79 hectares "Agrofresh" LLC and 16-hectare "Foodcity Agropark" LLC. These agroparks mainly grow barley, wheat, corn and sugar beet 19.

¹⁵ https://president.az/az/articles/view/53740

https://president.az/az/articles/view/57642

https://report.az/ask/dost-agropark-in-direktoru-zengezur-dehlizi-acilandan-sonra-bu-erazi-logistika-bakhimindan-daha-onemli-olacag/, director of "Dost Agropark" smart agricultural complex Mehmet Zaki Togrul's interview.

¹⁸https://azertag.az/store/files/Strateji_yol_xeritesi/strateji_yol_xeritesi_kend_teserrufati_mehsullarinin_istehsalina_ve_emalina_dair.pdf

¹⁹ Information about agroparks was obtained through the court from the Ministry of Economy and the Ministry of Agriculture.

Currently, in the liberated territories of Karabakh, "Karabakh Takhyl" OJSC (subsidiary of "Saba" OJSC), "Agroinkishaf 2017" LLC, "Agro Fresh" LLC, "Azersun" LLC, "Agro Dairy" LLC, "Azershekar" LLC (all belong to the ruling family), monopolistic companies such as "Kraun Ko" LLC, "Azer Tokhumchulug" LLC, "Azagrotakhil" LLC, "Agro Sell-Service" LLC, "Absheron Agro 2020" LLC, "Grow Group" LLC are engaged in agriculture and animal husbandry.

It was planned that the listed companies would invest 170 million manats in the liberated territories by the end of 2022 and create 950 places of employment. However, the goals were not achieved. The monitoring carried out in the liberated areas showed that the activities related to agriculture failed, and in 2022, it was not possible to get a harvest in almost all of the sorghum crops due to drought. In addition to the mentioned companies, during the monitoring in the territories liberated from occupation, informally operating animal husbandry complexes - farms, said to be owned by officials of the Ministry of Agriculture, were also recorded.

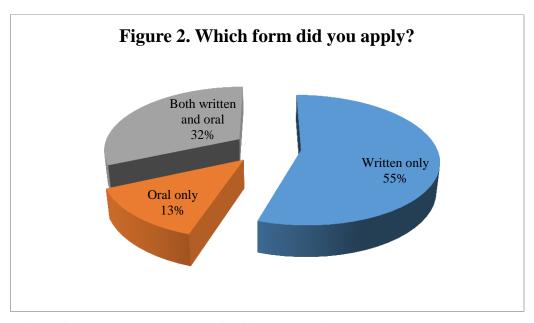
Farmers working in the field of agriculture in the territories liberated from occupation are selected on the basis of the order of the Coordination Headquarters operating in the President's Office, and they are allocated appropriate plots of land in the administrative regions included in Karabakh. It is no coincidence that in the last few years, appointments to the country's leading political posts are made only from among those who work in the management of companies belonging to "Pasha Holding". This practice is already used in the management of Karabakh. Vahid Hajiyev, the special representative of the President of the Republic of Azerbaijan in Jabrayil, Gubadli and Zangilan districts, which are part of the Eastern Zangezur economic region, was the executive director of the largest agricultural company of the President's family – "Agro Dairy" until he was appointed to the mentioned position²⁰.

2. Results of exhaustive interviews conducted among entrepreneurs

The results of the in-depth interview conducted among 60 businessmen and farmers from Agdam, Fuzuli, Jabrayil, Zangilan, Gubadli and Kalbajar regions (10 people from each region) also prove that random companies are not allowed in Karabakh. 18 (30%) of the tradesmen who participated in the interview specialized in agriculture, 34 (56.7%) in construction, 2 (3.3%) in industry, and 6 (10%) in service. 17 of them (28.3%) specialized in their fields for more than 3 years, less than 5 years, 29 people (48.3%) for more than 5 years, less than 10 years, and 14 people (23.3%) for more than 10 years.

All those involved in the interview applied to work in the liberated territories of Karabakh. 33 people (55.0%) answered "in writing", 8 people (13.3%) "verbally", and 19 people (31.7%) answered "both in writing and verbally" to the question "Did you apply in writing or verbally?"

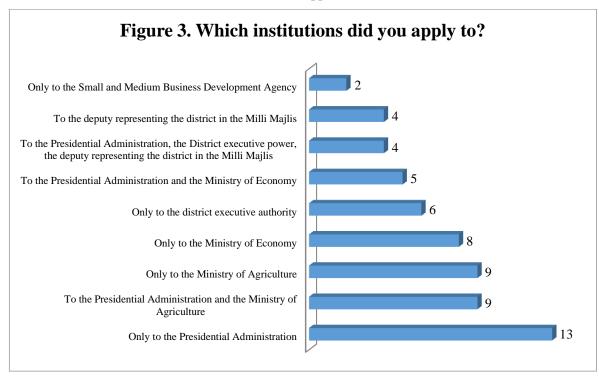
https://az.wikipedia.org/wiki/Vahid_Hac%C4%B1yev_(d%C3%B6v1%C9%99t_xadimi)



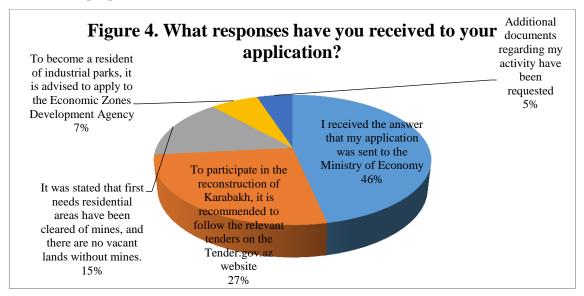
The interviewees answered the question "How many times and on what date(s) did you apply" in the following order:

- Once, in 2021; (11 people 18.3%)
- Once, in 2022; (23 people 38.3%)
- Once, in 2023; (17 people 28.3%)
- Twice, in 2022 and 2023 (9 people 15.0%)

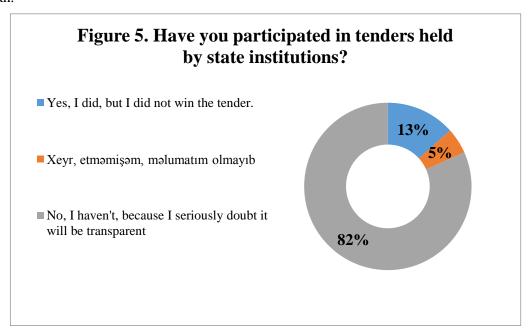
Those involved in the interview applied to various state institutions, including the President's Office. The most requested institution was the Presidential Administration: 13 people (21.7%) The ministries of agriculture and economy are also on the list of most requested institutions, respectively 9 people or 15% and 8 people or 13.3%, 6 people or 10% applied to the district executive authorities. At the same time, there were farmers and businessmen who applied to several institutions.



