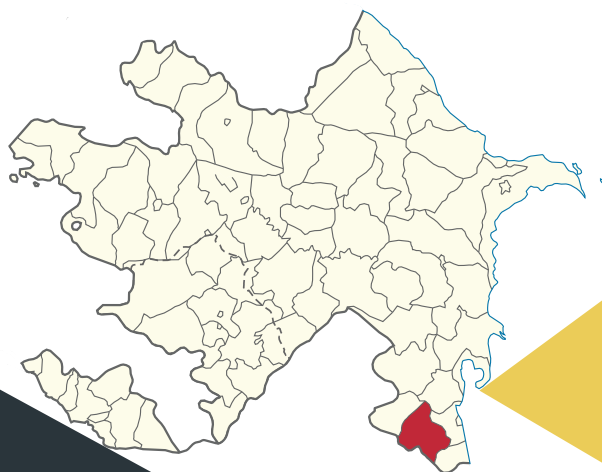
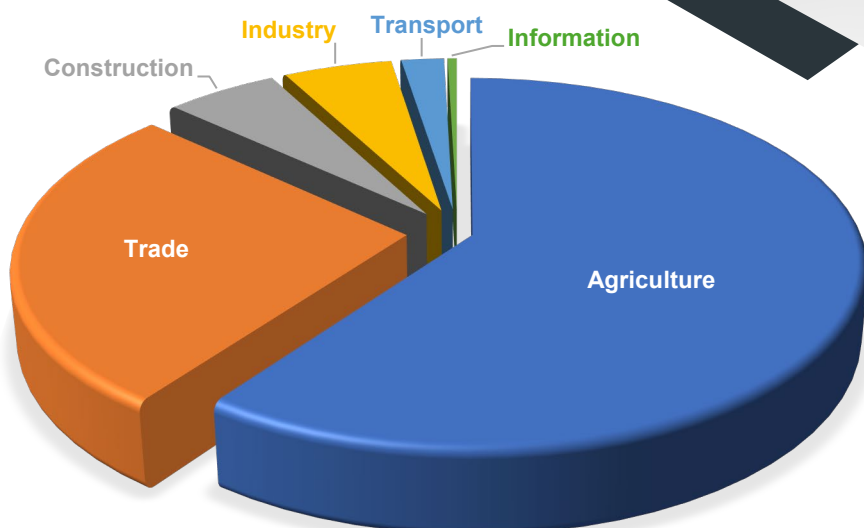


European Union support to Lankaran–Astara Economic Region of Azerbaijan



2023
MARCH-OCTOBER

DIAGNOSTICS OF THE SOCIO-ECONOMIC AND ENVIRONMENTAL SITUATION IN LERIK DISTRICT



Funded by the
European Union



Project implemented
by WEglobal and its
consortium partners



TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS.....	4
ACKNOWLEDGEMENT.....	5
1. INTRODUCTION	6
2. BASIC PROFILE OF THE DISTRICT	7
2.1. Geographical position, natural conditions and resources of the district.....	7
2.1.1. General information	7
2.1.2. Geographical position	8
2.1.3. Relief and soil structure	8
2.1.4. Climate	8
2.1.5. Land resources and forests	8
2.1.6. Water resources	9
2.1.7. Mineral and other natural reserves	9
2.1.8. Material and cultural heritage	9
2.1.9. Administrative structure of the district	9
2.2. Demographic situation.....	10
2.2.1. Population size and structure	10
2.2.2. Age and gender composition of the population	12
2.2.3. Distribution of the population by urban and rural residents	12
2.2.4. Other demographic indicators	13
2.4. Education level and health status of the population.....	15
2.4.1. Education level of the population	15
2.4.2. Health status of the population	16
3. SOCIO-ECONOMIC PROFILE OF THE DISTRICT	19
3.1. Physical infrastructure	19
3.1.1. Transportation	19
3.1.2. Drinking and irrigation water supply	19
3.1.3. Energy supply	20
3.1.4. Gas supply system	21
3.1.5. Communication and information and communication technologies (ICT)	21
4. SOCIAL INFRASTRUCTURE	23
4.1. Education	23
4.2. Healthcare.....	24
5. LABOR MARKET.....	25
5.1. Labor resources	25

5.2. Employment and unemployment	26
5.3. Salary.....	29
6. ECONOMY AND BUSINESS	30
6.1. The structure of the economy	30
6.2. Economic development trends and financial situation	31
6.3. Business environment and market infrastructure	33
6.4. Product and service production	33
6.5. Agriculture, forestry and fishing	35
6.5.1. Crop farming	35
6.5.2. Animal husbandry	40
6.5.3. Revenue and Profit from Agriculture	42
6.6. Industry	43
6.7. Construction.....	45
6.8. Services	47
6.8.1. Telecommunications and postal system	47
6.8.2. Banks	47
6.8.3. Tourism	48
6.8.4. Catering and Trade	51
6.8.5. Transportation	53
6.9. Entrepreneurship development and SMEs	54
6.9.1. Entrepreneurship	54
7. SOCIAL CONDITIONS.....	58
7.1. Gender	58
7.2. Socially vulnerable groups.....	59
7.2.1. Incomes and social protection	59
7.2.2. Culture	62
7.3. Sports, youth, and entertainment	62
7.4. Housing conditions	62
7.5. Crime and safety	64
7.6. Civil society organizations	64
8. ENVIRONMENTAL SITUATION	65
8.1. Biodiversity.....	65
8.2. Climate change	65
8.3. Air, land, and water pollution	67
8.4. Solid waste management.....	69
8.5. Natural disasters	70

9. Strengths, Weakness, Opportunities and Threats - SWOT ANALYSIS	71
10. KEY CHALLENGES.....	72
10.1. Physical infrastructure and services	72
10.2. Social infrastructure and services.....	73
10.3. Labor market.....	74
10.4. Agriculture.....	74
10.5. Industry	76
10.6. Services	76
10.7. Entrepreneurship development	76
10.8. Social problems.....	77
10.9. Environmental problems.....	77
11. RECOMMENDATIONS	78
11.1. Priorities for the development of the region	78
ANNEX 1.....	80
BIBLIOGRAPHY	84

ACRONYMS AND ABBREVIATIONS

SAAAR	State Agency of Azerbaijan Automobile Roads
ASWRA	Azerbaijan State Water Resources Agency
EU	European Union
ADB	Asian Development Bank
AIC	Azerbaijan Investment Company
ACDA	Agro Credit and Development Agency
SCFWCA	State Committee for Family, Women and Children Affairs
ASA	Agro Services Agency
APS	Agro Procurement and Supply
ARC	Agricultural Research Center
EBRD	European Bank for Reconstruction and Development
Azerishig	"Azerishig" Open Joint Stock Company
AZPROMO	Azerbaijan Export and Investment Promotion Agency
UN	United Nations
UNDP	United Nations Development Programme
AREA	Azerbaijan Renewable Energy Agency
SADC	State Agricultural Development Center
WB	World Bank
SEC	State Examination Center
AzStat	State Statistical Committee
STA	State Tourism Agency
STS	State Tax Service
MLSP	Ministry of Labour and Social Protection of the Population
SSPI	State Service on Property Issues
MSE	Ministry of Science and Education
MENR	Ministry of Ecology and Natural Resources
MYS	Ministry of Youth and Sports
SWOT	Strengths, Weaknesses, Opportunities, and Threats analysis
ERI	Economic Research Institute
MoE	Ministry of Economy
MoE LRD	Lankaran Regional Department of the Ministry of Internal Affairs
ER	Economic Region
KOBIA	Small and Medium Business Development Agency
MoA	Ministry of Agriculture
MoC	Ministry of Culture
MoF	Ministry of Finance
LCA	Logico-Structural Approach
NGO	Non-governmental organization
MDDT	Ministry of Digital Development and Transport
DEP	District Executive Power
DDP	District Development Plan
EDF	Entrepreneurship Development Fund
MoH	Ministry of Health

ACKNOWLEDGEMENT

We express our gratitude to the Ministry of Economy in particular to the officials of the Department of Regional Development and State Programs for their support and guidance. We also thank the Ministry of Agriculture including the officials of the Agrarian Research Center and the State Agriculture Development Center, Lerik district. The support of the Executive Power of Lerik District and the District Statistical office was also crucial for this diagnosis. We extend our thanks to all the officials for their assistance. Last but not the least we acknowledge and are grateful for the contributions of all the citizens of Lerik district who participated in the workshop to identify the issues concerning them and develop the Strengths, Weakness, Opportunities and Threats or SWOT analysis of the district.

This revised report has been prepared under the supervision of Tara Sharafudheen, Team Leader EU4Lankaran by Vagif Rustamov and Elnur Ismailof, Senior National Experts.

February 2024

EU4Lankaran Project Team

1. INTRODUCTION

The report which analysis socio-economic and environmental conditions in Lerik District is the diagnosis for the development of Local Development Plans for Lerik district. Similar diagnosis will preceded the formulation of LDPs for each of the six districts in the Lankaran-Astara Economic Region. Besides planning for regional development at the level of the region it is important to understand local level challenges and needs to plan for local economic development. This allows the government to directly address issues that local communities at the level of the district and villages face and brings government closer to the people. It also allows local communities and stakeholders like farmers, business groups, youth and women to articulate not only the problems they face but also their needs and what they need to improve standards of living and achieve shared prosperity. From a policy perspective analysing key socio-economic and environmental issues at the level of the district to subsequently develop local development plans leads to more balanced regional growth and better diversification of the economy by growing the non-oil sectors.

The methodology adopted for the study includes the examination of secondary data from the State Statistical Committee through desk reviews. It also included collection of local administrative data. A participative workshop was conducted in the district with representatives of the Ministry of Economy (Regional Development and State Programs Department and Lankaran Regional Department), Ministry of Agriculture including the District branch of the State Agriculture Development Center,, local government bodies, civil society institutions and local citizens. With the help of participants a Strengths, Weakness, Opportunities and Threats (SWOT) analysis of Lerik District was conducted. Problems facing the district were identified through Problem Tree Analysis. Additional information was sought from officials and experts to fill in gaps. Information was triangulated from all these sources and inconsistencies eliminated. The data used is mainly from the State Statistical Committee, supplemented by some local level data obtained from the District Executive Power. Environmental data is sourced from the Hydromet Services of the Ministry of Ecology and Natural Resources.

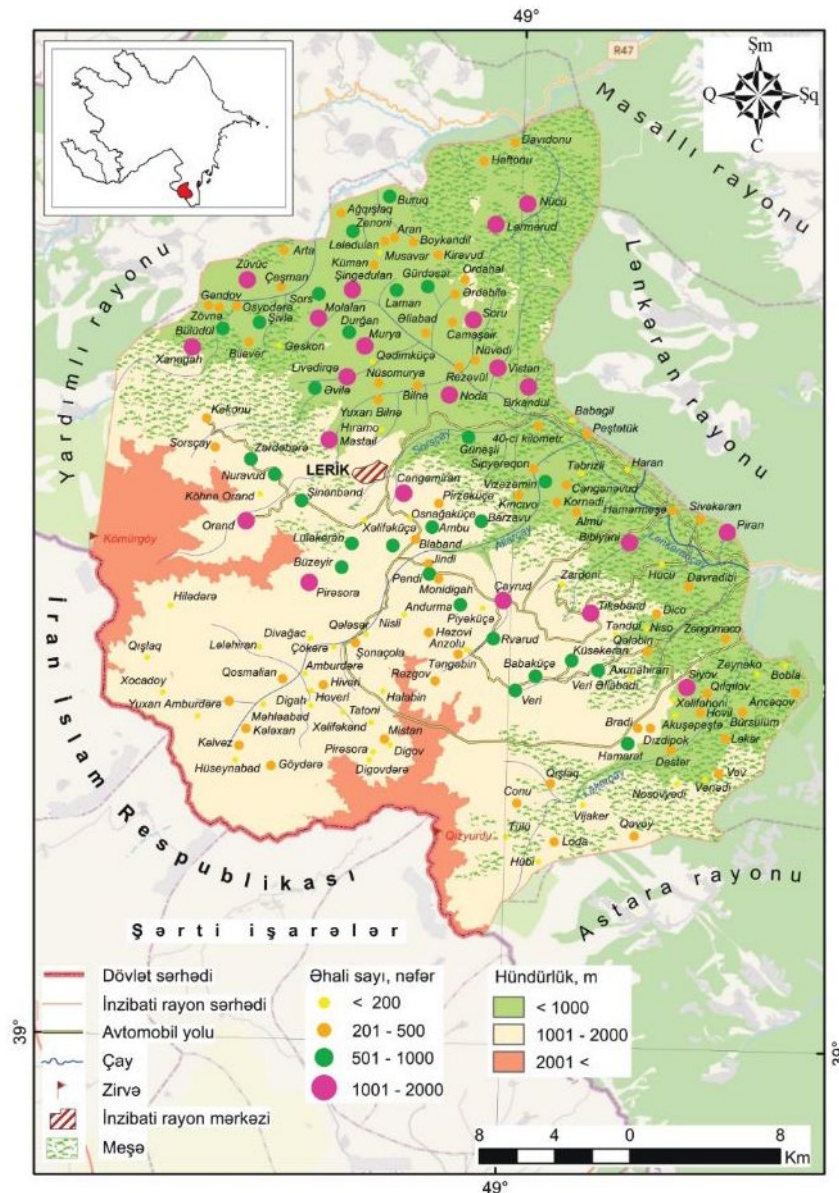
2. BASIC PROFILE OF THE DISTRICT

2.1. Geographical position, natural conditions and resources of the district

2.1.1. General information

Lerik district was established on August 8, 1930. Until January 1938, it was called Zuvand district and had Gosmalian village as its center. The city of Lerik is now the headquarters of the district. The territory of Lerik district is 1084 km², There is 1 city and 161 villages in the district, The population was 85,200 persons as of January 2024. Just 10.15 percent of the population lives in the city, and the rest (89.85 percent) lives in the villages. The average population density is 79 people per 1 km². As Map 1 shows the terrain is mountains. In Lerik district, 55.6 percent of the population are settled at an altitude of 1000-2000 m, and another 44.4 percent at an altitude of 500-1000 m. There are 42 villages with a population of less than 200 people.

