



**Republic of Azerbaijan**

**State Committee for Management of State Property**

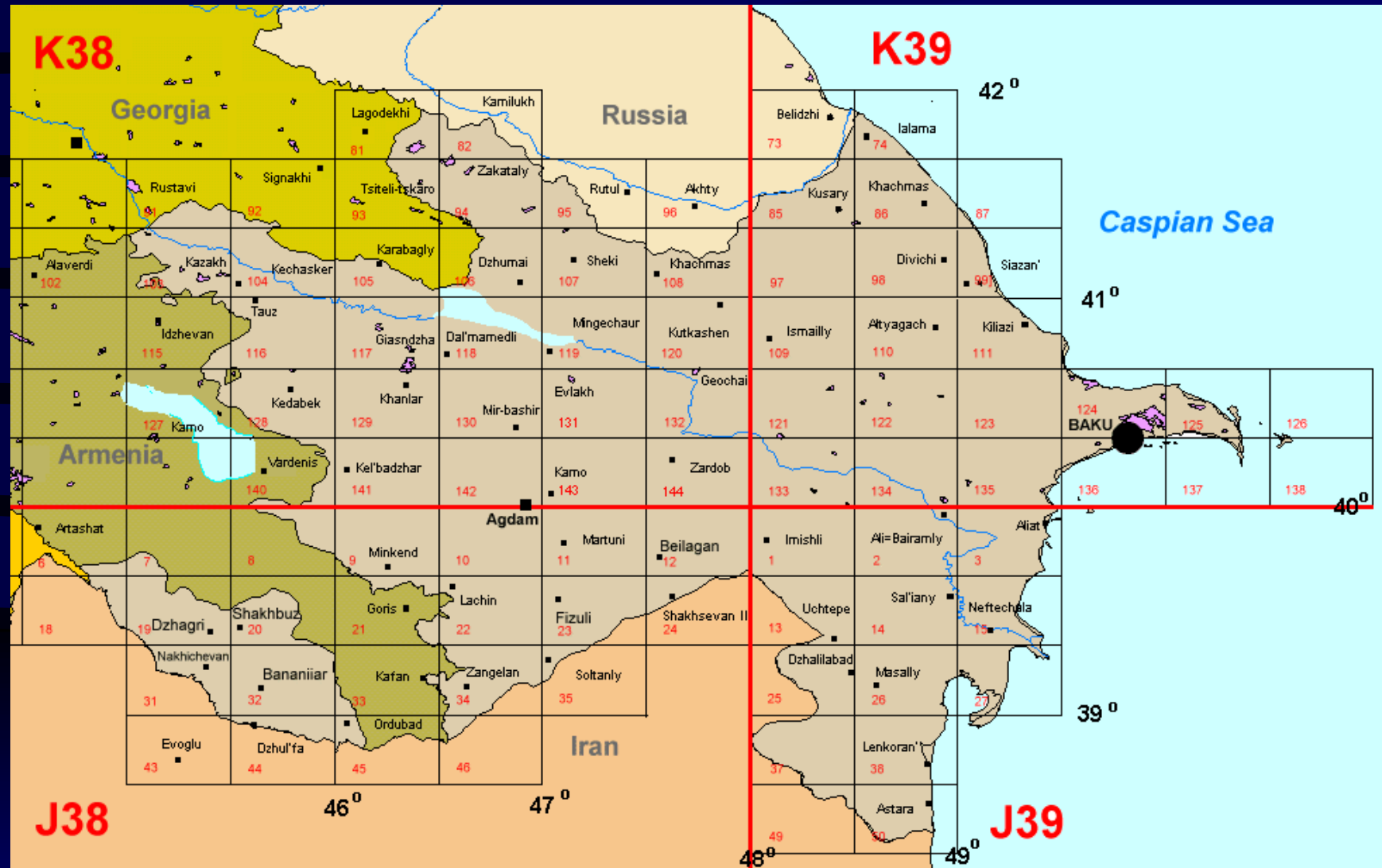
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**MANAGEMENT AND  
PRIVATISATION OF STATE AND  
PUBLIC LAND IN AZERBAIJAN**

*by Dr. Elshad Khanalibayli*

# Geography of Azerbaijan



# Geography of Azerbaijan



Temporary refugee settlements    Tent camps    Borders of former NKAO    Road Gorus-Lachin-Shusha-Khankendi