Entrepreneurs who applied to operate in Karabakh received different answers. The documents of 28 people (46.7%) were sent to the Ministry of Economy, 16 applicants (26.7%) were advised to follow the relevant tenders on the tender.gov.az website to participate in the reconstruction of Karabakh, 9 people (15%) were answered - "first of all, the areas needed for communication and residential areas are cleared of mines and there are no empty lands without mines". Those who want additional documents related to their activities (3 people or 5.0%) and those who are advised to apply to the Economic Zones Development Agency to become residents of Agdam Industrial Park and "Araz Valley Economic Zone" Industrial Park (4 people or 6.7%).



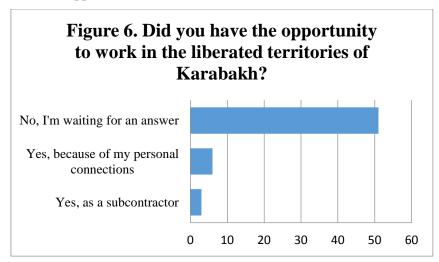
5.0 percent of the interviewees said that they prepared a detailed document (business plan) about the investment they want to make, 23.3 percent "briefly described the work I want to do", and the absolute majority - 71.7 percent "no, I only expressed my desire to work in the free territories of Karabakh."



Regarding the participation in the tenders announced by the customer state institutions (Ministry of Agriculture, State Urban Planning and Architecture Committee, "Azerenerji" OJSC, "Azeravtoyol"

OJSC, State Housing Construction Agency, Shusha City State Reserve Department, etc.) related to the works carried out in the liberated territories of Karabakh, only 8 people (13.3%) of the interviewees participated in the process related to public procurement. 49 people (81.7%) of those who took part in the interview did not participate in the tenders and explained the reason as their doubts about the transparent and fair conduct of the tenders. 3 people (5.0%) were left out of the process because they did not know about the tenders.

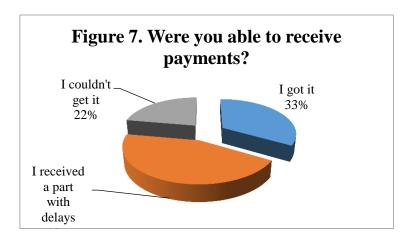
Even if they did not participate in the tenders, 3 (5.0%) of the entrepreneurs involved in the interview had the opportunity to work in the liberated territories of Karabakh. They are involved in such works as subcontractors. 6 company heads (6.0%) said that they participated in informal restoration and construction works due to their personal connections. 51 people (85%) of those interviewed are waiting for a positive response to their application.



9 interviewees (entrepreneurs) who participated in the reconstruction of Karabakh answered the question "What specific jobs did you work in" as follows:

- Construction of power lines (1 person -11.1%);
- Communication works (2 people 22.2%);
- Building construction (6 people 66.7%).

Only 3 of them (33.3%) received the cost of the work done on time. 4 people (44.4%) received a part of the payment, and 2 people (22.2%) could not receive the payment until the day of the interview.



Only 4 of the 60 participants who took part in the interview continue to operate in the territories liberated from occupation, 1 company no longer works in the mentioned territories since the work has been completed. 2 companies stopped their activities in Karabakh due to delays in payments, and 2 companies were unable to receive the value of the work they did.

3. Prospects of land reform in the liberated territories of Karabakh

3.1. The current situation in the field of distribution of allotment lands

The issue of land reform in the liberated territories of Karabakh still remains uncertain. In the meetings of the President with the representatives of the administrative regions liberated from the occupation, which coincided with 2021 and became a tradition, there was talk about the construction of residential areas, the perspective of population relocation, and the provision of 12 or 18 sot backyard plots to each family, but there was no mention of land reform. Land reform was not mentioned in the official documents regarding Karabakh until the end of 2022. The agreement protocol document signed with them for the purpose of repatriation of the residents of the restored and established residential settlements does not contain any mention of yard and allotment lands. The document imposes an obligation on residents to use residential and non-residential areas²¹ in accordance with their intended purpose²².

According to official statistics, the total population of Karabakh, including the territories currently under the control of Armenia, amounted to 952.3 thousand people by the end of 2020. According to the clarifications carried out by the State Urban Planning and Architecture Committee with the relevant competent institutions of Azerbaijan, the number of the actual population registered in Karabakh during the same period was determined to be 880,194 people or approximately 230 thousand families. Of this, 563.9 thousand people or 64% belong to the Karabakh economic region, and 316.3 thousand people or 36% to the East Zangezur economic region²³. According to another official estimate, after the restoration (uniting of settlements), the lands of settlements of the above-mentioned two economic districts (excluding Barda and Agjabedi districts) will be 50,400.7 hectares. If 12 sots of land will be allocated to each family, this means a total of 2,760,000 sots (230,000 families x 12 sots of land), 27,600 hectares (2,760,000 / 100) in terms of hectares. If we take into account that there will be roads, administrative buildings, and parks in the settlements, then it seems more realistic that the authorities, which allocated only 50,000 hectares of living space to the residents of Karabakh, would provide each family with 12 acres of backyard land.

In the "First State Program on the Great Return to the Territories Liberated from Occupation of the Republic of Azerbaijan"²⁴ approved by the President's Order No. 3587 dated November 16, 2022, the MoA. the State Committee for Refugees and Internally Displaced Persons (SCRIDP) and local implementation authorities (LEP) were tasked with collecting data on land use in 2023-2025, monitoring

²³ "General plan of territories liberated from occupation. Explanatory note", p. 54.

²¹ By "non-residential space", it is likely that the backyard is meant.

²² See Annex 1. Example of agreement protocol

²⁴ Action direction 5.1. Organization of efficient use of land and management of land resources. 5.1.10. Making proposals on land reforms.

the situation and preparing proposals based on the analysis of the results. The program envisages the formation of mechanisms related to the efficient use of land resources in the liberated territories of Karabakh in 2026.

However, on February 16, 2023, at the meeting of the Working Group on Urban Development Issues of the Coordination Headquarters in Agdam, the special representative of the President in the liberated territories included in the Karabakh economic region (except Shusha region), Mr. Emin Huseynov, said that a large delegation of government officials from government authorities will visit Israel and Turkey in order to study the experience of these countries in the field of land reform²⁵. Shortly after the announcement, on February 26, a delegation headed by Assistant to the President of Azerbaijan Shahmar Movsumov and Minister of Agriculture Inam Karimov visited Israel and held a meeting at the Israel Land Committee. The second country selected for the study (Turkey) has not yet been visited. This is probably related to the strong earthquake that happened in Turkey on that eve.