Map 1. Administrative and settlement map of Lerik district



2.1.2. Geographical position

The district is located in the mountainous area on the border with the Islamic Republic of Iran in the southeast of the Republic of Azerbaijan. The length of the border with the Iran is 49.5 km. Lerik district borders the districts of Yardimli in the south and southwest, Masalli in the northeast, Lankaran in the east, and Astara in the southeast. The district center is 323 km from the capital city of Baku, and 52 km from the city center of Lankaran the main city in the region.

2.1.3. Relief and soil structure

The district has a mountainous relief, Along the border with the Islamic Republic of Iran are the Talish mountain ranges, and to the north are the Peshtasar and Buravar mountain ranges. The Zuvand depression is located between Talish and Peshtasar ridges. The highest peaks are Kömurgoy (2492 m) and Gyzyurdu (2433 m) in the Talish range. The Zuvand State Nature Reserve is in the Zuvand area of the district. A Collection Point of the Botanical Research Center of the National Academy of Sciences, studies the fauna and flora of the area. The Ruvarud State Nature Reserve is located on the border with Yardimli district and covers both the districts. The elevation goes from around 500 m above sea level to 2,492 m. The district is dominated by semi-arid areas affected by climate change. It has light, sandy soils. Pastures dominate the agricultural lands.

2.1.4. Climate

Summer here is dry and relatively cool, winter is cold and autumn and winter sees rain and snow also falls in winter. The average annual temperature decreases gradually depending on the height above sea level. In the mountain-forest zone at an altitude of 600-1000 meters above sea level it is 9.6-12.1 degrees celsius, in the mountain-meadow area at an altitude of 2000-2500 it is 6 degrees. The average temperature is 1-4°C in January and 22-12°C in July. The main reason for the dry climate is that the area is surrounded by mountains from all sides and warm air flows from the southwest. The weather changes every kilometer. Annual rainfall ranges from 300 millimeters to 800 millimeters. Some precipitation falls as snow in mid-autumn and winter. The thickness of the snow cover reaches 70-80 centimeters. Winds often blow here and sometimes do not pass without damage.

2.1.5. Land resources and forests

There are 40,306 hectares of forest area in the territory of Lerik region, which is 37 percent of the region's territory. The forests have abundant vegetation. Productive trees are oriental beech, Caucasian hornbeam, chestnut, oak, and hemlock. In the arid Zuvand zone at an altitude between 1400-2000 m, mainly mountain and steppe plants are found. The forests and reserves also contain wild and natural produce like fruits and herbs including many medicinal plants. Lerik forests, contain a variety of fauna. Among them are lynx, leopard, boar, bear, wolf, jackal, fox, and wild cats as well as birds like partridge, wood grouse, lark and, quail. Of the total area of the district 53.3 percent or 52,568 hectares is suitable for agriculture. However only 11 percent is used for agriculture. In 2022, municipal land was 6 hectares, and privately owned land was 4 hectares. As a result of the land reform, 13,801

hectares of land were allocated to 13,500 families ,which amounts to an average of 1.02 hectares per family.

2.1.6. Water resources

The main river in the district is the Lankaran river which originates from the Taslish mountains and flows into the Caspian sea through Lankaran distict. The length of the river is 81 km. The main tributaries of the river are Sharatuk, Vazaru and Alashar. The water in the Lankaran river is 70 percent from rainfall, 20 percent from ground water and 10 percent from snow melt. Besides this there are several natural springs in the district. The foothills and mountainous zones of the district are rich in mineral springs. Some of these have medicinal qualities.

2.1.7. Mineral and other natural reserves

The disrict has some mineral resources such as sand-gravel, facing stones in Piran village, basalt- porterite , diabase in Pirasora, Shonachola , Hiladare, Divagac and Hiveri villages. There is also some marble and coal. However these are not in quantities suitable for commerical exploitation.

2.1.8. Material and cultural heritage

Objects belonging to the Stone Age have been found in Lerik district, which has an ancient history. Buzeyir cave is one of the oldest Stone Age settlements in Azerbaijan .There are historical and cultural monuments under state protection in Lerik. Among them are 27 architectural monuments of local importance, 25 archaeological monuments, 1 memorial monument and 78 decorative and applied art monuments. The 14th century tomb of Khoja Seyid in the village of Khanegah, the 19th century mosque in the village of Lulekaran are among these monuments, The ancient human settlement called Gizyurdu located at an altitude of 2,438 meters above sea level in the village of Mistan, the tomb of Baba Isa in the village of Mondigah , the 11th to 14th century tombs of Kekonu Yusuf, Jabir on the road from Lerik to Jangamiran village are also noteworthy. In Jangamiran village, ancient trees are also protected. The Boy and Girl fortresses in Lerik were built for defense purposes . Water to these castles was drawn with potter's pipes from springs. There is a museum of local history, along with the museum of Longevity, for which the district was well known. There is an art gallery in Lerik city.

2.1.9. Administrative structure of the district

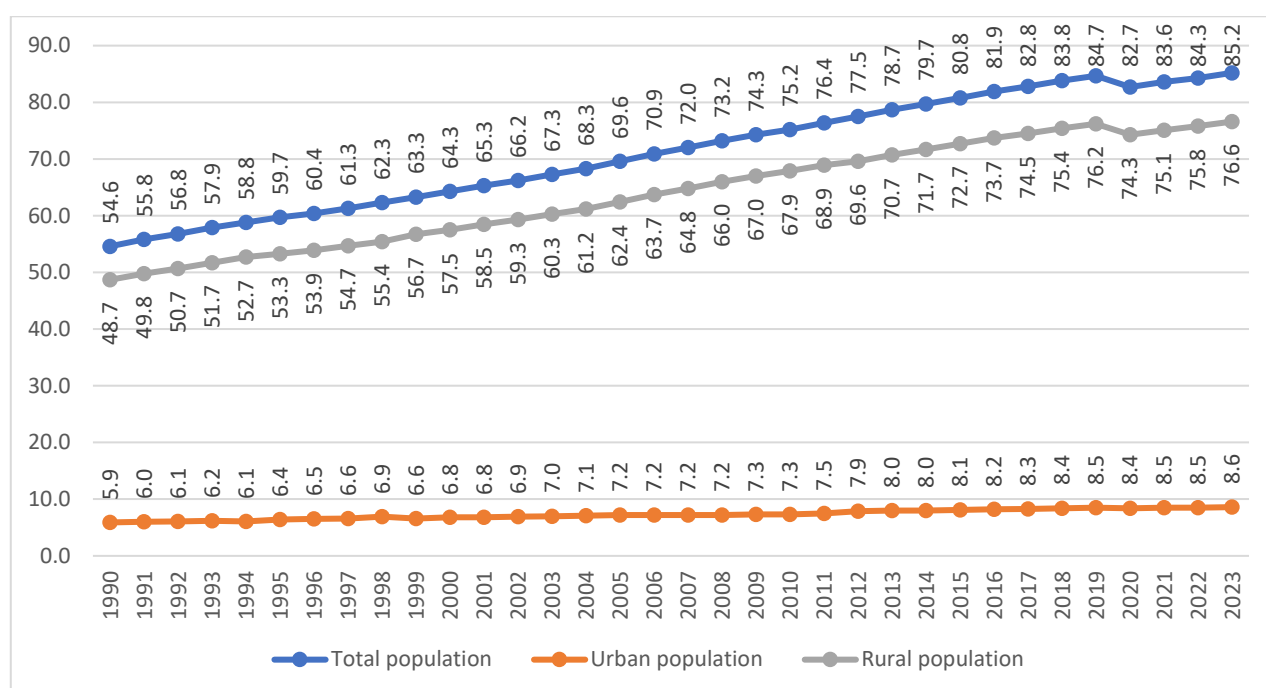
The district has 1 city (Lerik city), 161 villages.The district administration is headed by the District Executive Power (DEP), appoined by the President of Azerbaijan. There are 29 rural aministrative circles headed by a representative of the DEP. In addition there are 20 muniicipalities with elected councils headed by a chairperson. The municipalities have limited powers and financial resources and function in partnership with the DEP. The DEP along with his staff has the responsibility of faciiliating the overall development of the district.

2.2. Demographic situation

2.2.1. Population size and structure

The current population as of the beginning of 2023 was 85,200. The population of Lerik district is increasing year by year. In 1990 the rural population of Lerik district was 48,700 in 2005 62,400, in 2015 it was 72,700 , and at the end of 2022 it was 76,600. During the years 1990-2022, there was an increase in the urban population, from 5,900 in 1990 to 8,600 in 2022. At the workshop, participants pointed out that the population figures do not reflect migration from the district of people especially young people to study and to look for work. It is known that many people from Lerik district have settled in the Bina area of Baku and in the villages of Lankaran district.

Figure 1: Population in Lerik district 1990-2023 (thousands)



From 1990-2022, changes in the natural growth of the population in rural areas are noticeable. The natural growth dropped sharply from 1302 persons in 1990 to 947 in 1995. A sharp increase was observed in urban areas in 2010-2011. In 2011, the population in urban areas grew by 3.2 times compared to the previous year and stood at 479 persons. In 2022, the natural increase in the rural population was 789 persons and for the urban population it was 76. In 2022, 1233 births and 368 deaths were recorded. For that year, these indicators are 14.5 and 4.3 per 1000 people of the population, respectively. The number of children who died under the age of 1, decreased compared to the previous year and was 8 in 2022, and it was 6.5 child mortalities per 1000 live births. The number of deaths in the 0-4 and 5-9 age groups in 2022 was 10 and 1, respectively. As can be seen from the graph, the death rate is increasing in accordance with the increase in age of the population. The trend is the same across the country and region.