# All about Azerbaijan

- Capital (*and the largest city*) - BAKU
- Official language - Azerbaijani (Azeri)
- Government - Presidential republic
- Independence from the Soviet Union - October 18, 1991
- Area, total - 86,600 sq km or  
33,436 sq mi
- Water - 1.6%
- Population
  - July 2008 estimate - 8,676,000
  - 2002 census - 8,265,000
  - density - 97/sq km or 251/sq mi
- Time zone:
  - summer (DST) - UTC + 5
- Internet TLD - .az
- Calling code +994



# All about Azerbaijan

**Mountains – 59.9%**

**including:**

**- foothills – 17.5%**

**- mountains – 33%**

**- high mountains – 9.4%**

**Plains and lowlands – 40.1%**



**27% of the territory is above 1,000 m**

**18% is below the mean level of the World Oceans**

# LAND RESOURCES OF AZERBAIJAN

|  |                                     |
|--|-------------------------------------|
| <b>TOTAL</b>                             | <b>- 8,641,500 <i>ha</i> (100%)</b> |
| - Irrigated                              | - 1,432,800 <i>ha</i> (16.6%)       |
| - Available for agriculture              | - 4,528,300 <i>ha</i> (52.4%)       |
| - sown area                              | - 1,641,000 <i>ha</i>               |
| - occupied by Armenia                    | - 188,400 <i>ha</i>                 |
| - sowing area of several years' standing | - 155,500 <i>ha</i>                 |
| - hayfield                               | - 109,600 <i>ha</i>                 |
| - pasture                                | - 2,576,500 <i>ha</i>               |
| - fallow land                            | - 45,700 <i>ha</i>                  |

## Azerbaijan has:

|                             |                       |
|-----------------------------|-----------------------|
| - homestead                 | - 255,600 <i>ha</i>   |
| - available for agriculture | - 225,600 <i>ha</i>   |
| - forest blocks             | - 1,213,000 <i>ha</i> |

The ground area is a piece of the ground surface, the borders, sizes, geographical position, legal status, regime, purpose and other characteristics of which are reflected in the state land cadastre and state registration documents of land rights.

*Land Code of Azerbaijan*

# A GROUND AREA (LAND)

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graph TD; A["A GROUND AREA (LAND)"] --- B["Severable"]; A --- C["Inseverable"]
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*Severable*

*Inseverable*



# Forms of Land Ownership

- State ownership
- Public (municipal) ownership
- Private ownership

## State ownership has the following land:

- **Land on which governmental authorities are located;**
- **Land on which state-owned entities are located.**

**Public (municipal) ownership  
has the following land:**

- **Land of general purpose; and**
- **Reserve stock land.**

# LAND CATEGORIES

- Land of agricultural purpose
- Land of population aggregate (*cities, settlements and rural areas*)
- Land of industrial, transportation, communication, defence purpose
- Land of specially safeguarded territories
- Land of forest resources
- Land of water resources
- Land or reserve stock

# Land and Food Stuff

- **Real increase in the agricultural sector for 2003 – 2007 – 28.6%**
- **Number of legal persons engaged in entrepreneurship activity increased – 6.2%**
- **Number of natural persons as individual entrepreneurs in agriculture increased – 6.7%**

*State Statistics Committee*

# Agrarian Reforms

- Legal base has been created
- Land reforms have been carried out
- Land and assets of state farms and collective farms, the activity of which was brought to a stop, have been distributed among villagers; 1191 collective entities, 156 agricultural producing cooperatives, 2651 villager entities have been created, 841,100 families has begun working as natural persons
- Since 1999 agricultural producers have been released from all taxes, except land tax



# Agrarian Reforms

- Debts of the entities liquidated under the agrarian reform as well as the ones located in the regions under the military occupation have been written off. Besides, other privileges have been applied
- Subsidies for sowing. Some part of farmers' expenses for fuel and engine oil have been reimbursed by government. Producers have been given equipment by means of leasing in privileged mode
- Specific weight of private sector in agricultural production increased up to 99.7 percent

# Land Not to Be Privatised

- Earth interior, forest resources, water resources, state borderland;
- Territory of nature protected and used in a special way;
- Ground areas on which the state power authority bodies and the property of state importance (historical and cultural monuments, state museums, etc.) are located;
- Ground areas on which the military units for defence and safety of the state, the internal and frontier troops, the civil defence and mobilization entities are located;
- Highways and railroads of state importance, bridges and tunnels;
- Territory of cemeteries and crematoriums.

