

UDC 378

**AZERBAIJAN EXPERIENCE OF MANAGING  
INFRASTRUCTURE AND INVESTMENT-CONSTRUCTION  
PROJECTS IN TERRITORIES LIBERATED FROM  
OCCUPATION  
(Part 1)**

*Valiyev Farahim Alif*

*Azerbaijan University of Architecture and Construction, PhD in  
Economics, assistant professor*

*Email: veliyevferahim61@gmail.com*

*ORCID 0000-0003-1912-0515*

**Abstract:** Throughout history, conflicts and wars among nations have led to extensive destruction, necessitating post-conflict recovery efforts to rebuild infrastructure, regions, and cities. Following the Second World War, one of the most severely affected areas was the economic region of Karabakh and Eastern Zangezur, comprising 20% of Azerbaijan's territory. After 30 years of occupation, Azerbaijan successfully liberated seven regions, including Shusha and Soharidi, in 2020. During the occupation, these areas suffered significant damage, with residential buildings, cultural monuments, and infrastructure left in ruins, resulting in over \$100 billion in losses.

This article explores the reconstruction and economic revitalization efforts undertaken in the liberated Karabakh and East Zangezur economic regions. It investigates the innovative management approaches and methods employed in implementing these projects, presenting Azerbaijan's pioneering model in post-conflict construction. This experience holds valuable lessons, particularly for the recovery of Ukrainian territories devastated by Russian occupation.

**Keywords:** *post-conflict period, economic recovery, Karabakh economic region, infrastructure projects, state program, Azerbaijan model, educational initiatives, smart village development.*

**Introduction:**

After 30 years of occupation, Azerbaijan liberated 7 districts, including Shusha city, from occupation in 2020. This area was occupied for the longest time after the Second World War, and during the 30-year occupation, all the residential buildings, cultural and religious monuments and all the infrastructure of the area were destroyed. In total, more than 100

billion US dollars were damaged in this region. When we confirm the economic recovery of countries that have experienced a period of conflict in the world, it is known that they are facing very serious problems. Post-conflict countries such as Iraq, Afghanistan, Kosovo, Croatia are experiencing economic decline, high inflation, chronic fiscal deficit, high public debt, destroyed physical capital, human capital and social capital, destroyed economic stimulus, poverty and mass unemployment.

In the post-conflict period, the correct definition of the economic development strategy and the application of effective forms of management are of particular importance in the recovery process of the countries facing war-damaged countries in order to solve these problems more painlessly.

### **1. World practice of post-conflict economic recovery:**

If we look at the international experience, we see that in the post-war period, various programs of support and compensation programs were implemented for the construction and restoration works carried out in the war zones. For example, after the Second World War, France and Italy implemented economic recovery based on the Marshall Plan [4]. According to the Iraq-Kuwait Compensation Commission, Iraq paid more than \$50 billion in compensation for the damage it caused to the Kuwaiti economy and citizens in 1990-1991. Regrettably, it should be noted that the Republic of Azerbaijan currently carries out construction and restoration works at the expense of its internal capabilities, and therefore the efficient management of implemented projects and the application of modern management methods are of great importance.

When the government of Azerbaijan started the economic recovery of the territories freed from occupation, the main goals of the economic development strategy were to ensure the safety of households and at the same time economic security, provide the necessary social services to the population, reduce unemployment, and promote productive investment.

It should be noted that, the implementation of construction and restoration works of this volume, the return of the population to their native land, is a very difficult problem for any country, especially for Azerbaijan, whose GDP is 78 billion US dollars. Another factor that complicates the problem is the mining of those areas. Mine clearance also requires huge financial resources. , in 2020-2022, 57.6 thousand hectares area was cleared from mines

Today, unfortunately, Azerbaijan carries out the infrastructure, construction and economic restoration works in the post-conflict zone with its own internal resources, especially with the funds of the state budget, and

therefore, the effective use of the allocated funds, the reduction of the project implementation period, and the cooperation of all organizations operating in these works. The application of new management forms and methods is very important for effective coordination of the activity [8].

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