In 1996, land reform was carried out in Azerbaijan based on nine normative legal acts prepared by the State Agrarian Reform Commission of the Republic of Azerbaijan. Until that time, in 2032 (in some sources 2041), collective farms, that is, collective farms and state farms, which had existed in the country, were abolished, and their fertile land suitable for cultivation was distributed to the population. At this stage, land shares were given to 869,268 families, that is, 3,442,778 people, out of 873,618 families entitled to receive land shares in the Republic of Azerbaijan, excluding the territories occupied by Armenia, and land reform was completed by 99.5%. ²⁶

Since the reform does not cover occupied lands, Article 24 of the Law "On Land Reform" entitled "Land reform after the liberation of lands occupied as a result of the military aggression of the Republic of Armenia" is provided: "After the liberation of the lands occupied as a result of the military aggression of the Republic of Armenia, land carrying out reforms and giving lands to the private ownership of persons forcibly displaced from those lands shall be carried out in the manner specified in this Law. Reforming the lands freed from occupation and restoring the economy in those areas is carried out based on the state program."." The law "On the Reform of State Farms and Collective Farms" states that the state ensures that the reform in the territories freed from occupation is carried out based on a targeted state program.²⁸

As to the excerpts made from the relevant legislative acts, the process of distributing allotment lands to the population in other regions of Azerbaijan, except for the occupied territories of Karabakh, has been completed, and the state has undertaken to carry out land reform in Karabakh after liberation from occupation. The non-distribution of allotment lands to the population in only one part of the country - Karabakh - means a violation of the constitutional rights of the population who once lived there and their legal heirs. Paradoxically, there are administrative regions (for example, Aghdam, Fuzuli, Tartar)

²⁵ https://report.az/infrastruktur/qarabagda-torpaq-islahatlari-beynelxalq-tecrube-esasinda-heyata-kecirilecek/

²⁶ https://agroeconomics.az/az/article/38/torpaqlarin-konsolidasiyasinin-kend-yerlerinin-ink/

²⁷ http://www.e-qanun.az/framework/4207

²⁸ http://www.e-ganun.az/framework/9207

included in Karabakh and Eastern Zangezur economic regions, some of which have already undergone land reform. In the parts of these regions liberated from occupation in 2020 and in regions such as Zangilan, Jabrayil, Kalbajar, Lachin, Gubadli, the Azerbaijani authorities are determined not to carry out land reform.

3.2. Compatibility of Israeli and Turkish experiences to Azerbaijan

As for the countries where it was decided to study land reform practices, it can be said unequivocally that the choice is unsuccessful. Land reform in Israel took place in the last century - in 2009. The reform did not cover agricultural land, but provided for the private ownership of homestead land and leased land under real estate. The goal was to lower the price of houses, reduce government costs and bureaucratic obstacles related to land management.

Presently, the area of agricultural lands in Israel is approximately 450 thousand hectares, of which about 160 thousand hectares are irrigated. For comparison, today in Azerbaijan only "Pasha Holding" owned by the President's family has more than 200 thousand hectares. In Isail, 93 percent of land belongs to various forms of state ownership. Only 7% of land is in the private sector, of which 3/4 is real estate and industrial land in big cities. Since land is very valuable in this country, agricultural land is leased for 29, 49 and 69 years, and its use (cultivation) is strictly controlled by the state²⁹.

It is inappropriate to talk about any successful land reform in Israel today. The reason for the agricultural miracle of this country is not land reform, but the cultivation of new plant varieties, the introduction of innovative irrigation systems and advanced technology.

In Turkey, land reform was attempted twice after the establishment of the republic, both of which ended in failure. For the first time, Mustafa Kemal Atatürk tried to carry out land reform in the country in 1925, but he faced serious resistance from the landowners, and the reform was stopped. In 1946, the attempt of the ruling Republican People's Party (CXP) to implement land reform led to the loss of power. Adnan Menderes, who is known for his anti-reform speeches and left the CXP and founded the Democratic Party as a sign of protest against the acquisition of land from large landowners, won the elections and came to power³⁰.

The experience of both countries regarding land reform is not suitable for Azerbaijan. Most importantly, compared to the initial situation of these countries before the reform, the situation in Azerbaijan is very different. In Turkey, the land is in the hands of large landowners, in Israel, it belongs to the state. In Azerbaijan, land was taken from the peasants in the late 20s of the 20th century and collective farms were established, and later state farms were established on their basis. The essence of the land reform in Azerbaijan was to return the land to the owner - the village population.

It is interesting that the land reform carried out in Azerbaijan until the Karabakh lands were liberated from occupation was presented in the press office of the ruling New Azerbaijan Party as the

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https://www.migdal.org.ua/israel/19305/

https://www.researchgate.net/publication/343858910 TOPRAK REFORMU ve CIFTCIYI TOPRAKLANDIRMA KANUN U UYGULAMALARININ TURK TARIMINA ETKISI

most perfect model of land reform in the Commonwealth of Independent States³¹. At present, the authorities, in the example of MoA, present the creation of small plots of land as a result of the land reform as a flawed aspect of the first land reform³² and are campaigning against the distribution of allotment lands to the population.

However, the experience of agriculturally developed countries shows that the agricultural sector rests on the shoulders of small and medium farmers. In developed countries, governments use the opposite tactic, imposing restrictions to prevent the concentration of land in a few hands. For example, it is prohibited for one person to acquire more than 100 ha of land in Romania, 300 ha in Hungary, and 500 ha in Poland. Another regulatory tool is the restriction on the sale of allotment land, such land can only be leased.

Research by World Bank experts shows that the concentration of land in a few hands weakens economic development and increases poverty in rural areas. In the field of agriculture, large farms contribute positively to the economy only if state institutions that work accurately and fairly ensure the protection of property rights and strictly control the use of land according to its intended purpose, and at the same time, small and medium farmers, like large farmers, have access to cheap sources of finance and have easy access to technologies.

The implementation of land reform is considered successful when the land is distributed equally and fairly among the people living in rural areas, and the land is not allowed to be concentrated in someone's hands. The studies carried out so far also confirm that there is an inverse relationship between the level of concentration of land in the hands of monopolists and officials and the level of democracy in the country.

4. Clearing the de-occupied territories from mines

4.1. Organization and coordination of demining activities

The demining of de-occupied territories is being carried out under the leadership of ANAMA, which has received the status of a public legal entity since January 15, 2021. The activity of the agency is not completely transparent, annual reports are hidden from the public, official inquiries are not answered in detail. Since the organization does not have an official website, it uses social networks, especially Facebook³³ and Twitter³⁴, shares weekly and monthly general information about the areas cleared of mines and unexploded ordnance, does not disclose the purpose of the areas cleared of mines (residential, agricultural, etc.). At the same time, the agency provides monthly final indicators on anti-personnel and anti-vehicle mines, unexploded military ammunition and cleared area neutralized by other state bodies operating in the field of demining in Karabakh.