Figure 2: Number of deaths by age groups in 2022

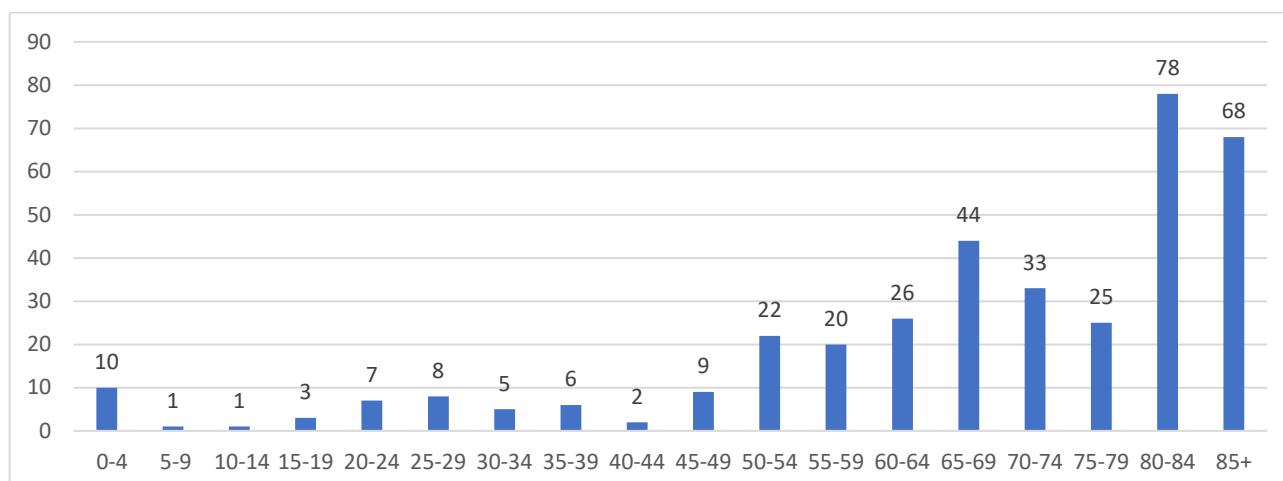
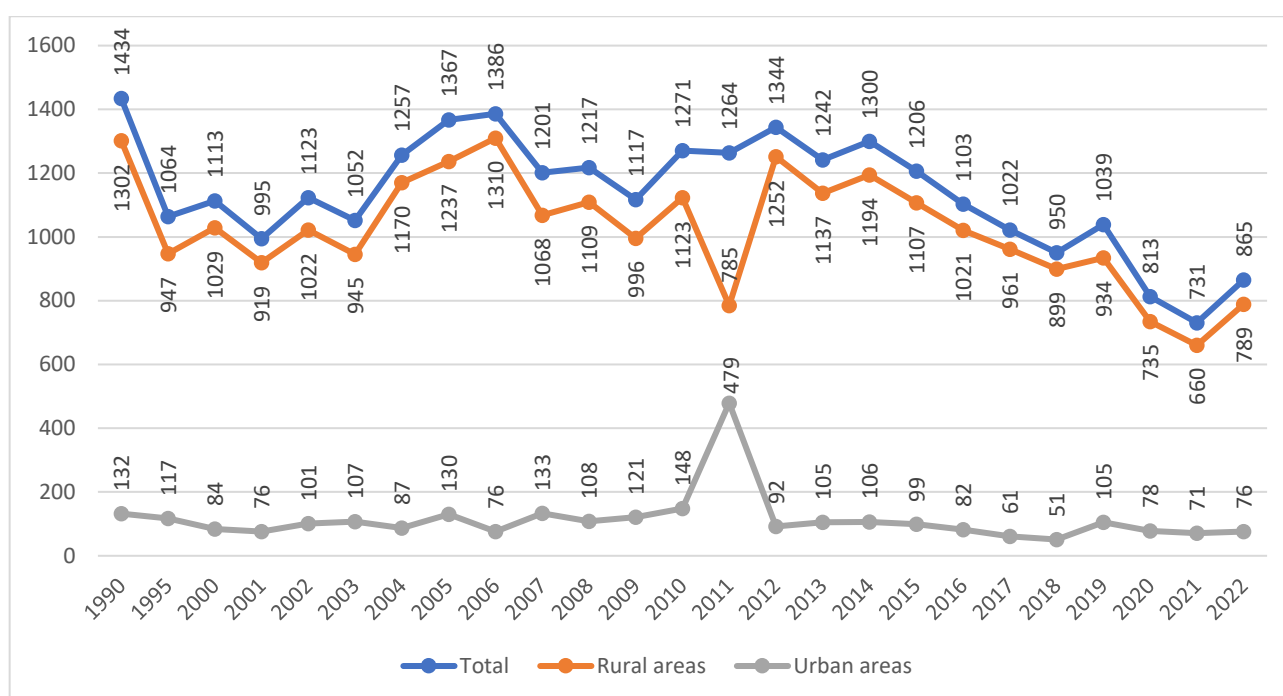


Figure 3: Natural population growth, 1990-2022



The population of Lerik region is diverse,. Azerbaijanis are the majority (76.58 percent), followed by the Talish (23.33 percent), Russians (0.01 percent) and representatives of other nationalities (0.09 percent). . More detailed information about the composition of the population is in Table 1.

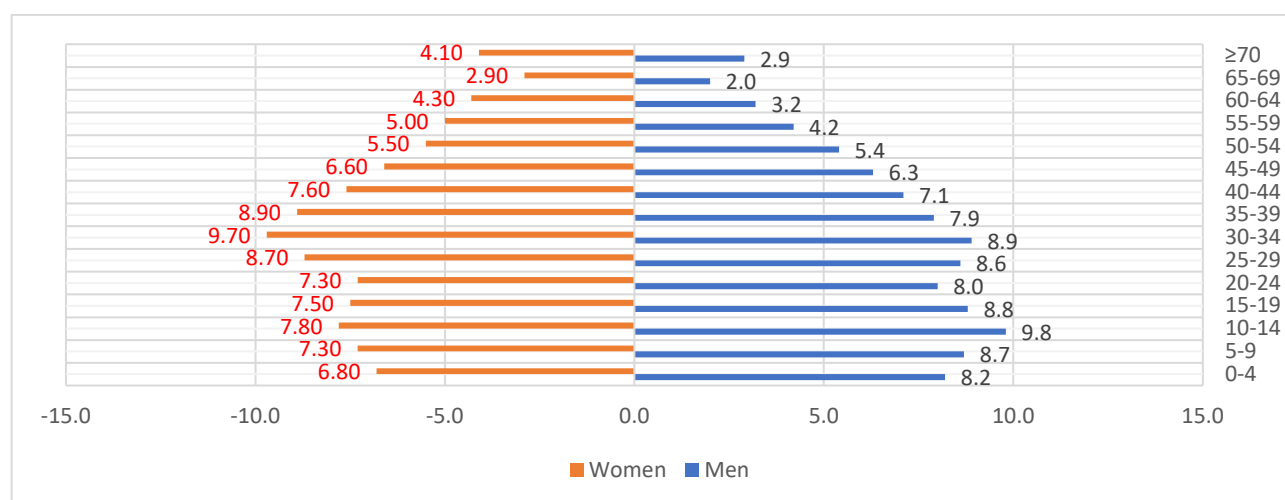
Table1: Composition of the population (2019 census)

	Total		Male		A woman	
	person	percentage	person	percentage	person	percentage
Azerbaijanis	63131	76.58	31204	76.35	31927	76.81
Talish	19227	23.33	9634	23.57	9593	23.08
Russians	8	0.01			8	0.02
Other	72	0.09	32	0.07	40	0.09

2.2.2. Age and gender composition of the population

According to the statistical information of the beginning of 2023, 49.7 percent of the population in Lerik district were men, and 50.3 percent were women. In the distribution of population by age groups, boys aged 10-14 (9.8 percent of males) and women aged 30-34 (9.7 percent of females) predominate. At the beginning of 2023, the population aged 15-64 was 59,400, which is 69.7 percent of the total population in the district.

Figure 4. The structure of the population by age groups by the beginning of 2023

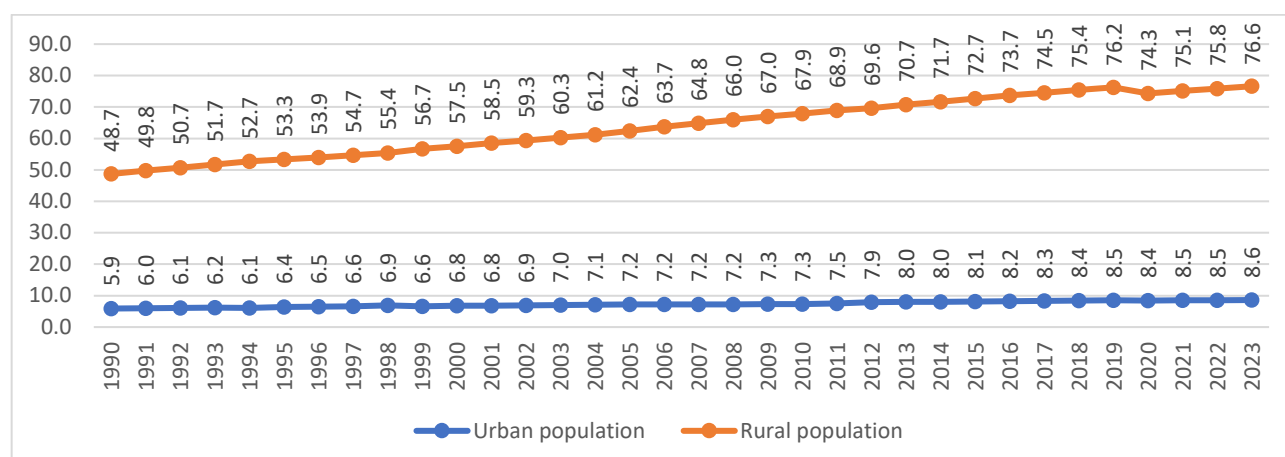


At the beginning of 2023, the degree of dependence of the elderly population, defined as the ratio of the population aged 65+ to the population of working age (15-65 years) in Lerik district was 8.53 percent. The degree of dependency of minors that is the ratio of the population aged 0-14 to the working-age population was 34.94 percent. The total dependency rate is 43.48 percent. This shows that the base for labor resources is high.

2.2.3. Distribution of the population by urban and rural residents

Between 1990-2022, population increased in both urban and rural areas. At the beginning of 2023, 8,615 persons or 10.11 percent of the population lived in the city, and 76,586 persons or 89.89 percent in the villages.

Figure 5: Population in urban and rural areas, thousand persons as on 1.1. 2023

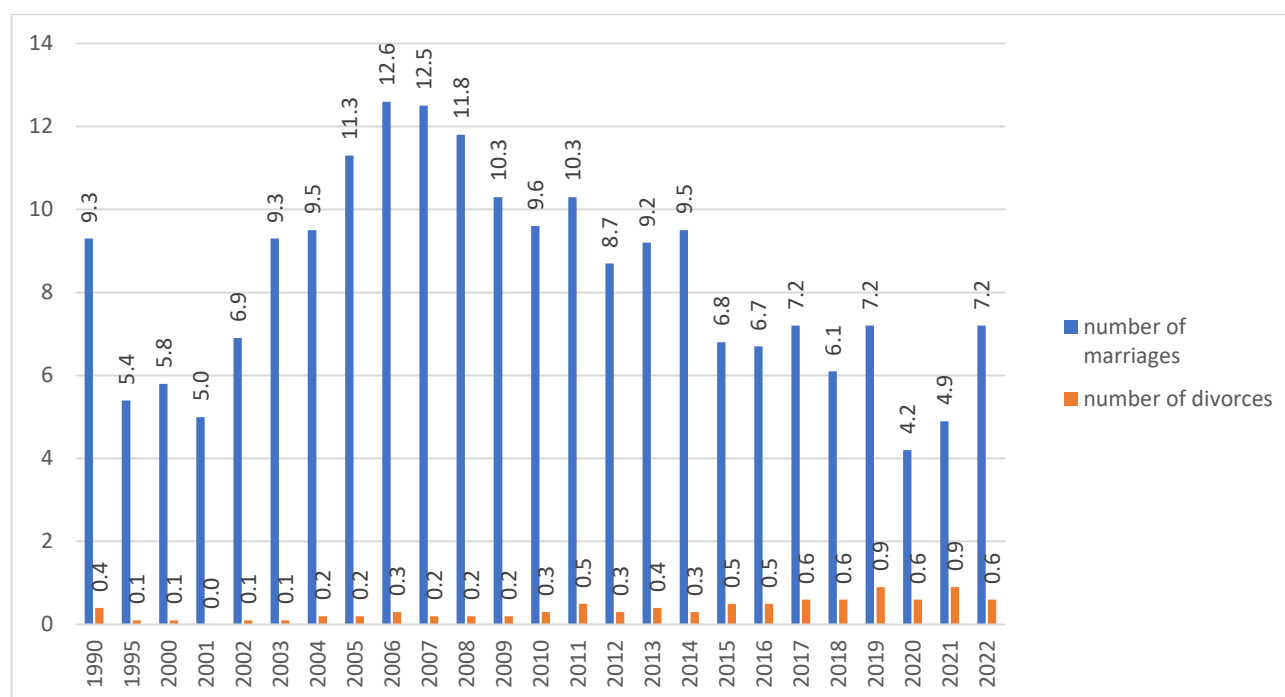


At the beginning of 2023, the number of young people aged 15-29 was 20,850 (1,890 in the city, 18,960 in villages). During the workshop, participants reported that the rural population, especially young people were flocking to the cities for education or more lucrative jobs.

