

Infrastructures: Priorities of restoring life to normal in Nagorno Karabakh after the escalation of the conflict



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Infrastructure losses

The consequences of military actions in Nagorno Karabakh are multi-dimensional and with time will become even more tangible. Currently, the economy, public and local governance in Nagorno Karabakh face grave challenges, that are both numerous and urgent.

Infrastructure issues are among the top priorities. Over 90% of water and energy systems have remained under the Azerbaijani control, including the rivers on which hydro power plants (HPP) were built. Today, hydro power systems can be developed only on river Tartar. Installment of such systems were designed before the war, however, implementation is already a big question. The initiative refers to the area extending from Sarsang reservoir to Mataghis, which in fact is under the Armenian control. However, there are impediments to the realization, because Mataghis has become under the control of Azerbaijan. All the other areas where it is possible to construct hydro power plants are already beyond the Armenian control. Moreover, river Tartar is surface water and its potential for HPP largely depends on precipitation levels.

The new geography poses new challenges to the economy as well. The largest part of the irrigation infrastructures in Nagorno Karabakh are under the Azerbaijani control as well. The total of the land resources that have been lost does not reflect accurately the whole agricultural potential we have been deprived of. The lost lands were irrigable, and for many years considerable investments had been directed to their development. Nagorno Karabakh has been deprived of 70-77% of its gardens, arable lands and overall, of its development opportunities. The territories now under Azerbaijani control are largely high plains, where previously there were privatized lands and rented state reserve lands. On the territories under the Armenian control the large part of the lands comprise fragmented plots; there is no sustainable irrigation and even worse, there is no sufficiently large water source to ensure irrigation.

The situation with livestock production is no better: majority of pastures are also under Azerbaijani control: over 50% in Shahumyan and Kashatagh regions. We have lost about 105 thousand hectares of pasture only in Shahumyan region. Losses are significant in forestry as well. Forests in Hadrut region were of particularly high value. The major source of income for the large part of the population of highlands was lumber industry.

There are serious challenges regarding drinking water as well. In the communities of the upper sub-region of Askeran region and the northern part of Kashatagh region, which are under the Azerbaijani control, there are sources of drinking water, which used to provide drinking water to a large number of communities. The issue is not the scarcity of water, but water security, as the drinking water poses risks to public health. For instance, residents of Taghavard community have already refused to use the drinking water supplied from the sources on the territories currently under the control of Azerbaijan. There are many such communities, and it is necessary to ensure alternative water sources for these communities.

There are serious issues regarding communication infrastructures. Since the territory of Nagorno Karabakh was far from the territory of Azerbaijan before the war, the local mobile connection and local TV operated without any impediments. Azerbaijan was so far away that it was unable to impede the coverage. The situation has changed drastically. Azerbaijan will install internet, mobile and TV broadcasting infrastructures in Shushi. Serious issues will emerge, especially for mobile



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communication, because Azerbaijan will install 4G, fourth generation of broadband cellular network technology, in Shushi and Hadrut and will immediately aspire to acquire the frequencies not utilized by Karabakh Telecom. There is a huge risk that Karabakh Telecom will face grave problems. The most important node of connection with Armenia has always been Lisagor station, which is still under the Armenian control.

What to do?

One thing is clear: it is impossible to restore the economy, infrastructures and life in general in Nagorno Karabakh into its previous, pre-war state. Too much has changed; too much has been lost. So, it is practically an impossible mission. In the current situation the biggest mistake in this regard will be the attempt to move ahead and try to meagerly imitate what has been lost. This might be the case if things are left to their current momentum. The solution is to take accurate inventory of what has been left and to move in the direction of shaping a new economy with new objectives. For instance, obviously, it is impossible to bring back the previous agricultural industry with its previous structure, and in the future it will be necessary to rely on advanced technologies in agriculture, and for example, establish produce-intensive agricultural industry, based on drip irrigation. Similarly, new solutions with new objectives should be defined for the development of infrastructures and other sectors of the economy; new professional sectors need to be explored; new integration schemes should be sought out and new market niches need to be identified.

To rise like a phoenix Nagorno Karabakh needs a dedicated group of 'engineers' of new economy, a team of negotiators for new funding sources, an army of managers who are ready to toil day and night and hard-working people who are determined to once again work and make their country flourish. There is a solution and the mentioned steps are the direction the realization of these solutions should take.

The policy brief is elaborated based on the results of the online off-the-record discussion "Infrastructure issues, including energy, drinking and irrigation water, communication and transport after escalation of conflict in Nagorno Karabakh", held on 11.12.2020. The online discussion brought together state officials, independent experts and representatives of international development partners.