# LAND MARKET

- **A legal or natural person of the Republic of Azerbaijan can buy the land on which this enterprise is located, or lease it with the right to purchase that.**
- **If the owner of the privatized enterprise or object is a foreign country, foreigner and stateless person, foreign legal person as well as international society or organization, it only can lease the appropriate land without the right to purchase.**

# Land Price

When the land is sold or purchased, mortgaged, inherited, or for other transactions, the land price is determined by market price but not cheaper than its normative price...

*Law “On Land Reform”, Article 18*

# Gratuitous Assignment

The land under individual domestic houses of legal usage, homestead of citizens as well as individual, collective and cooperative gardens, the gardens being at the disposal of state horticultural establishment is transferred to the owners of these assets gratis in the way specified in the legislation.

# LEASE

The following state land can be let on lease:

- Land under mining industry, ore mineral resources, the deposit of which is fixed, main pipelines, industrial, transportation, communications, energy, important soil-reclamation and water industrial entities;
- Land of water resources including the bottom of the Caspian Sea's (Lake's) part belonging to Azerbaijan;
- Land of summer and winter pastures;



# LEASE

The following state land can be let on lease:

- Land of state research and educational institutions, their experimental entities, machine-testing stations, state veterinary, herbal sanitary services, seed farming and pedigree stock-breeding enterprises;
- Land under the enterprises of health improvement and rest homes;
- Land under state enterprises or projectible area for state objects, and
- Forest resources land.

# Land Withdraw

...The privatised, used and leased land can be withdrawn for the state needs. If the land is privatised for the state needs, its cost is fully reimbursed in advance for the market price by the competent state authority.

*Land Code, Article 70.5*

# Mortgage

...The land of legal and natural persons can be mortgaged. But the land of general usage in population aggregates as well as the state or municipal land of special usage is prohibited to be mortgaged...

# Land Donation

...The owner of the land can donate his land or its part to any citizen or legal person of Azerbaijan, as well as to the ownership of the state and municipality. It does not concern the state and municipal land. The using and leasing rights of the state and municipal land can be donated in the legal way...

# Hereditable Land Transmission

**...In case of owner's death, the property right of all his land or its part is hereditably transmitted to other persons (heir) by testament or legislation in the way specified in the Civil Code ...**

# Land Tax & Rental Payment

- **The using of the land in Azerbaijan is charged, and the payment for land is identified in the form of land tax and rental.**
- **The land tax is calculated as a fixed payment regardless of the result of the land owners' or users' economic activity.**
- **The categories of the land tax are determined in the manner adopted by the competent state entity subject to the purpose, sizes, geographical position and quality of the land.**



# Land Tax & Rental Payment

- **If the lessor is a land taxpayer, the land tax is included in the rental.**
- **Otherwise, the rental payment does not include the land tax.**
- **The rental payment can be determined by cash, nature or mixed forms by approbation of the parties.**

# Land Transactions

...All transactions for land or real estate on (*sale and purchase, using, mortgage, donation, hereditable transmission, etc.*) are formalized by agreements. All the rights for land are registered in the state register of real estate in the legal way...

*Law “On Land Market”, Article 19*

# Statistics

| Years  | Land,<br>total | For ownership form |             |              |
|--|----------------|--------------------|-------------|--------------|
|  |                | State Land         | Public Land | Private Land |
| <b>Land of all sorts in the circulation of agriculture,<br/><i>thousand ha</i></b> |                |                    |             |              |
| 2000   | 6756.8         | 3090.8             | 1990.9      | 1675.1       |
| 2001   | 7018.0         | 3356.6             | 1983.5      | 1677.9       |
| 2002   | 6999.9         | 3343.3             | 1977.9      | 1678.7       |
| 2003   | 6984.0         | 3315               | 1984.9      | 1684.1       |
| 2004   | 6986.0         | 3315.2             | 1982.8      | 1688         |
| 2005   | 6984.8         | 3310.6             | 1980.2      | 1694         |
| 2006   | 6990           | 3320.8             | 1971.2      | 1698         |
| 2007   | 6990.1         | 3320.3             | 1970.8      | 1699         |

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Thank you! Questions?