2.2.4. Other demographic indicators

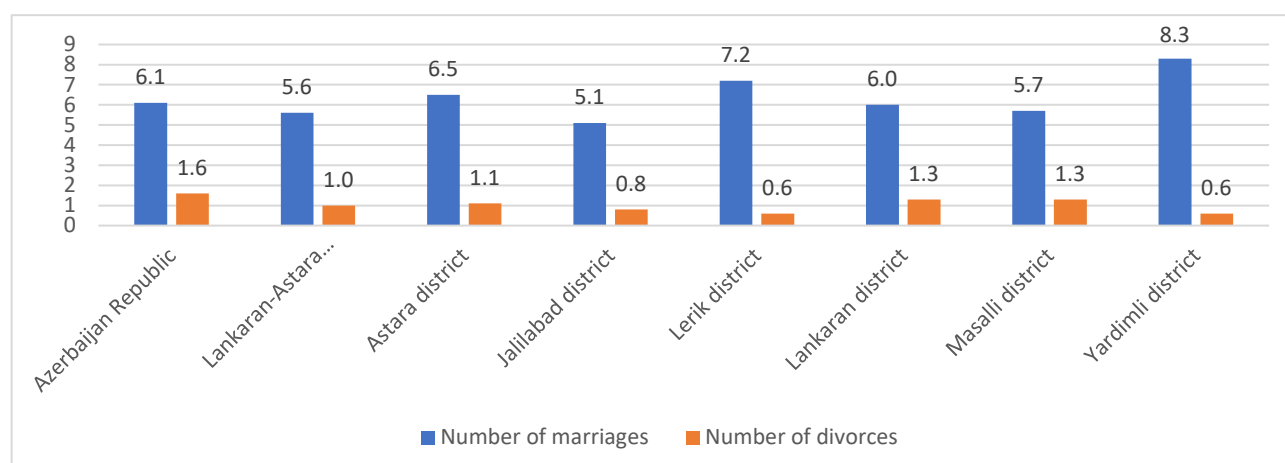
In 2022, 609 marriages and 52 divorces were registered. The number of marriages per 1000 persons was 7.2, and divorces was 0.9. It should be noted that in the case of men most of the marriages and divorces took place in the age group 25-29 years.

Figure 6; Number of marriages and divorces per 1,000 people in 1990-2022



The number of marriages in Lerik district for the years 2010-2022 was close to the average for the country. Divorce has been lower than the national average, and it is the lowest in the economic region.

Figure 7: Comparison of marriages and divorces per 1,000 population, 2022

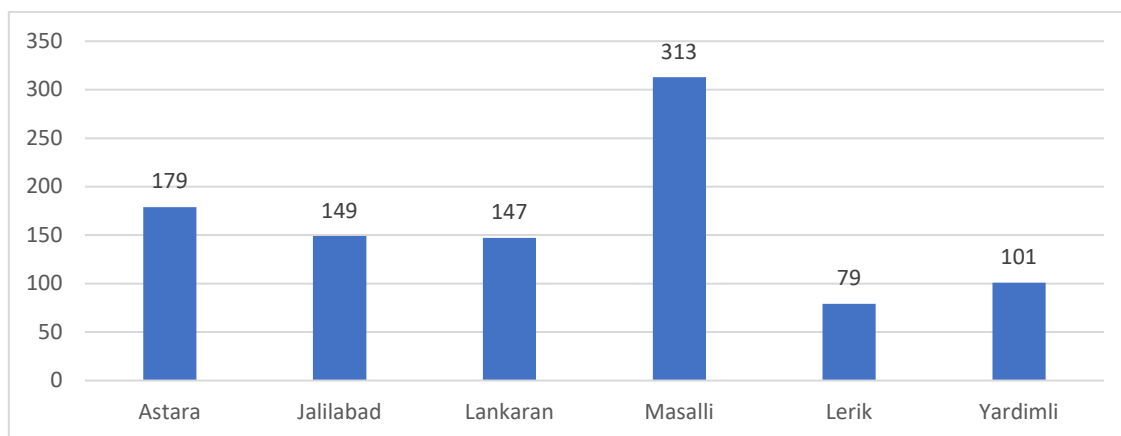


Life expectancy at the beginning of 2023 was 79.5 years for women and 75.6 years for men.

2.2.5 Population density

As of January 1, 2023, the population density in Lerik district was 79 persons per 1 sq.km, which is lower than all other districts of the economic region. This is attributed to the mountainous terrain of the district.

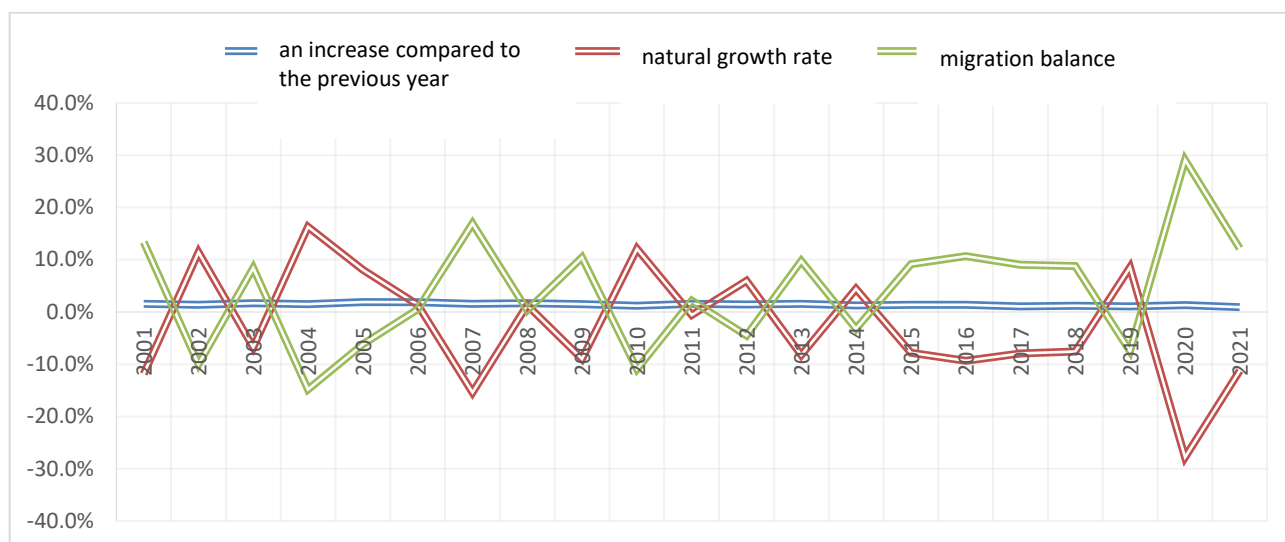
Figure 8: Population density per sq. km in Lankaran-Astara economic district in 2022



2.3. Migration

Migration balance is calculated by subtracting the annual natural increase from the increase of the population compared to the previous year. The value was near "0". This is due to migration out of the district being lower for most years than the annual natural growth in population.

Figure 9: Migration balance for Lerik district, in percentage, 2001 to 2021



It is observed that the number of remote villages in the district under the threat of population decline is increasing. It is also known that there are large numbers of people from Lerik settled in Bina area of Baku and in Lankaran villages. Due to this accurate figures for migration are not easy to arrive at.

2.4. Education level and health status of the population

2.4.1. Education level of the population

As per data from the 2019 census, 60,818 of the 61,231 people aged 15 and older in Lerik district have one or another level of education, of which 29,181 are men and 31,637 are women.

Table 2. Education level of the population in Lerik district (based on 2019 census)

Education level	Total	including: _	
		men	women
Population aged 15 and over, people	61231	29299	31932
<i>including:</i>			
University graduates	5748	3893	1855
Secondary special education graduates	4237	2378	1859
Vocational school graduates	4502	1842	2660
Full secondary school graduates	34285	16875	17410
General secondary school graduates	10101	3505	6596
With primary education	1928	687	1241
With preschool education	17	1	16
Uneducated	413	118	295
Per 1,000 people aged 15 and above			
University graduates	93.9	132.9	58.1
Secondary special education graduates	69.2	81.2	58.2
Vocational school graduates	73.5	62.9	83.3
Full secondary school graduates	559.9	576.0	545.2
General secondary school graduates	165.0	119.6	206.6
With primary education	31.5	23.4	38.9
With preschool education	0.3	0.0	0.5
Uneducated	6.7	4.0	9.2

According to Table 2, in 2019, for every 1000 people in the district, the number of people with higher education is 93.9. Those with secondary education is 69.2, with full secondary education is 560 with general secondary education is 165. Persons with primary education were 32, and without education 7.

According to the State Examination Center, in 2022, Lerik district performed below average in terms of the number of applicants who did well in entrance exams to higher education institutions. Thus, 17 out of 145 applicants in the district scored in the range of 500-700. Based on the results of the entrance exams, 143 graduates of the district (42.03 percent of those who participated in the exams) cleared the exams. Of these 53.10 percent or 77 applicants went to state educational institutions, 2.03 percent or 3 to private higher education institutions with state support. Another 32.41 percent or 32 applicants went to state institutions, 12.41 percent (18 applicants) were admitted to private institutions using their own resources. Most of the applicants were admitted to Lankaran State University and Azerbaijan State Pedagogical University. The average score of the applicants in the entrance exams for groups I-IV was 235.66. This is 13 percent lower than the national

average. However this figure is higher than in 2020 when it was 17.1 percent below the national average.

Table 3: Entrance scores of students from Lerik District, 2022

Score interval	Number of students (people)	Percentage (percent)
0-100	53	19.41
100-200	70	25.64
200-300	73	26.74
300-500	60	21.98
Above 500	17	6.23

Among the applicants there are only 28.21 percent scored above 300, Only 16.67 percent of the applicants with excellent school certificate grades scored below 200 points. Only 20 percent maintained their academic excellence at school with results above 500 points. Graduates of 38 schools participated in the entrance exams. Among these schools, not even one applicant from Bilavar, Blaband and Hamarmesa village secondary schools was accepted to a higher education institution. Piran village secondary school was the best performing school in the district.

In 2020, 432 students graduated from general educational institutions in the district, and 430 of them participated in the final exam. The average score of the graduates in the final exam was 46.08. The average score was 28.77 in mathematics, 23.43 in foreign language, and 98.29 in all three subjects. This is 0.32 percent, 0.96 percent, 35.97 percent, 12.02 percent lower than the average indicator for the republic, respectively.

Of the 432 students who received school certificates, 63.19 percent or 273 participated in the entrance exams for groups I-IV and 70.60 percent or 305 applied for specialties included in group V. In total, 79.86 percent or 345 certificate recipients participated in the admission exams to higher education institutions. The scores received by applicants from the district for groups I-IV for Azerbaijani, literature, physics, chemistry, and history were lower than the average for the republic. The scores for mathematics and geography were higher than the average for the country,

The issues with education in the district were discussed during the workshop. The problems mentioned by participants included: the weak material and technical base of secondary and vocational schools, the poor quality of some teaching materials, need for repairs to some rural school buildings, and the lack of innovations.

2.4.2. Health status of the population

For the years 2015 to 2022, the death rate which is the number of deaths per 1,000 persons in Lerik district ranged from approximately 4.3 to 6.1). In 2022, 1,233 babies were born in Lerik district, and there were 14.5 births per 1,000 people. In 2022, 368 deaths were registered in Lerik district and the death rate per 1000 people was 4.3. In 2022, 8 deaths of infants under one year of age were registered, which is 3 less than in 2021. The number of

children who died under the age of 1 per 1,000 live births decreased to 6.5 compared to 2021 (9.4). This is less than the average for the country and the region.

Figure 10: The number of children who died under the age of 1 per 1000 live births, 2022