Determination of priority areas during demining of Karabakh territories is regulated by the Decree of the President of the Republic of Azerbaijan on additional measures related to the coordination

³¹ https://yeniazerbaycan.com/Siyaset_e8862_az.html

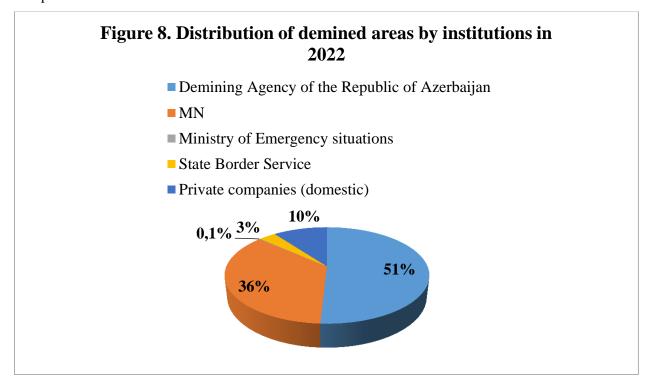
https://agroeconomics.az/az/article/34/isgaldan-azad-olunan-erazilerimizde-kend-teserrufa/

https://www.facebook.com/anama.gov.az

https://twitter.com/ANAMA gov az

of demining activities in the Republic of Azerbaijan³⁵ and the Decree of the Cabinet of Ministers (CoM)³⁶ on ensuring the implementation of Decree No. 1441 of the President of the Republic of Azerbaijan dated September 16, 2021 "On additional measures related to the coordination of demining activities in the Republic of Azerbaijan". In accordance with the order, ANAMA, in agreement with the Ministry of Defense (MoD), the Ministry of Emergency Situations (MoE), the Ministry of Internal Affairs (MoI) and the State Border Service (SBS), by December 1 of each year, shall submit its proposals to the CoM regarding the annual plan for mine clearance, taking into account the priority areas, in the area of demining and military munitions of the liberated territories of the Republic of Azerbaijan, as well as other territories affected by war and military operations.

CoM approves the demining plan for the following year at the end of the year. In the "Plan of clearing of the territories of Azerbaijan Republic liberated from occupation, as well as other territories affected by war and military operations, in 2022 from mines and unexploded ordnance, devices containing explosives" approved by the Decree of CoM No: 753s dated December 29, 2021³⁷, 40,004.4 hectares of land was planned to be cleared. In addition, based on the requests of state bodies and organizations, ANAMA was given additional tasks by the Cabinet of Ministers regarding the cleaning of areas for projects that were not included in the said Plan, but whose implementation is a priority in 2022. Within the framework of the implementation of relevant tasks, in 2022 ANAMA and state and non-state bodies involved in demining operations cleared a total of 43,915.8 ha of land, and 27,900 mines and unexploded ordnance were found and neutralized from those areas³⁸.



Source: Annual report of the Cabinet of Ministers

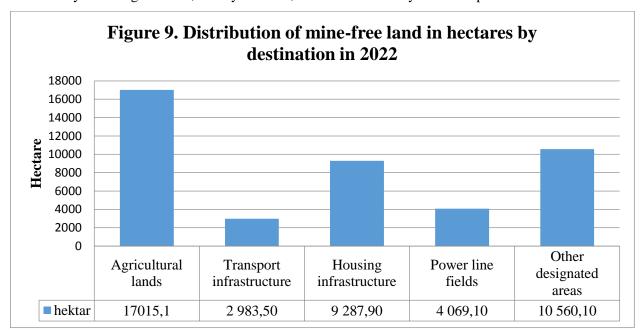
³⁵ https://president.az/az/articles/view/53105

https://e-qanun.az/framework/48430

³⁷ Plan qəbul olunduqdan sonra dərc edilməyib və hər hansı sayta yerləşdirilməyib.

³⁸ Azərbaycan Respublikasının Nazirlər Kabinetinin 2022-ci il üzrə hesabatı, səh 411.

As can be seen from the diagram, in the demining operations carried out in 2022, 22,333.7 ha were cleared by the Agency, 15,622.4 ha by the Ministry of Defense, 79.5 ha by the Ministry of Foreign Affairs, 1,397.4 ha by the SBS, and 4,482.7 ha by local companies. 16,000 mines and unexploded ordnance were detected and neutralized by the agency, 6,000 by the Ministry of Defense, 1.6 thousand by the Ministry of Foreign Affairs, 147 by the SBS, and 4.2 thousand by local companies.



Source: Cabinet of Ministers, ANAMA

17,015.1 ha of the cleared areas in 2022 were agricultural lands, 2,983.5 ha were transport infrastructure, 9,287.9 ha were residential infrastructure, 4,069.1 ha were power line areas, and 10,560.1 ha were areas for other purposes. Expressing as a percentage, 38.7 percent of the demined areas were agricultural lands, 21.2 percent were residential areas, 6.8 percent were power lines, and 24.1 percent were other areas³⁹.

As for the distribution of the areas cleared of mines by ANAMA and other institutions by regions in 2022, 8,505.1 ha in Agdam region, 9,611.8 ha in Jabrayil region, 6,304.9 ha in Fuzuli region, 5,986 ha in Kalbajar region, 7 ha, 3,177.4 ha in Zangilan district, 2,628.0 ha in Lachin district, 2,355.6 ha in Khojavand district, 2,221.1 ha in Tartar district, 1,484.8 ha in Khojaly district, 1,330.5 hectares in Gubadli district, 269.3 hectares in Shusha region and 40.5 hectares in other regions were cleared of mines and other explosive ammunition⁴⁰.

According to the information we received from ANAMA as a result of an official inquiry, 4 local companies were also involved in demining activities in Karabakh. These are the companies, such as, "Alphademining", "Gaya Safety", "Safety Point" and "Azerbaijan Demining".

On March 13, 2022, President Ilham Aliyev touched on this issue, albeit briefly, in a meeting with leaders of leading German companies in Berlin: "In addition, several Azerbaijani companies have

³⁹ Report of the Cabinet of Ministers of the Republic of Azerbaijan for 2022, page 412

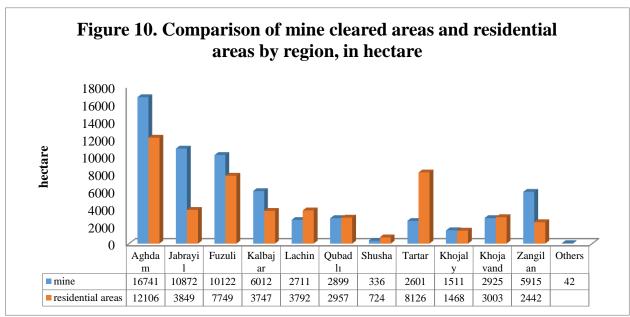
⁴¹ See: annex 2.

also started operating recently. Now they are also engaged in demining and their price is reasonable."⁴² However, neither ANAMA nor the President provided information on how private companies were selected and the prices of services.

