

THE ROLE OF INVESTMENTS IN THE RECONSTRUCTION OF THE ECONOMIC INFRASTRUCTURE OF THE LIBERATED TERRITORIES

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In the article, is analyzed the role of investments in the restoration and development priorities of territories freed from occupation, the investment strategy and activity of the region, investments which directly affect the economic growth of the region and was used "Azerbaijan 2030: National Priorities for socio-economic development" President of the Republic of Azerbaijan Ilham Aliyev's Order dated February 2, 2021.

Precisely defined priorities, formation of a flexible socio-economic policy and management mechanism and maximum use of existing opportunities for the welfare of Azerbaijani citizens are characteristic features of our modern era. The great achievements of Azerbaijan, which is rapidly integrated into the world community, great achievements in a short period of time are primarily based on the socio-economic development strategy.

Increased public investment in developed and emerging market economies could help revive economic activity after the sharpest and deepest global economic downturn in modern history. The region's financial indicators, material and technical base, production volumes and the development of new areas of activity depend on the efficiency of the region's investments.

Thanks to the investment, the stabilization and growth of the basic potential of the society is ensured, which leads to the improvement of the population's well-being and quality of life. The income of the region directly depends on the efficiency of investment activity, because investments are an important factor affecting the gross regional product. Thus, investments have a direct impact on the economic growth of the region. When the volume of investments are changed, will also change the volume of public production, employment and the development of individual sectors of the economy.

Investment activity directly affects the solution of many socio-economic problems, as well as the economic development of regions. The economic meaning of the investment activity of the state, regions and

enterprises is to invest in the creation, improvement and modernization of new business facilities, as well as in the technical re-equipment of existing enterprises.

Ensuring the quality of investment projects is important. For example, the cost of an individual project may increase by 10-15% simply, because it is carried out at a time when the level of investment is particularly high.

Experience shows that if project approval and implementation occur at a time when public investment is significantly increased, increase costs and delays in project implementation are longer. Similarly, improving project selection and management is important because it can increase the efficiency of infrastructure by an average of one-third (as noted in a recent IMF book, *Well Spent: How Strong Infrastructure Governance Can End Wasteful Public Investment*).

Public investment projects can directly stimulate private investment. For example, investments in digital communications, electrification or transport infrastructure drive new business lines.

We urgently need investment in major infrastructure projects for broken roads, bridges, clean water, sanitation and other needs in our liberated territories. Low interest rates around the world also mean that now is the best time to invest. The level of savings is very high, the private sector has taken a stand-by position and many people are unemployed and can only fill the jobs created by public investment. It should be noted that public investment can play a major role in economic recovery. 2 to 8 direct jobs for every \$1 million spent on traditional infrastructure, and 5 to 14 jobs for every \$1 million invested in research and development, green energy sources, and low-rise buildings.

So now is the time for high-quality public investment in priority projects in many countries. This can be done by borrowing at low cost.

State bodies have a regulatory influence on investment activity by adopting legislative acts, subsidizing individual investment projects, and adopting investment programs.

"Strategic roadmaps for the national economy and the main sectors of the economy", "Azerbaijan 2020: A vision of the future" Development Concept and "Azerbaijan 2030: National Priorities for socio-economic development" approved by the country's president for the purpose of ensuring sustainable and stable development of the country's economic sectors ensuring the implementation of the measures envisaged and at the same time the systematic implementation of reforms corresponding to these concepts ensured the stability of economic growth in the country and

accelerated the development of the real sector of the economy. In addition to these, the implementation of measures aimed at the restoration and reconstruction of the infrastructures of the economic sectors in the territories freed from occupation will ensure the economic and social development of the Nagorno-Karabakh region.

The main priorities of the economic development model formed in the years of independence in Azerbaijan are ensuring sustainable development in all areas of the economy and restoring territorial integrity as a result of increasing the international reputation of the country by ensuring integration into the world economic system.

At this stage of development, according to the Decree of the President of the Republic of Azerbaijan, Ilham Aliyev, dated February 2, 2021, "Azerbaijan 2030: on the approval of National Priorities for socio-economic development", the formation of a competitive economy, a dynamic, society based on social justice, a competitive human capital and a place for modern innovations, ensuring a large return to the territories freed from occupation and forming a "green growth" country are the main directions [1].

It should be noted that the liberated territories have great economic potential and natural resources. This is important in attracting local and foreign investments to those areas and providing employment to the population.

Also, the high economic potential of the liberated areas is recognized worldwide. The restoration of a new international and regional transport-logistics corridor in the region will increase our country's access to global markets, and will give a significant boost to the development of territories freed from occupation.

International experience shows that during the process of restoration of territories freed from occupation, the first priority is to create a minimum standard of living and related infrastructures in these territories, after assessing the damage in the areas at the initial stage. Important factors to ensure the minimum standard of living include de-mining of occupied territories, provision of electricity, restoration of critical road lines, restoration of drinking water, sanitary junctions and irrigation systems, restoration and provision of house/apartment residential areas, restoration of the airport for humanitarian aid purposes and so on.

According to the Decree of the President of the Republic of Azerbaijan, Ilham Aliyev, dated January 29, 2019, the implementation of the measures in the "State Program for the Socio-Economic Development

of the Regions of the Republic of Azerbaijan in 2019-2023" was ensured reconstruction of infrastructures, large-scale measures and relevant works on the priorities of ensuring economic activity was always considered as necessary directions [2].

In the "Socio-economic development strategy for 2022-2026" provided for in paragraph 2.1 of the Decree of the President of the Republic of Azerbaijan on the approval of "Azerbaijan 2030: National Priorities for socio-economic development" dated February 2, 2021, diversification of the economy and providing effective tax policy support for attracting investments and applying tax incentives for the development of territories freed from occupation to measures intended for further improvement of the investment environment; Providing profit tax benefits in accordance with capital investments due to the establishment of new production areas; Providing tax incentives for the development of tourism, etc. [4].

The Republic of Azerbaijan has achieved a great historical victory by restoring its territorial integrity. After this victory, the main priority of the government is to find capital flows for the reconstruction, rehabilitation and development of the liberated areas.

To find capital flows is to attract the attention of both local and foreign investors. The return of the population to the restored areas will be the main stage of the economic development of the region. Firstly, it is necessary to ensure the safety of the population and improve the quality of service areas in these areas. The creation of transport and logistics corridors in the region will accelerate the development of the country as a whole, not the region.

References.

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