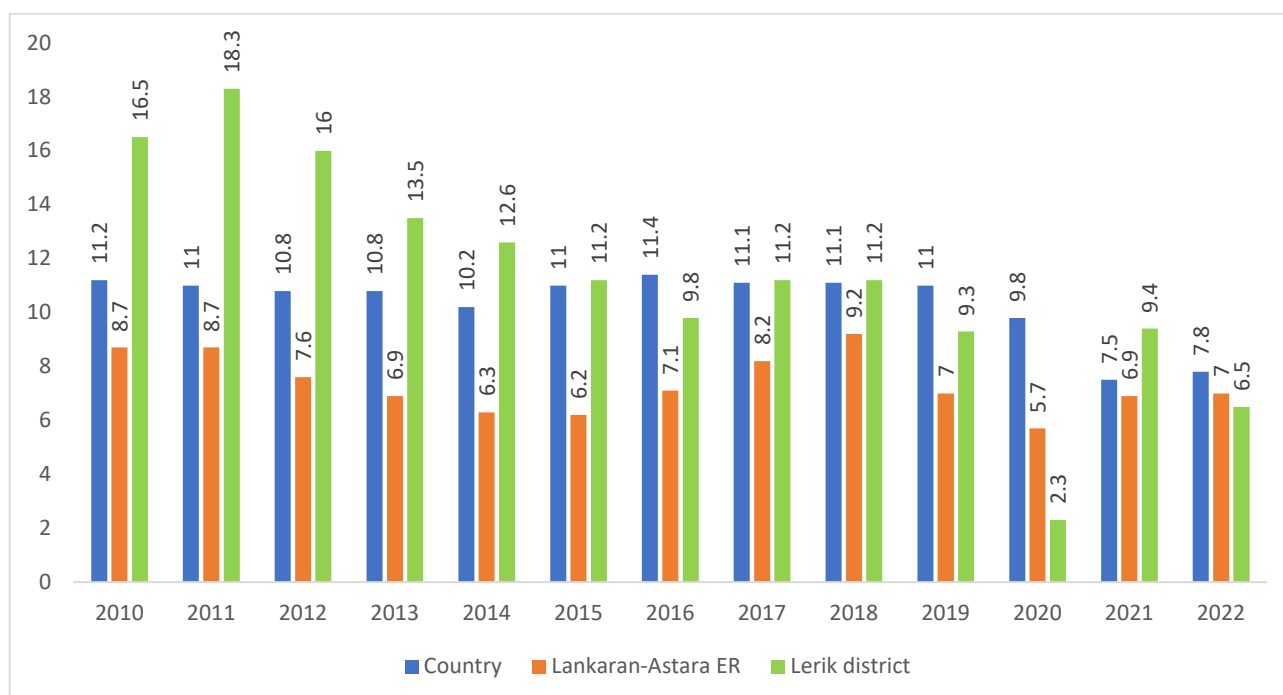
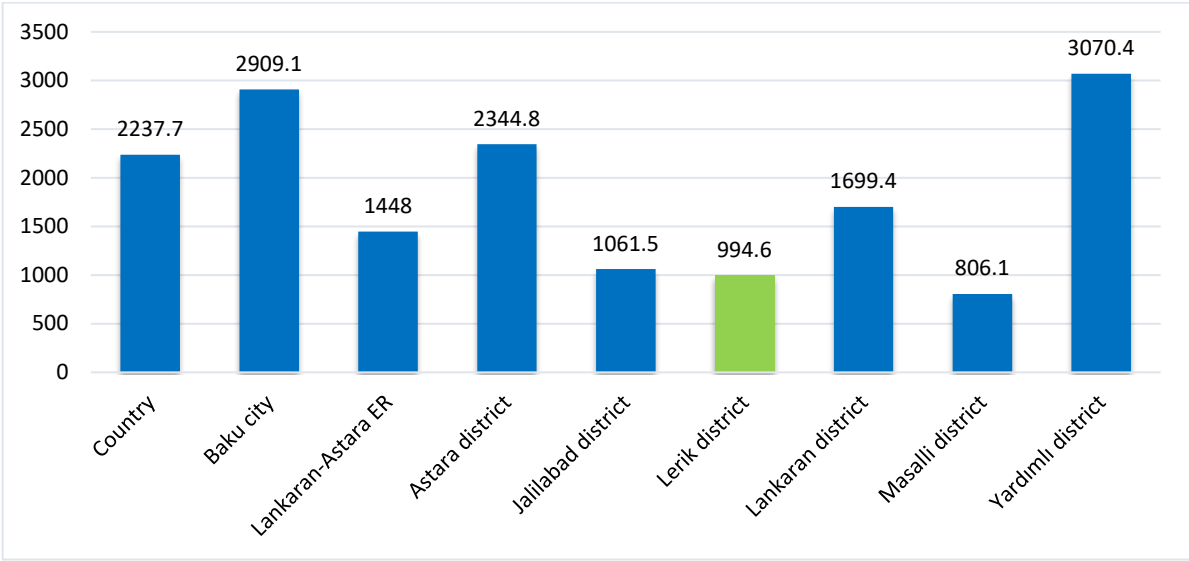


Table 4: Incidence of Diseases among the Population in Lerik District, 2022

All registered diseases (people)	8429
including	
Some infectious and parasitic diseases	580
Innovations	55
Diseases of the hematopoietic organs and separate disorders with involvement of the immune mechanism in the process	301
Diseases of the endocrine system, metabolism, and nutritional disorders	246
Diseases of the nervous system and sensory organs	428
Diseases of the circulatory system	1856
Diseases of respiratory organs	2544
Diseases of the digestive system	1318
Diseases of the skin and subcutaneous tissue	-
Diseases of the musculoskeletal system and connective tissues	-

In 2022, a total of 8,429 diseases were registered in Lerik district, which made up 9.8 percent of the total population. The main diseases in Lerik are related to the respiratory (30.2 percent), circulatory (22 percent) and digestive (15.6 percent) systems. Looking at the regional comparison as given in Figure 11 . Lerik district (994.6) is well below the national (2237.7) and regional figures (1448) for diseases per ten thousand people.

Figure 11: Number of Diseases per 10,000 population, 2022



3. SOCIO-ECONOMIC PROFILE OF THE DISTRICT

3.1. Physical infrastructure

Infrastructure is key to socio-economic development of the district. Transportation and physical and digital connectivity are of particular importance in a mountainous district like Lerik for access to markets, finance, education and employment. The district lies close to Lankaran city the main center for education in the region and the main market. The Lerik-Lankaran highway also provides access to the main growth pole of Baku.

3.1.1. Transportation

While work has been undertaken to improve the quality of roads in the district much still remains to be done as most inter-village roads are still earthen roads. The district's connectivity to Lankaran city has been improved. The Lerik-Lankaran highway is the main lifeline of the district. It provides access to the region's main city, market and educational center. In order to improve the quality of transport infrastructure and for better connectivity, the 56-km Lankaran-Lerik highway was rebuilt to a better standard. The 22-km Lerik-Shineband-Orand-Nuravud-Zardabare road was also built within the district along with the 2.5 km Blaband-Monidigah road. Asphalt has been laid on the 5 km road leading to Lulekaran village. In addition, the 26.5 km Lerik-Gosmalian-Kalvaz road, 36 km Noda-Shingedulan-Khanegah, and 27 km Piran-Hamarat-Vijaker roads were constructed in the recent past.

In Lerik district 6.7 percent of the roads are asphalt-concrete, 11.7 percent are gravel, and 81.6 percent are earthen roads. These earthen roads which mostly link villages are difficult to use during the rainy season in autumn and winter. The total length of city roads is 29.15 km, 95 percent of these roads are paved. In total, the roads leading to 36 villages of the region are paved, which is 22.4 percent of the total villages.

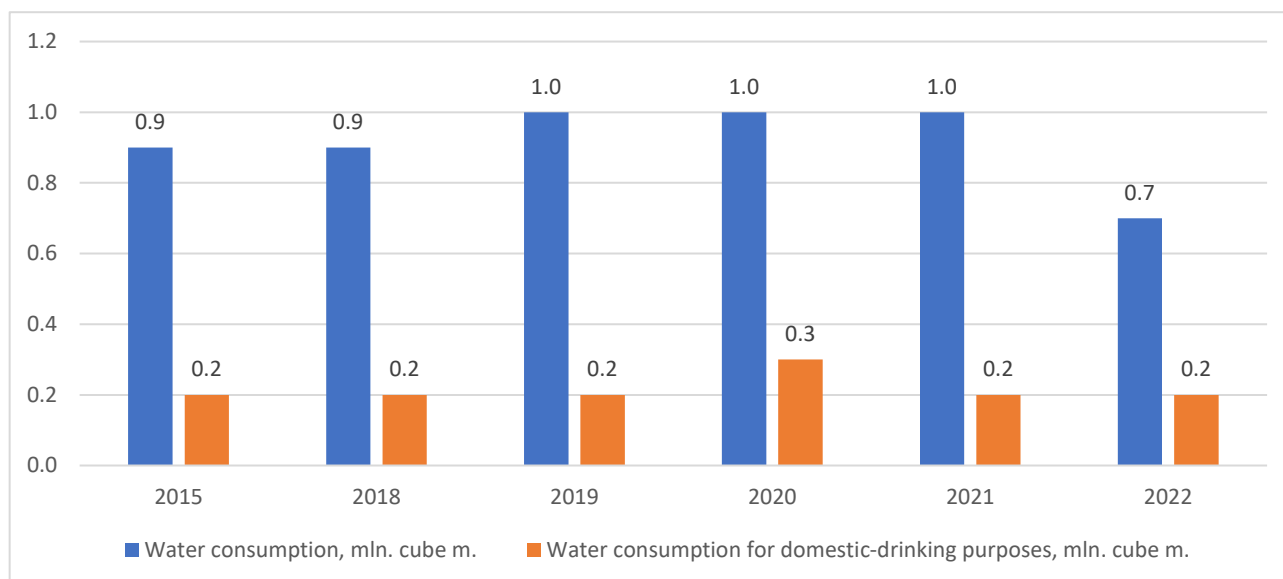
Lerik district has the longest length of roads in the economic region. This is also because mountain roads are often winding and not running straight. However all these roads are category III to V roads. There are no category I and II roads in the district. This indicates that there is no direct connectivity of the district to main highways and state highways.

One of the issues discussed during the workshop was the transport infrastructure of the district. The participants noted the weak transport infrastructure which has a negative impact on the development of tourism in the district. The problem in particular was the poor condition of many rural roads which were made of dirt and impassible when it rains and the lack of public transport.

3.1.2. Drinking and irrigation water supply

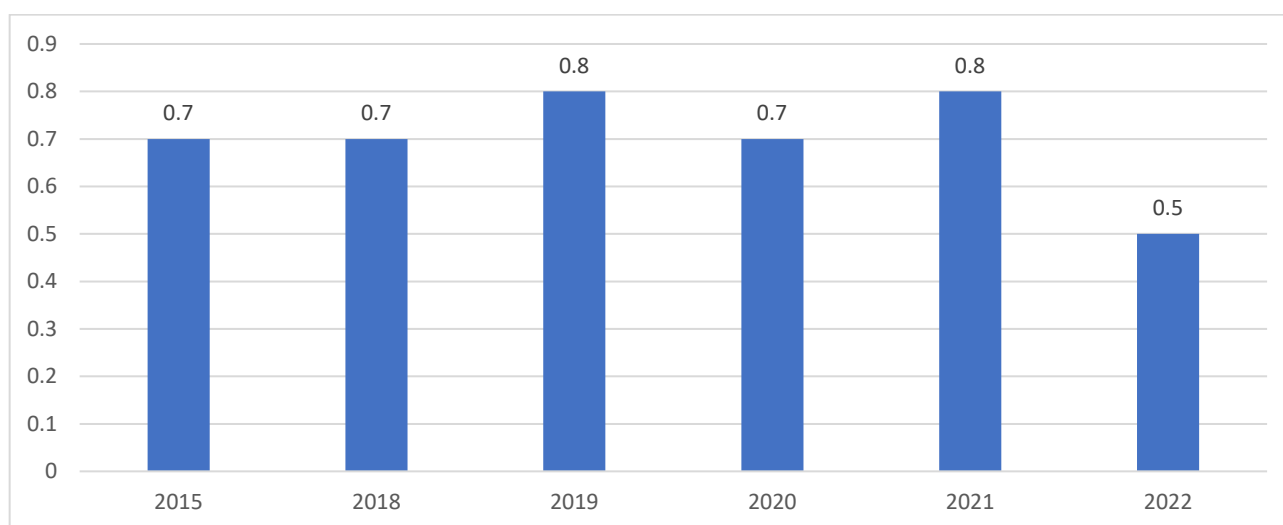
The main source of drinking water in the district is piped water and natural springs. Piped water which is available in the city. In rural areas people rely on natural springs. Figures 12 and 13 show the consumption of water obtained from natural water sources. In 2022, the total consumption was 0.7 mln cubic m.

Figure 12: Consumption of water obtained from natural water sources 2015-2022



Crops in the district are mainly rainfed and rely on water from the river and artesian wells for irrigation. In 2022, 71 percent of the water in the district was utilized for irrigation and 29 percent for drinking. For comparison, these indicators were 90.6 percent and 3.5 percent, respectively, for the economic region in the same period.

Figure 13: Water supply for irrigation and agriculture, mln. cubic m.



The volume of water lost during distribution in 2022 was 0.1 million cubic meters, equal to 3.3 percent of water loss in Lankaran-Astara district.

3.1.3. Energy supply

All villages in Lerik district have been provided with electricity. However there are still old electric poles that need to be replaced. During strong winds, electric connectivity can be lost as overhead lines are knocked out. On the order of the President of the Republic of Azerbaijan, the Lankaran-Hamarat-Lerik 35 kV high-voltage electric overhead line was overhauled, a 16.5 MWAT modular power station was built in the city of Lerik. The

construction of the power plant was part of the reconstruction of the electricity supply system of Lerik. This was done under the "The State Program for the Socio-Economic Development of the Regions of the Republic of Azerbaijan 2009-2013 " in order to improve the supply of electricity to the southern region of the country. The Lerik, Zarikümeco, Siyov, Rvarud 35/10 kV substations were rebuilt, 10/04 kV overhead lines were replaced with sip cables in 12 residential areas, and smart card meters were installed for subscribers. The 96-kilometer-long 10-square-meter electric overhead lines supplying the villages of Noda, Nuvedi, Vizazamin, and Aliabad administrative territories were rebuilt, and more than 10,000 wooden poles were replaced with iron poles. At present, final completion works are being done in the construction of Siyov substation.