At the meeting of German businessmen with the President of Azerbaijan in Munich, the CEO of the Company "Global Clearance Solutions AG", Filip Michaelis, said that he sold equipment for the Ministry of Foreign Affairs, conducted training in the field of demining, and added that they want to accelerate the development of the Karabakh region and to intensify their relations with the government of Azerbaijan so that IDPs can return to their ancestral homes. Mikhaelis offered cooperation for the demining of Karabakh lands: "The cost of demining per square meter in 20-25-year conflicts is 15 cents... We believe that by applying international expertise and infrastructure, we can lower the price." However, the government of Azerbaijan has not yet given a positive response to his proposal.

As can be seen from the facts presented about demining, the priority for the Azerbaijani authorities in the field of demining is not residential areas, but agricultural lands. It is interesting that compared to 2021, in 2022, the area of agricultural land cleared of mines, more precisely, the area of arable land increased from 32 percent to 39 percent. There was no fundamental change in the area of residential areas being cleaned, 21 percent in 2022 against 20 percent in 2021⁴⁴.

The area of all settlements located in Karabakh and Eastern Zangezur economic regions is 50,400.7 hectares. If we compare the demined areas by administrative regions with the areas of residential areas located in those regions, we will see that if the government's priority in demining was residential areas, the residential areas of all regions would have been cleared of mines before the end of 2022.



Source: The chart was compiled by the authors of the report based on official statistics.

As for the latest statistics as of the date of preparation of the report, as of May 1, 2023, ANAMA has cleared 77,297 ha of landmines in Karabakh together with the Ministry of Internal Affairs, Ministry

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⁴² https://president.az/az/articles/view/59166

⁴³ https://president.az/az/articles/view/59166

⁴⁴ See: Appendix 3 and Appendix 4

of Emergences, State Border Service, Ministry of defense and the above-mentioned private companies.⁴⁵ According to the official forecast, 215,000 hectares of the Karabakh territory will be cleared of mines by the end of 2025, and 280,000 hectares by the end of 2026^{46} .

4.2. The number and area covered by mines buried in Karabakh

The Azerbaijani authorities are not in a hurry⁴⁷ to return the population forcibly removed from Karabakh as a result of the occupation of Armenia, and they highlight two issues in both the local and foreign media as factors that prevent resettlement. These are the following:

- Contamination of territories of Karabakh liberated from occupation by Armenia with a large amount of mines;
- Non-support of humanitarian demining activities by international organizations, foundations and nongovernmental organizations specialized in the field of demining.

To date, no official or alternative independent research has been conducted on the number of mines buried by Armenia or the mined area in the liberated territories of Karabakh. President of Azerbaijan Ilham Aliyev announced a controversial figure at the plenary session of the 6th Summit of the Council on Interaction and Confidence Building Measures in Asia held in Astana on October 13, 2022: "According to preliminary estimates, Armenia buried more than one million mines during the occupation." According to the calculations of international experts, Azerbaijan needs about 30 years and 25 billion US dollars to solve the issue of demining the territories⁴⁸. On March 13, 2023, President Ilham Aliyev voiced the idea of Armenia burying more than one million landmines during the occupation period in Berlin on March 13, 2023, in a meeting with the heads of leading German companies⁴⁹. However, he still did not provide information about which international experts made the calculation.

However, in his address to the participants of the international conference on "Combating the threat of landmines - the path to sustainable development" held on May 26, 2023, President Ilham Aliyev made the following statement: "According to preliminary estimates, Armenia buried more than 1.5 million landmines on our lands during the occupation period."⁵⁰. Heidi Thomas Kühn, the founder and head of the Roots of Peace organization with its headquarters in California, sent a video message to the

⁴⁵ The indicator was calculated by the authors of the report by processing the data published by ANAMA on social

⁴⁶ Ibid. Priority direction 1. Organization of safe living and state administration in the territories. Action direction 1.1. Clearing territories from mines and unexploded ordnance, reliable protection of the state border on territories, organization of security and state administration.

⁴⁷ In the section of the report "Plans for settlement of Karabagh", an extensive study of the plans and programs of the Azerbaijani authorities in the field of settlement of territories freed from occupation is presented.

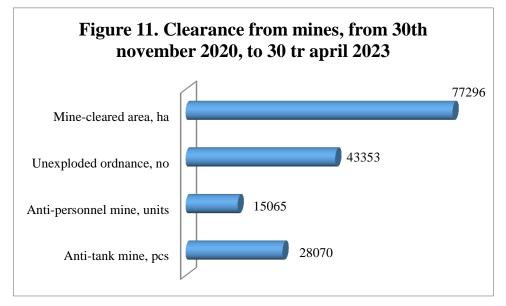
⁴⁸https://azertag.az/xeber/Prezident_Ilham_Aliyev_Azerbaycana_erazilerin_minalardan_temizlenmesi_uchun_texminen_30_il_v e 25 milyard ABS dollari lazimdir-2331560

https://president.az/az/articles/view/59166

ttps://president.az/az/articles/view/59956?fbclid=IwAR2cSFXe8YW3-F5Ra4xTrYzFfVS- IZroI9WIkAgVNhNecc2c8fmppU1fA

conference: "Azerbaijan is among the countries of the world contaminated with more than 1 million landmines and exploding munitions." ⁵¹

However, the final statement adopted at the end of the conference did not mention any specific indicators regarding the number of mines or the area covered by them.



Source: Compiled by the authors of the report based on the official guidelines of ANAMA.

Since the end of the 44-day war, a total of 86,488 anti-tank mines, anti-personnel mines and unexploded ordnance have been neutralized. Of them, 28,070 are complete, 15,065 are PAM, and 43,353 are PHS.

It should be noted that in international practice, the number of TAM, PAM and PHS is not used to indicate the degree of mine contamination. If we approach the criteria of international organizations engaged in humanitarian demining activities, the mentioned numbers are not enough to create an idea of the real picture of contamination, and at the same time to prepare an estimate (required costs) of demining. In international practice, the indicator of the area of mined areas is used for this.

It is very important to accurately determine the area of land contaminated by various types of mines and munitions in de-occupied areas, because this indicator enables you to directly calculate the duration and required costs of demining process. It should be noted that after the 44-day war, the officials of ANAMA gave different numbers such as "3-5 years" and "10-15 years" as the period for cleaning Karabakh from mines. However, it is inappropriate to talk about any reasonable calculation here. During the calculation of demining time and costs, terrain relief, level of mine contamination (low, medium, high) and many other factors that create difficulties (type of anti-personnel mine, presence of anti-vehicle mine, presence of surprise mine, natural migration of mine, depth of burial, etc.) weather conditions, density of grass cover, etc.) should be taken into account in duly manner.

The authorities claim that the area of land contaminated with mines is large, only the old contact line between Armenia and Azerbaijan is not buried with mines, and they are campaigning in this direction

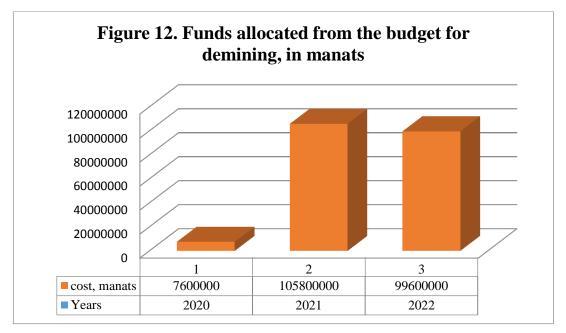
⁵¹ https://fb.watch/kRpNhYt205/

at the local and international level. With this, it tries to justify the mass non-return of the population, the delay of settlement, and the extension of the process until 2040.

4.3. Financing demining of de-occupied areas

Cleaning of Karabakh from mines and UOs is carried out mainly at the expense of the state budget of the Republic of Azerbaijan, but some international organizations and countries also provide technical support and financial assistance to this process.

According to the "Annual report on the implementation of the state budget of the Republic of Azerbaijan for 2021". 105.8 million manats will be allocated from the state budget in 2021 for the clearance of unexploded ordnance and mines from the territories liberated from occupation (97.6 million manats for the reconstruction and restoration of territories liberated from occupation). were spent. It should be noted that in 2020, 7.6 million manats were allocated from the budget for this direction, which is 14.1 times less than the indicator in 2022.



Source: Prepared by the authors of the report based on the official instructions of CoM and MoF.

In 2022, 99.6 million manat were spent from the state budget for demining activities. Some directions of the spending of the allocated funds are mentioned in the "Report of the Cabinet of Ministers of the Republic of Azerbaijan for 2022"⁵³. The funds are for the cleaning of territories liberated from occupation, as well as other territories affected by war and military operations, from mines and unexploded ordnance, devices containing explosives, and other explosive remnants and in order to speed up work, as well as to increase its quality, it was spent on the purchase of "GCS-200", the anti-tank demining complexes, their spare and auxiliary parts.

According to the official information, within the framework of the application of innovative solutions and new technologies, the application of systems for the investigation of mined areas from the outside (aerial) by means of drones equipped with various sensor devices (RAMS) was continued in

Report of the Cabinet of Ministers of the Republic of Azerbaijan for 2022, pages 38-39

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⁵² https://maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat

2022, as a result, research work was carried out in the area of 33 thousand ha in that year. 19,500 mines and unexploded ammunition were identified. Based on RAMS data, 2,000 hectares of land in Jabrayil region were liberated from danger in 2022 with minimum resources⁵⁴.

In 2022, 3 new mobile field camps, fully equipped with inventory and equipment, were built in Agdam, Zangilan and Khojavend regions. 150 sets of magnetic locators, 335 sets of metal detectors, 850 sets of personal armored protective clothing were purchased for use in the field of demining in 2022 at the expense of funds provided in the state budget, 17 demining dogs, 1 MV10 mechanical demining machine were purchased. relevant contracts have been concluded for this purpose. During 2022, 15 demining machines and 56 vehicles of different brands were purchased and put into operation⁵⁵.

The Azerbaijani authorities claim that they do not receive financial support at the international level in order to eliminate the humanitarian disaster caused by Armenia. Speaking at the international conference held at ADA University in April 2022 on "South Caucasus: Development and cooperation", Mr. Ilham Aliyev said that no international organization has helped Azerbaijan in mine clearance: "We need the support of international NGOs dealing with the mine problem. None of them have seen Azerbaijan yet. We know that there are a number of NGOs and foundations that help with mine clearance. As far as we are concerned, no one is helping. All works carried out in the liberated areas are carried out at the expense of the state budget of Azerbaijan. We have not received a single dollar from any country or international organization.⁵⁶"

The President voiced a similar accusation a little mildly on May 26, 2023: "I would like to note that more than 90 percent of our demining activities are carried out at the expense of our country's internal resources. At the same time, we cooperate effectively with a number of our foreign partners in this field, and we are grateful to the countries and international organizations that support us. "Unfortunately, looking at the overall picture, the amount of support from abroad is still very limited." The United Nations Development Program (UNDP) is a long-term cooperation organization with Azerbaijan in demining Karabakh. According to official information, between 2000 and 2020, ANAMA together with UN IP neutralized 800,000 mines and unexploded ordnance.

After the 44-day war, our country received financial support in this field from the United States, the United Kingdom, the European Union, and the United Nations. After 2020, the UN alone allocated 11 million dollars to help clear the territories of Azerbaijan from mines. Vladanka Andreyevka, the UN resident coordinator, said that "with the financial support of the European Union (EU), the UK government, other partners and the internal resources of the UN, three UN agencies - the UN Development Program (UNDP, UNICEF and the UN High Commissioner for Refugees) (UNSC)

55 Ibid/ page 414

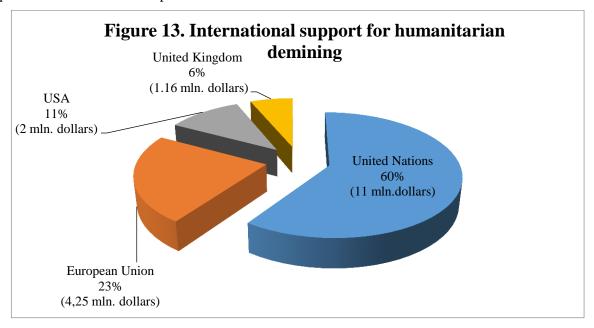
⁵⁴ Ibid. page 412

⁵⁶ https://president.az/az/articles/view/55909

https://president.az/az/articles/view/59956?fbclid=IwAR2cSFXe8YW3-F5Ra4xTrYzFfVS- IZroI9WIkAgVNhNecc2c8f-mppU1fA

https://news.un.org/ru/story/2021/04/1400082

supports ANAMA's mine action efforts through institutional strengthening, provision of technical expertise and education on explosive ordnance risk."⁵⁹



In addition, ANAMA has been cooperating with the Marshall Heritage Institute of the United States since the late 90s. As of October 2022, since 2005, the Institute has provided ANAMA with 60 mine detection dogs. Another 15 mine detection dogs were expected to be handed over in June⁶⁰.