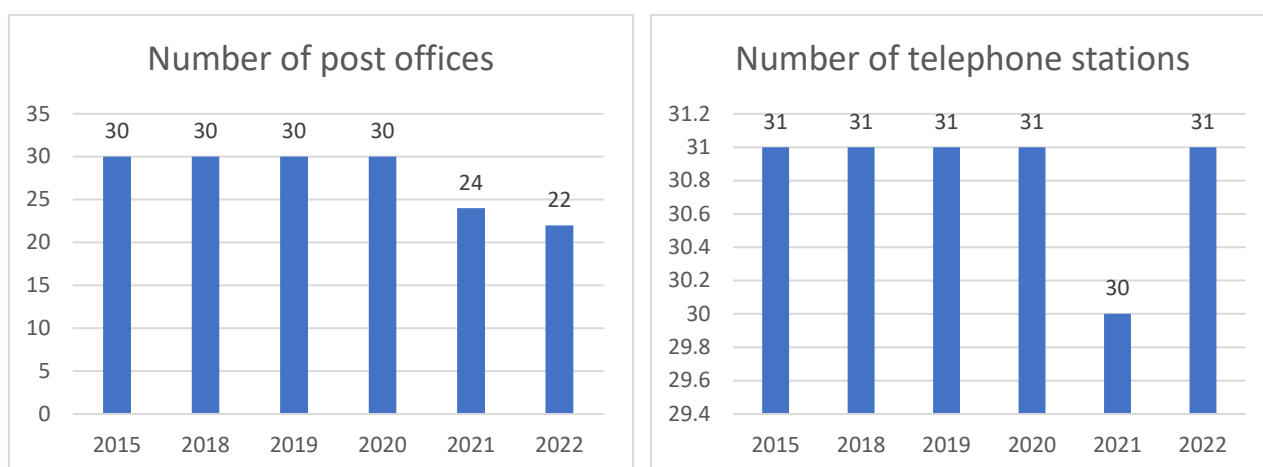
3.1.4. Gas supply system

As a result of the gas provision works started in 2006 in Lerik district, 60 settlements including the city of Lerik (1320 families) have been fully provided gas, and gas provision work is continuing in 2 villages. Natural gas consumed in 2021 was 8 million cubic meters. Some villages have no gas due to their remoteness and low population. Currently, 102 out of 161 villages in the district have no gas connections which indicates that the provision of gas is around 37 percent. Of the villages without gas, gas provision in 33 villages (32,3 percent) is considered economically unviable and provision of gas is not planned in the near future.

3.1.5. Communication and information and communication technologies (ICT)

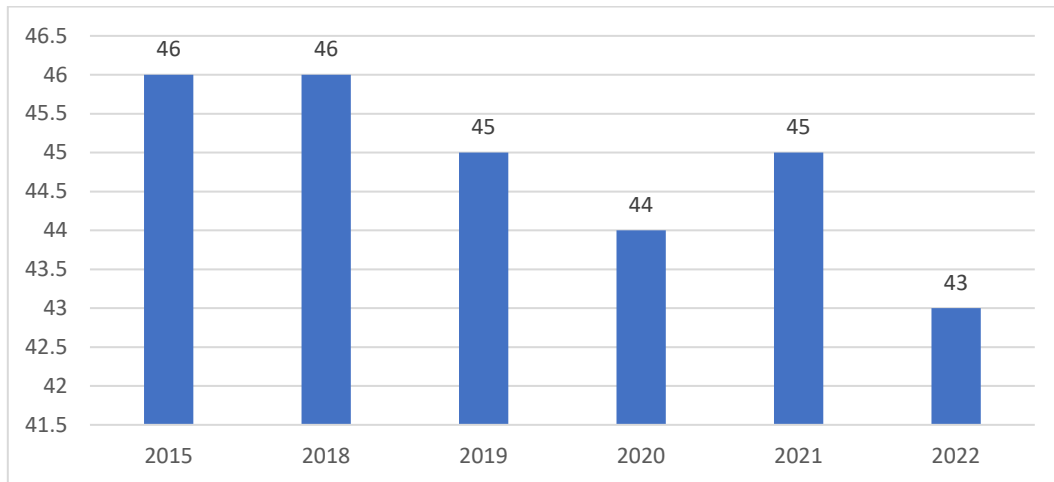
In 2015 there were 31 Azerbaijan Telephone Stations (ATS) and 30 post offices in the district, in 2022 the numbers were 31 and 22, respectively.

Figure 14: Number of ATS and post offices



The number of fixed telephones per 100 families was 46 in 2015, it decreased to 43 in 2022. In 2022, Lerik district was in the 5th place in the region.

Figure 15: Number of landline telephones per 100 households



In order to improve the quality of communication services and increase the coverage of broadband internet services, the installation capacity of the telephone network of the Lerik branch of the Southern regional branch has been increased to 64 numbers, and the capacity of the internet network has been increased to 562 ports. A 0.35 km long fiber optic cable was laid along the lines reserved for users, and the assembly capacity of Brkandul and Hamarmeşa village EATS was expanded to 16 units. It is planned to complete the work of providing high-speed internet to all settlements of the region in 2024.

All mobile networks operate in the region. The telephone network works normally in all settlements except for a few villages of Jonu and Bursülüm village administrative territorial district. Total mobile subscribers in 2022 were 34,600.

In order to organize and improve the quality of television broadcasting, a 3500 W TEX-3500 RVR Elettronica FM transmitter and a 1x4 configuration dipole antenna and a 7/8 size feeder cable were installed at the Lerik Radio-Television Broadcasting Station.

4. SOCIAL INFRASTRUCTURE

4.1. Education

There are 106 general education institutions . 38 are full secondary schools, 46 are general secondary schools and 22 are primary schools. In addition, 13 pre-schools and 1 vocational education school are in the district. The overall literacy rate is 97.2 percent. There are 1,297 teachers and pedagogical workers for 6,744 students. During 2003-2021, 49 schools for 6,384 students were built, including 4 new schools with 870 students built with funds from the Heydar Aliyev Foundation, 3 buildings for pre-schools for 35 children each as well as a kindergarten with 100 places in Lerik were also built with the help of the foundation. The construction of 13 new school buildings in different villages of the district is ongoing. Some villages do not have schools and children need to travel several kms to the nearest school.

Table 5: Educational trends in Lerik District

	2015	2018	2019	2020	2021	2022
Preschool education enterprises number	15	12	11	13	13	13
number of children there, person	502	429	470	520	520	520
100 places in pre-school educational institutions						
number of children there, person	100	100	100	100	100	100
Number of full-time general education institutions	107	107	107	107	106	106
number of students there, people	7505	7073	6926	6900	6744	6430
Specific share of students in the II and III shifts,						
in percentage *	13.4	7.7	-	5.6	6.0	8.0
The specific weight of students who graduated full-time secondary general education institutions and received a certificate of secondary education and were admitted to higher education institutions in the same year, in percentage	37.5	54.3	60.4	49.7	52.3	58.7
* Except for special schools for children with disabilities						

According to the 2019 report of the Lerik Executive Authority, by order of the Ministry of Education, the construction of new modular school buildings with 56 places for students in Kagoy village, 56 places in Jonu village, 40 in Mistan village, 180 in Orand and Avila villages, 40 in Kiravud village, 80 in Haftoni village, and 180 places in Siyov village have been completed. Major renovation works are being made to the building of the boarding-type gymnasium named after V.Ibrahimov in Lerik city , and the construction of a 75-place kindergarten in the village of Piran is being carried out. A 50-place kindergarten also was also built in Noda village.

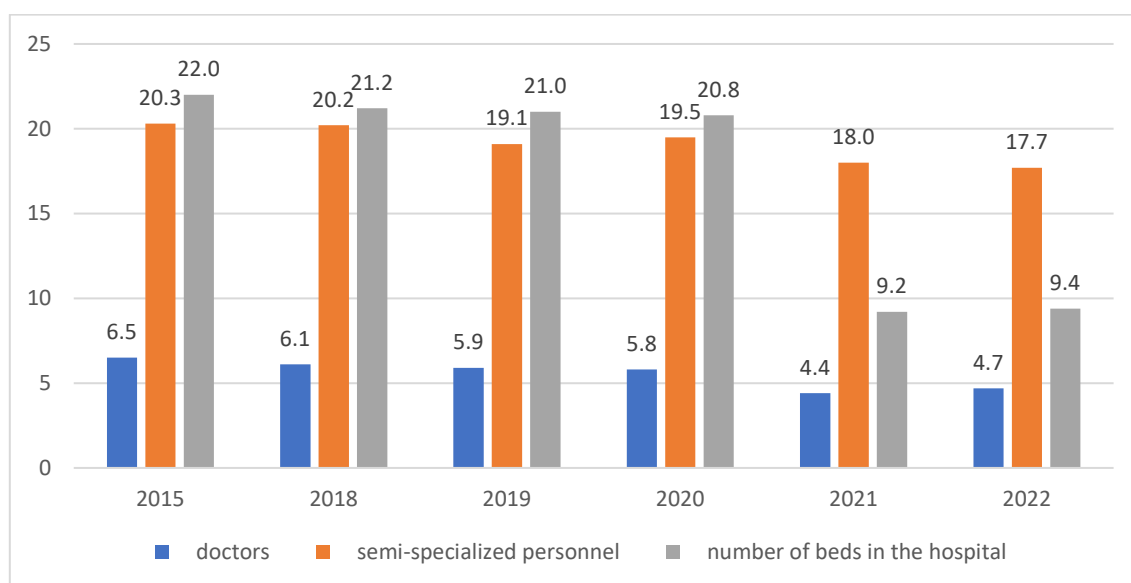
There are 13 pre-school educational institutions in the district with 520 students . The number of children per 100 places in pre-schools is 100, which makes Lerik district one of

the leading places in the region in terms of use of pre-schools. This also indicates that there is need for more pre-schools as all of the ones available are full.

4.2. Healthcare

In 2023, the district has a 90-bed district central hospital, 6 family health centers, 34 medical centers, and 19 medical centers that provide outpatient and inpatient medical care to the population, in which 50 doctors and 169 medical workers work. The district central hospital and children's department

Figure 16: Number of doctors, paramedics and hospital beds per 10,000 population



and the Gosmalian, Peshtatuk, Aliabad village hospitals and health center in Vizazam village were rehabilitated. New buildings were built for Shingedulan, Jangamiran, Brkandul, Barzavu, Blaband, Piran village health centers. In addition, health centers were built in the villages of Pirasora and Jonu with the financial support of the State of Japan, and in the village of Jangamiran with the support of the United States. The number of doctors, medical staff, and hospital beds per 10,000 people has decreased until 2022. Although there was a slight increase in the number of doctors and hospital beds in 2022, the number of medical staff continued to decrease. Thus, In 2021, the number of doctors per 10,000 people was 4.7, medical staff was 17.7, and hospital beds was 9.4. In 2022, the numbers were 4.4, 18 and 9.2, respectively.

5. LABOR MARKET

5.1. Labor resources

The share of the working age population aged 15-65 years in the total population in 2022 was 69.7 percent. There is no lack of labor resources either now or in the near future .