4.4. Corruption risks in the expenditure of local and foreign funds allocated to the demining process

The Ministry of Finance (MoF), which is responsible for the spending of budget funds in the past 3 years after the end of the 44-day war, and which should organize the implementation of state financial control over the spending of funds allocated from the state budget, and the Accounting Chamber⁶¹, which should implement external state financial control measures in accordance with the law (The reports and opinions of state institutions such as HP) do not mention the allocation of funds from the state budget for demining activities based on cost estimates (standards), the spending of the allocated funds, and how much it costs to clear 1 square meter of territory on average. At the same time, it is not possible to calculate how many manats it costs to clean up 1 hectare (or 1 square meter) of land or 1 mine and PHS, as the exact statistical indicator regarding the distribution of funds allocated by international organizations and foreign states by year has not been disclosed. The MoF implicitly refuses to respond to information requests with sentences such as "In order to obtain additional and more detailed information about the implemented projects, you are recommended to apply to the relevant customer institutions.⁶²"

 62 https://e-ganun.az/framework/39922. Law of the Republic of Azerbaijan "On the Accounting Chamber".

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 $[\]frac{59}{\text{https://apa.az/az/apa-tv/xeber/xeberler/bmt-azerbaycan-erazilerinin-minalardan-temizlenmesi-ucun-11-milyon-dollar-ayirib-80388}$

⁶⁰ https://azertag.az/xeber/Marsal Irsi Institutu ANAMA nin komandasini ABS da 2022 ci ilin en yaxsi kollektivi elan ed ib VIDEO-2339705

⁶¹ https://e-ganun.az/framework/16199. "Regulation on the Ministry of Finance of the Republic of Azerbaijan"

As in other directions of the funds allocated from the state budget under the name of reconstruction of Karabakh, there is a lack of transparency in the field of demining, the names of the countries and institutions that allocate funds for humanitarian demining and the amounts of aid are not disclosed by the Azerbaijani authorities. It is interesting that there is no institution monitoring and auditing the spending of foreign funds in the country.

As a result of the audit of ANAMA from 01.01.2021 to 01.07.2022 by the Accounts Chamber, which carries out the general control and coordination of mine clearance activities, the following serious violations in the field of financial activity and compliance with the requirements of the legislation on state procurement were revealed⁶³:

1. In the field of choice of 4 private companies:

- 1.1. ANAMA has signed 2-year contracts with 4 local legal entities on the subject of de-mining and unexploded ordnance clearance in the territories liberated from occupation, contrary to the tender legislation, using the method of purchasing from a single source;
- 1.2. As of December 10, 2021, when the contracts were concluded, the 4 companies mentioned did not have the necessary labor resources and material technical base;
- 1.3. The amount of the contract was unjustifiably inflated due to the inclusion of the full amount of capital costs (purchase of equipment and techniques) in addition to current costs in the prices formalized by the contracts (in the price offers of the contractors).

2. In the field of compliance with the requirements of the legislation on public procurement:

- 2.1. The requirements of the legislative acts regulating state procurement (procedural nature) were unexpectedly spent in the amount of 3297.8 thousand manats in several cases;
- 2.2. Probable prices within the framework of public procurement have not been determined optimally;
- 2.3. Different prices were applied in separate contracts for the purchase of goods of the same name;
- 2.4. Installation of containers for mobile field camps and modular bases, supply of vehicles and equipment with spare parts and maintenance services, accommodation services within the framework of organizing trainings for the participants, delayed implementation of overpayments in the amount of 96.2 thousand manats were allowed due to non-application of fines on contracts.

3. In the field of accounting and tax calculation:

- 3.1. Accounting of reserves on factual cases, such as storage, commissioning, decommissioning, reuse, etc. for all structures subordinated to ANAMA (including regional centers) was not carried out in an automated manner, the intra-household movement of those assets was recorded only in paper form;
- 3.2. Taxes in the amount of 504.5 thousand manats were not paid to the state budget contrary to the legislation;
- 3.3. The value of assets in the amount of 1916.9 thousand manats acquired without compensation was not attributed to income, and 36736.4 thousand manats for capital expenses were attributed to expenses illegally deducted from income;

⁶³ https://sai.gov.az/audit/108

3.4. The payment of 29,534.9 thousand manats paid as an advance to the organization that was ordered to clear the territories of mines and military ammunition was unreasonably deducted from the income.

As a result of the audit of the Chamber of Accounts, the payment of funds to the state budget in the amount of 612.5 thousand manats diverted by ANAMA from the budget was restored.

4. Results

The results of the comprehensive and in-depth interviews conducted among 60 entrepreneurs who applied to operate in the liberated areas of Karabakh, the monitoring carried out on the spot regarding the mine-cleaning of the liberated territories of Karabakh and their inclusion in the agricultural cycle, the examination of the legislative framework adjusting the leasing of agricultural lands, are the basis for coming to the following conclusions:

- 1. The areas cleaned from mine include mostly agricultural lands. At the end of each year, in the annual plan for mine-cleaning works, prepared with the participation of ANAMA and approved by the decree of the CoM, priority was given to agricultural fields, not the territories of residential areas. Analysis of mine-cleaned areas in 2021 and 2022 shows that respectively 32% and 38% of them are arable land.
- 2. ANAMA hides its action plans and reports from the public, since the mine-cleaning activities are aimed solely at meeting the needs of the arable land of the ruling family and companies owned by high officials. This institution does not even have an official website. CoM does not place or publish its orders related to demining on its website, contrary to the law.
- **3.** It is reported that the applications of independent farmers who are not connected to officials to work in Karabakh are either not answered, or at best are registered in the Ministry of Economy and Agriculture as the relevant institution. This concludes the process, such farmers are not allowed to operate in the territories liberated from occupation.
- **4.** Livestock farms belonging to high-ranking officials of MoA operating informally in Karabakh were discovered during monitoring.
- 5. As it is officially said, the consolidation of residential areas is not due to the need to save state funds and resettlement in the direction of the reconstruction of Karabakh, but rather to seize arable land. If it were not so, by June 15, 2023, a total of 161 families would not have been relocated to the territories liberated from occupation in exchange for spending 6.5 billion budget funds.
- 6. The authorities do not intend to carry out land reforms in Karabakh. In the 1st State Program adopted on the restoration of Karabakh, the MoA was instructed to prepare proposals for effective land use mechanisms by the end of 2026. The reason for not carrying out the land reform is that the lands of the state farms and collective farms created during the USSR were not distributed to the population, they were kept in the state's property, and they were leased to official companies for a long time based on the simplified lease procedures established at the moment.
- 7. It is planned to use all available water resources in Karabakh to irrigate agricultural fields owned by officials. During the monitoring, it was recorded that the Hakari River located in Gubadli was diverted to official farms in Zangilan and Jabrayil, which have relatively small irrigation water resources, with 2-