Figure 17: Share of working age population in Lerik disttict by age groups, 2022

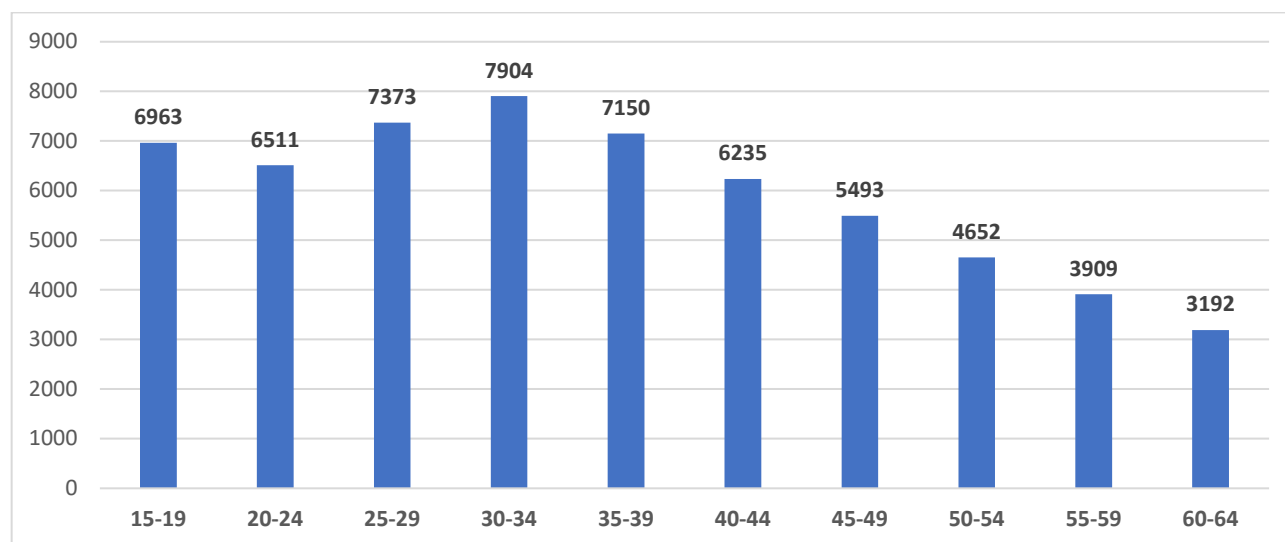
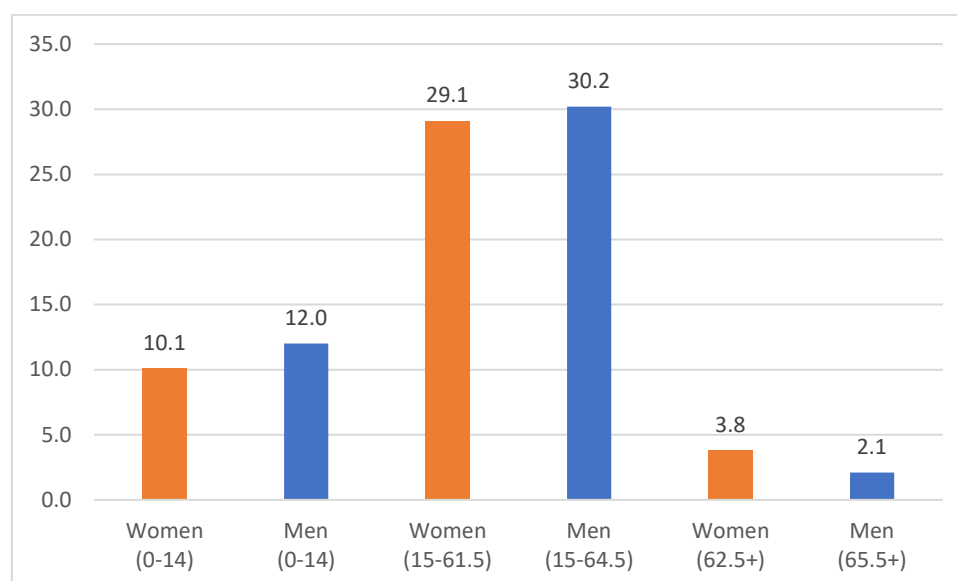


Figure 18 shows the distribution of men and women by working age, less than working age and more than working age in 2022 in the district. The number of working-age women at 29,100 is less than men at 30,200. The number of retired women at 3,800 is more than the number of retired men at 2,100.

Figure 18: Distribution of women and men by age groups in 2022 (000)



5.2. Employment and unemployment

At the beginning of 2023, there were 41,660 economically active people in Lerik district. The number of unemployed persons was 3,562, which included 487 in urban areas and ,3075 in rural areas. Compared to other districts of the region, Lerik district ranks second on this indicator.

Figure 19: Economically active employed and unemployed population by districts, 2022

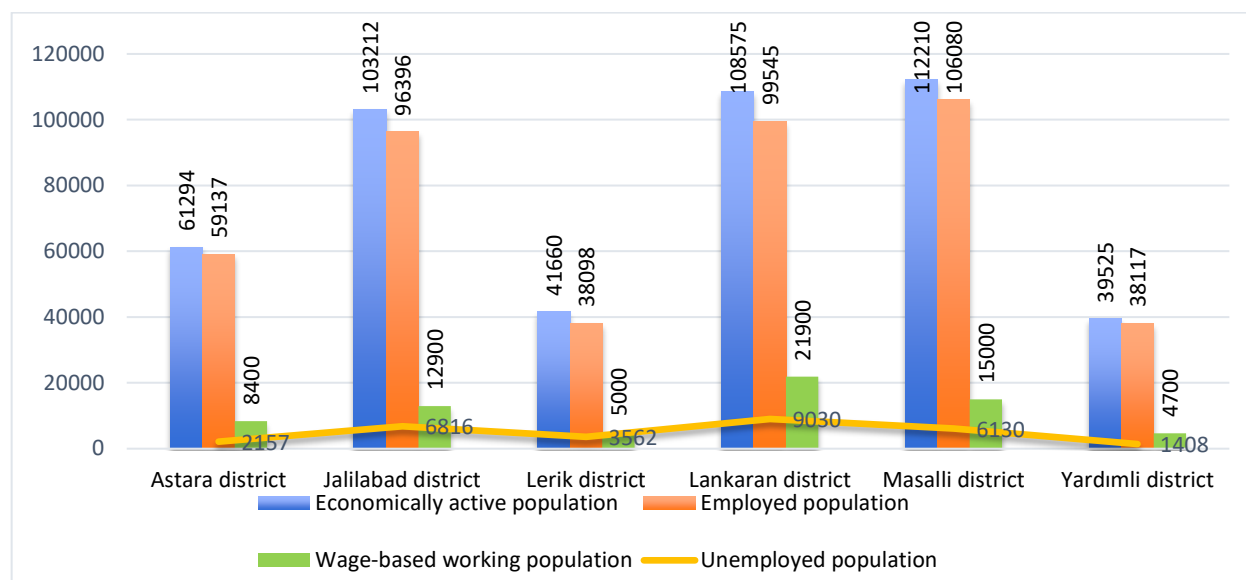


Table 6: Employed population by economic activity 2022

Types of economic activity	Number, thousand people
Agriculture, forestry, and fishing	19.6
Mining industry	0.1
Processing industry	0.4
Electricity, gas and steam generation, distribution, and supply	0.1
Water supply, waste treatment and processing	0.1
Construction	3.3
Trade, repair of vehicles	3.0
Transport and warehousing	0.8
Tourist accommodation and public catering	0.7
Information and communication	0.2
Financial and insurance activities	0.1
Transactions related to real estate	0.1
Professional, scientific, and technical activity	0.1
Provision of administrative and support services	0.7
Public administration and defense; social security	1.2
Education	3.3
Provision of health and social services to the population	0.6
Activities in the field of recreation, entertainment, and art	0.8
Provision of services in other areas	2.9

Agriculture, forestry and fishing employed 19,600 persons, construction and education 3,300 each, trade and vehicle repairs 3,000; provision of services in other areas 2,900 and public administration, defense and social security 1, 200 persons. There were 5,500 wage earners in 2015 and 5,000 by the end of 2022 (Figure 20). In 2022, the ratio of the number of wage earners to the total number of employed has dropped to 13.3 percent from 14.2 percent in 2015 and from a high of 15.4 percent in 2018. (Figure 21)

Figure 20: Number of salaried employees, thousand persons, 2015-2022

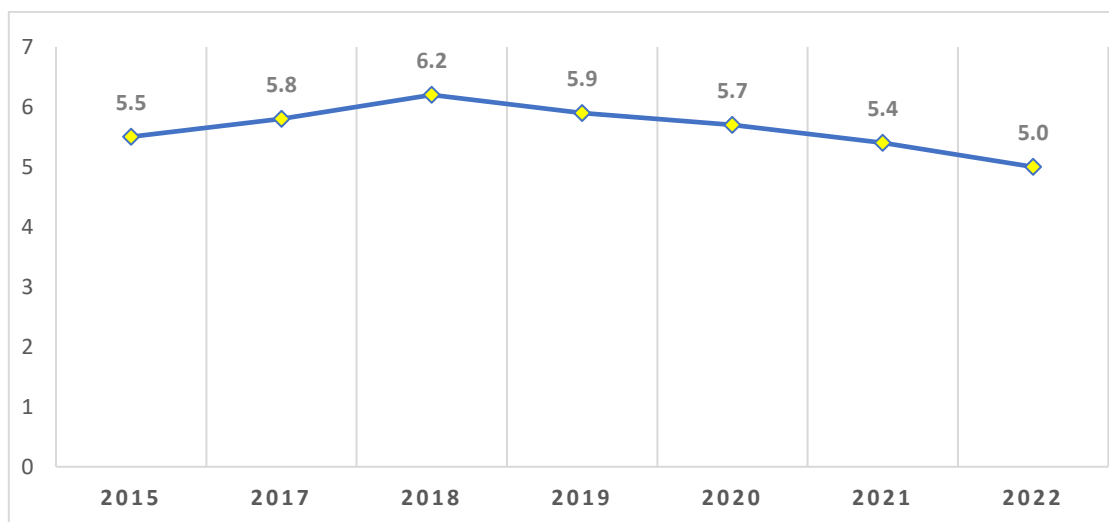
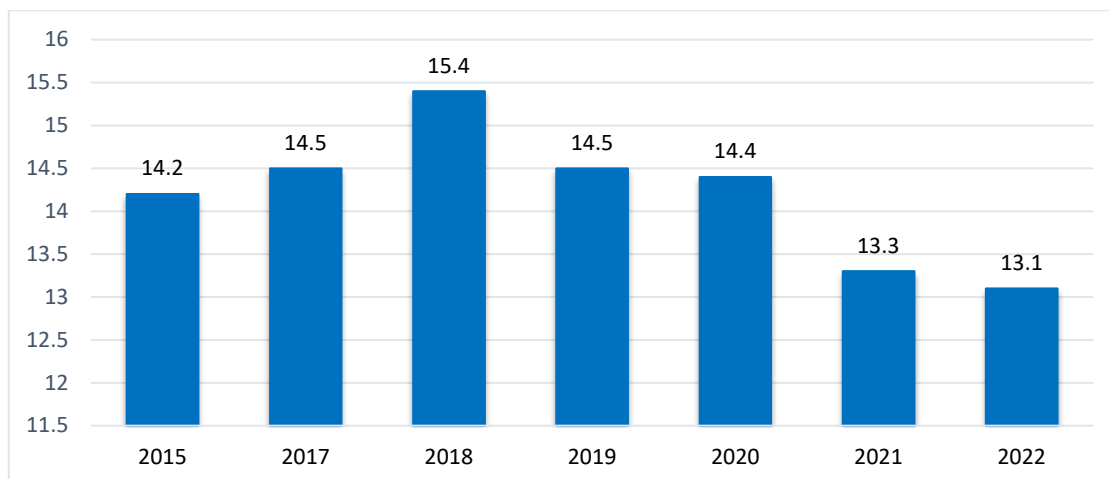
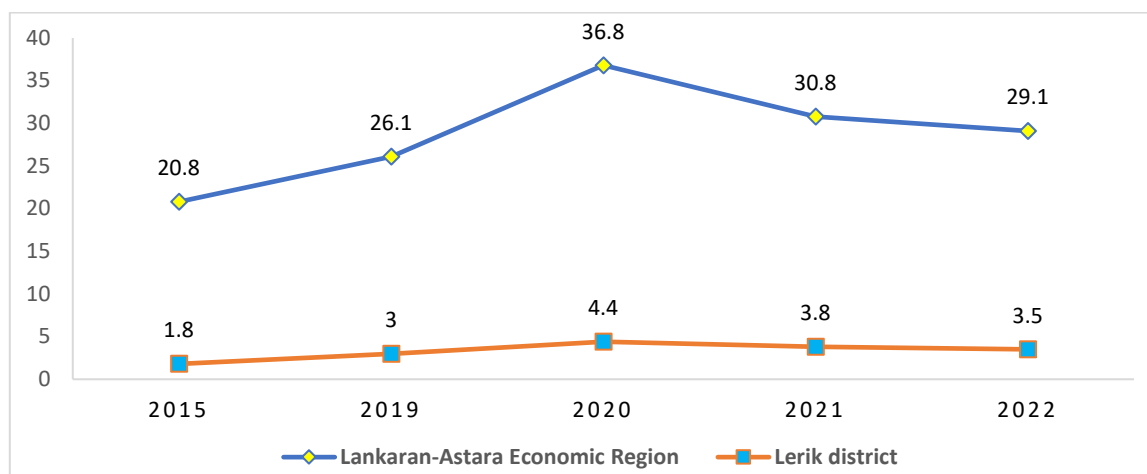


Figure 21: Number of wage-earners to the total number of employed people (percentage)



The number of persons unemployed in 2022 increased by 1,700 compared to 2015 and amounted to 3,500 persons (Figure 22). The number of unemployed people is likely to be underestimated as people do not like to register as unemployed. Participants in the workshop mentioned that people do not get work according to their qualifications and as there are few jobs in the district people migrate to look for work.

Figure 22: The number of registered unemployed people



Unemployment rate in Lerik district was higher than the region and the country in 2019-2022. This could be due to the pandemic and the lack of job creation in the district.