- meter diameter pipes. This also contributes to the disturbance of the ecological balance, and seriously affects the fauna and flora of rivers and lakes.
- **8.** MoA, which leases land in liberatedf areas, does not disclose the leasing mechanism and the criteria for selecting companies. The analysis of the data obtained from various sources and collected from the places shows that MoA does not have any operating leasing mechanism, as long as the lands are cleared of mines, the ministry concludes lease agreements with the official companies based on the instructions of the IA operating in the Presidential Office.
- 9. From February 2023, within the category of agricultural land, the authority to change the intended purpose of agricultural land (grounds) under cultivation, perennial crops and rest has been officially given to MoA. This is calculated for the urgent and rapid change of the designation of the places (ugodiy) included in the agricultural lands in the liberated areas, according to the wishes of the official companies, without the opinion of any state institution, as before, the district (city) executive authorities and the State Service on property Issues (SSPI) do not participate in the process.
- 10. At the beginning of 2023, the dual power regarding the leasing of agricultural land was ended, the parliament adopted the relevant amendments and additions to the Law "On Land Leasing" and the Land Code, and corresponding changes were made in the presidential decrees regarding the application of both normative acts. With this, the legal gap in the field of agricultural land lease has been eliminated.
- 11. The products taken from the leased lands in Karabakh and Eastern Zangezur economic regions, as well as the subsidy amounts allocated to them from the state budget, are not disclosed.

5. Recommendations

5.1. For the Cabinet of Ministers:

- At the end of each year, the annual plan for demining for the following year, approved by the order of the Prime Minister, should be printed or placed on the website of CoM in order to make it available to the public;
- Every year in the Karabakh and Eastern Zangezur economic regions, with the approval of the CoM, the areas and justification of the lands changed from other designation categories to the agriculture designation category should be announced;
- In the annual report submitted by the CoM to the parliament at the beginning of each year, the funds allocated for demining, restoration and reconstruction of Karabakh and Eastern Zangezur economic regions should be disclosed in more detail, and the funds allocated for the client state institutions and main contractors should be reflected.

5.2. For the Ministry of Finance:

- Quarterly (operational) information on the execution of the state budget and annual (extensive) reports should reflect more detailed information about the funds allocated to the client state institutions for the purpose of restoration and reconstruction of the territories liberated from occupation.

5.3. For the Ministry of Agriculture:

- At the end of each year, the areas of the designated areas (ugodias) and the necessity (justification) of the changes within the agricultural lands of Karabakh and Eastern Zangezur economic regions should be announced;
- The selection criteria of the companies using the leased land in Karabakh and Eastern Zangezur economic regions should be announced;
- Information and competition conditions (criteria) about the areas of mine-cleared arable lands intended for rent in Karabakh and Eastern Zangezur economic regions should be announced regularly;
- IDPs and representatives of civil society should be regularly informed about the land reform planned to be carried out in the territories liberated from occupation and the application of the international experience learned in this direction in the country, and their opinions should be studied;
- The products taken from leased lands in Karabakh and Eastern Zangezur economic regions (for each type of product) and the amounts of subsidies allocated from the state budget to the companies using the lands should be announced;
- Information about agricultural companies that have applied to work in areas liberated from occupation should be disclosed (total number of applicants, number of those who were refused with the reason given, number of those whose application was answered positively).

5.4. For the Minesweeping Agency of the Republic of Azerbaijan:

- Indicators on mine-cleaned areas should be published monthly, specifying their target for each administrative region (agriculture, housing, energy, transport, etc.);
- Expenditure of the state budget allocated for humanitarian mine-cleaning activities in Karabakh should be disclosed in terms of demining contractor private institutions, purchase of relevant equipment and supplies, salary costs and other directions;
- Launching of ANAMA's website should be accelerated and Agency's annual reports posted on the website;

The cost of cleaning an average of 1 square meter of mines and unexploded ordnance in the liberated territories due to the funds spent so far (state budget and allocations of international organizations) should be calculated and officially announced;

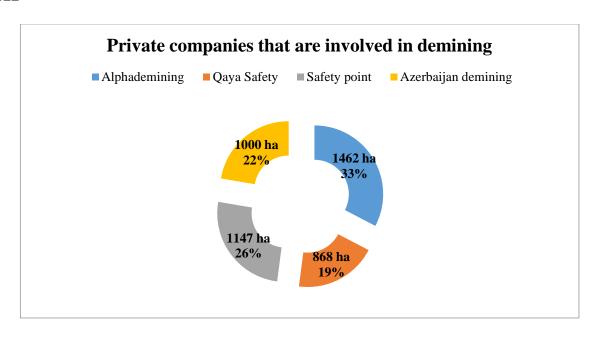
- Start the work of calculating the area of land contaminated by mines in the liberated areas, involve competent foreign experts and organizations in order to avoid doubts about the objectivity of the results of the calculation in the international community, abandon the practice of the number of mines currently used at the level of the country's administration to characterize contamination with mines and ammunition;
- Report on public funds allocated to private companies ("Alphademining", "Gaya safety", "Safety point" and "Azerbaijan demining") involved in mine-cleaning activities (selected as contractors) in deoccupied areas, and in turn, the companies also finance and operate publish reports.

6. Annexes

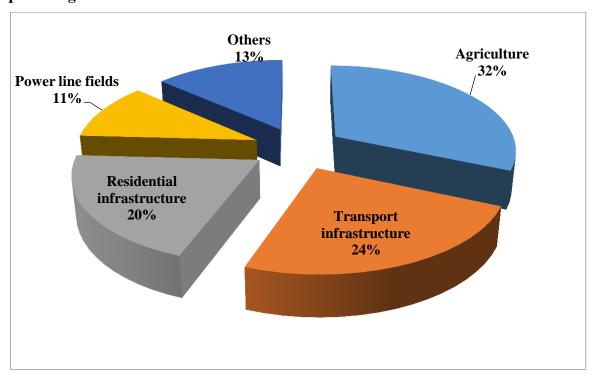
Annex 1. Sample agreement protocol

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Appendix 2. Areas cleared by private companies involved in demining by December 31, 2022



Appendix 3. Distribution of demined lands in Karabakh in 2021 by destination, in percentage



Appendix 4. Distribution of demined lands in Karabakh in 2022 by destination, in percentage