Figure 23: Unemployment rate of the population, 2015-2022 (percentage)

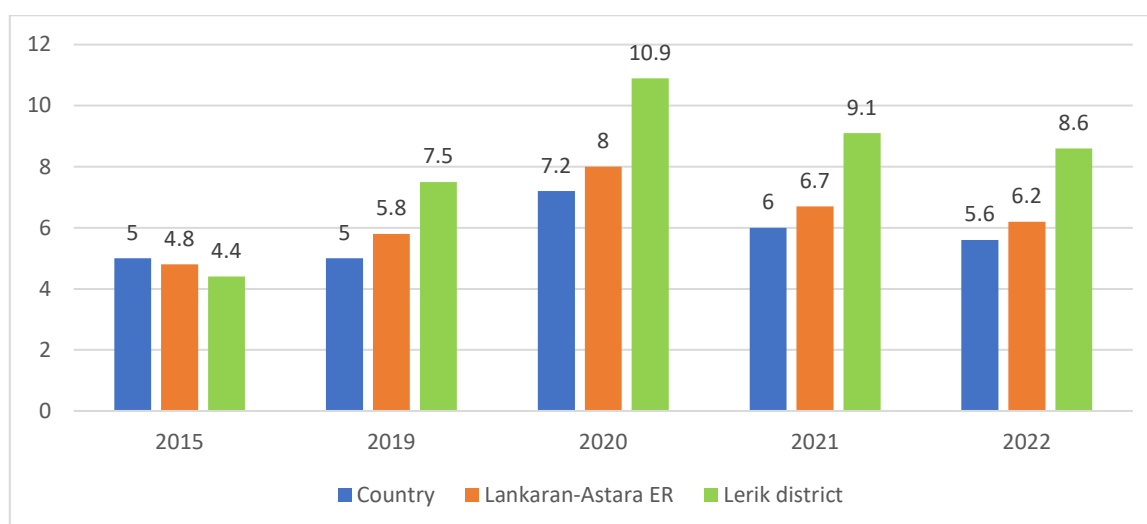
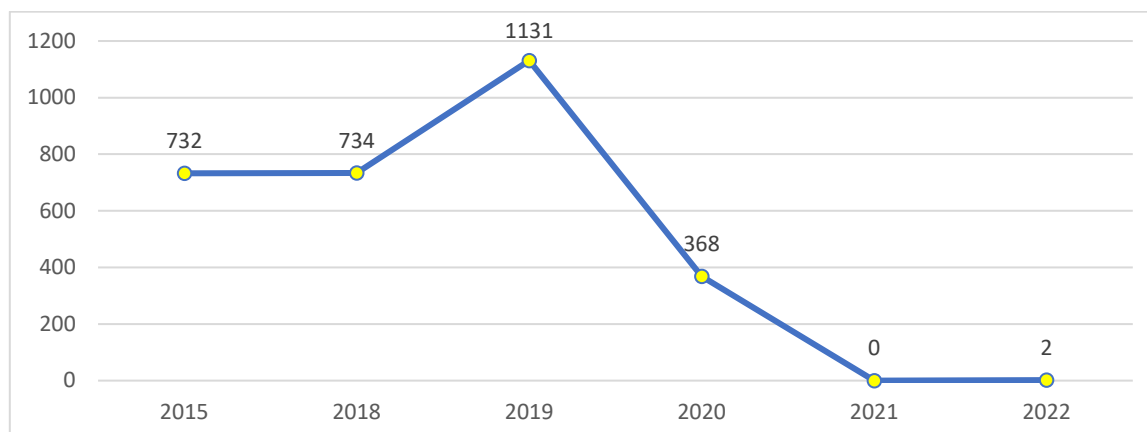


Figure 24: The number of new workplaces and permanent jobs



A decrease in the number of new positions created between 2019 to 2022 is observed. For comparison, the same trend is observed in Lankaran-Astara economic region for this indicator during the same period. The number of jobs opened in Lankaran-Astara economic region in 2022 is 947 while in Lerik district the number was 2.

5.3. Salary

In 2022, the average monthly nominal salary was 556.75 manats. This is the second highest salary in the region. As per Figure 26 the salary has increased from 271.3 in 2015 to almost double in 2022. This trend is also observed in the region, where the average salary increased from 276.2 to 543.8 during the same period.

Figure 25: Average monthly nominal salary of wage earners by districts in the region, (AZN)

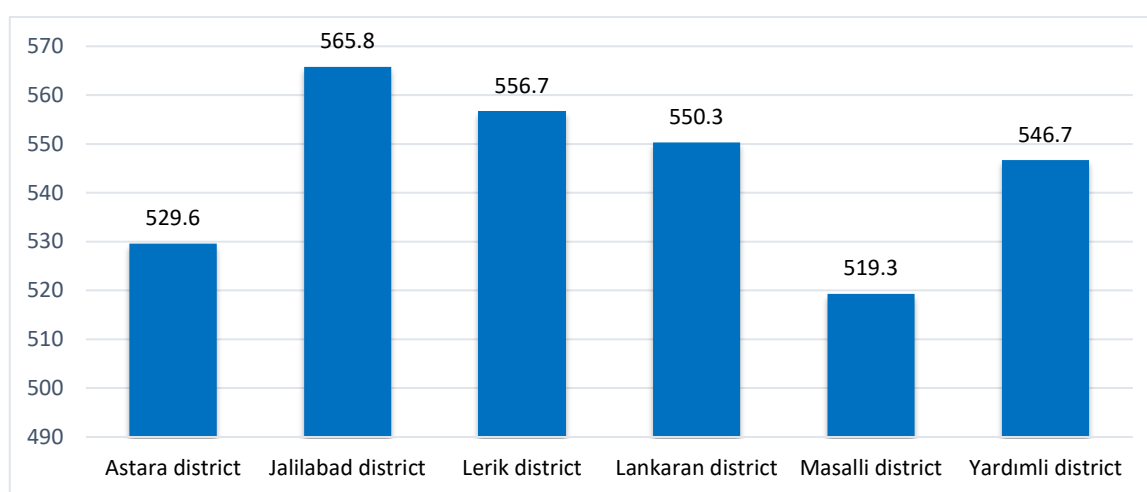
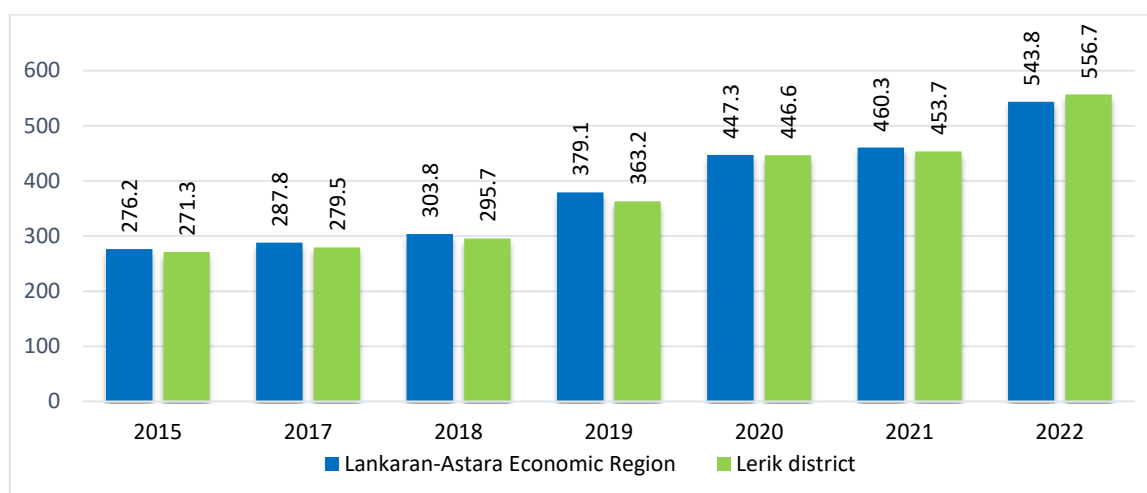


Figure 26: Average monthly nominal salary of salaried workers in the region (AZN)



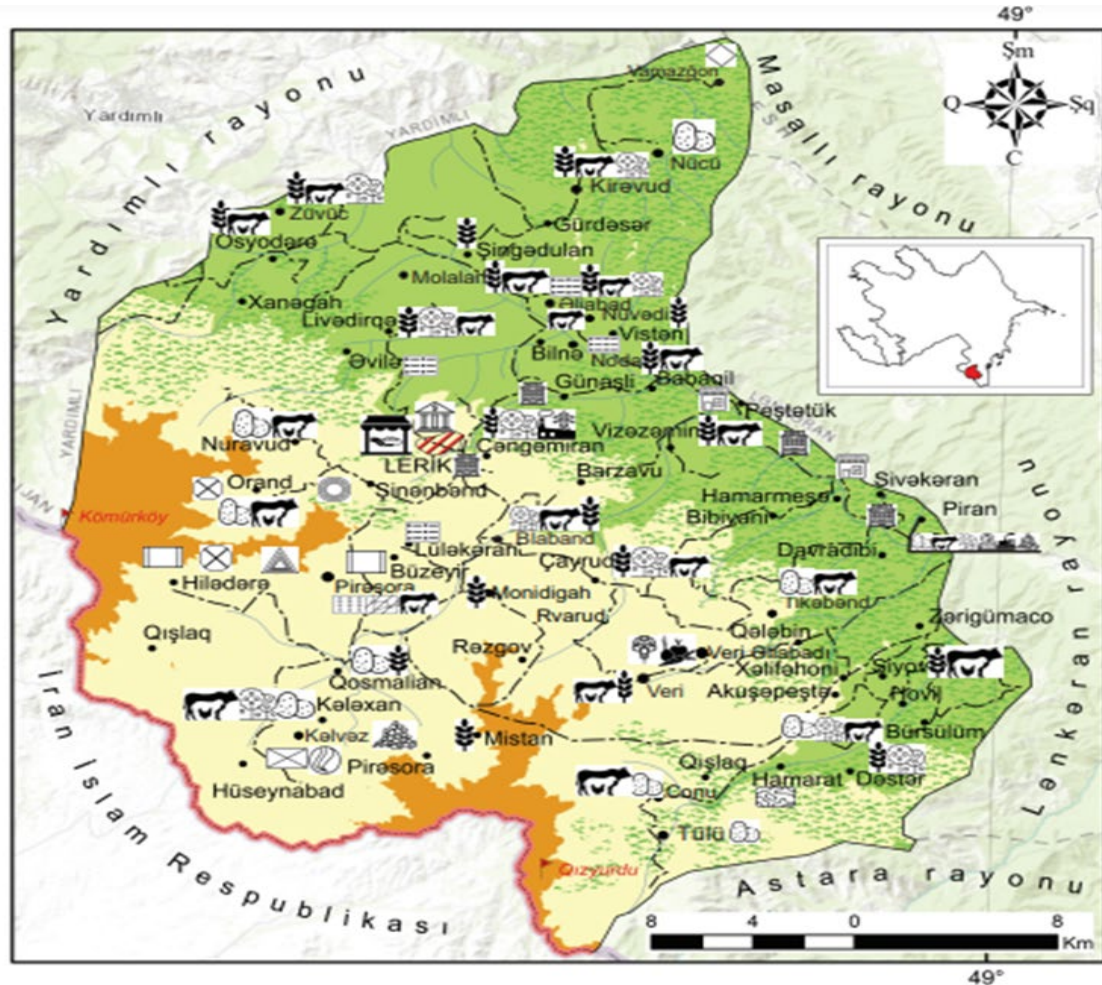
The average monthly nominal salary in Lerik district was lower than the average of the economic region during 2015-2021. In 2022 it is slightly above the regional average. The average monthly nominal salary in Lerik district is higher than in other districts due to the compensation provided for working in a mountainous terrain to teachers and doctors.

6. ECONOMY AND BUSINESS

6.1. The structure of the economy

Agriculture dominates the economy of the district. There are few industries in the district. Lerik district also has potential as a tourist destination and tourism is gradually developing as an economic activity.

Map 2. Economic map of Lerik district



Ş ə r t i i ş a r ə l ə r

- Dövlət sərhədi
 - İnzibati rayon sərhədi
 - - - Avtomobil yolu
 - ~ Çay
 - Meşə
 - Şəhər
 - Yaşayış məntəqəsi
 - ▲ Zirvə
- Hündürlük, m-lə**
- < 1000 m
 - 1001-2000
 - 2001+

Sənaye müəssisələri

- Lerik Broyler MMC
- Kerpic, qum və çınqıl zavodu
- Lerik çörək zavodu

Mineral ehtiyatlar

- istifadə olunan ehtiyatlar*
- qum, çınqıl
 - gil
 - mis
 - tikinti daşı
 - mişar daşı
 - qranit (üzüklük daşı)
 - marmar (üzüklük daşı)
- potensial ehtiyatlar*
- seolit
 - xalkopitir
 - optik kalsit
 - bazalt
 - diabaz

Xidmət sahələri

- Bank
- Otel
- Restoran

Elektrik stansiyası

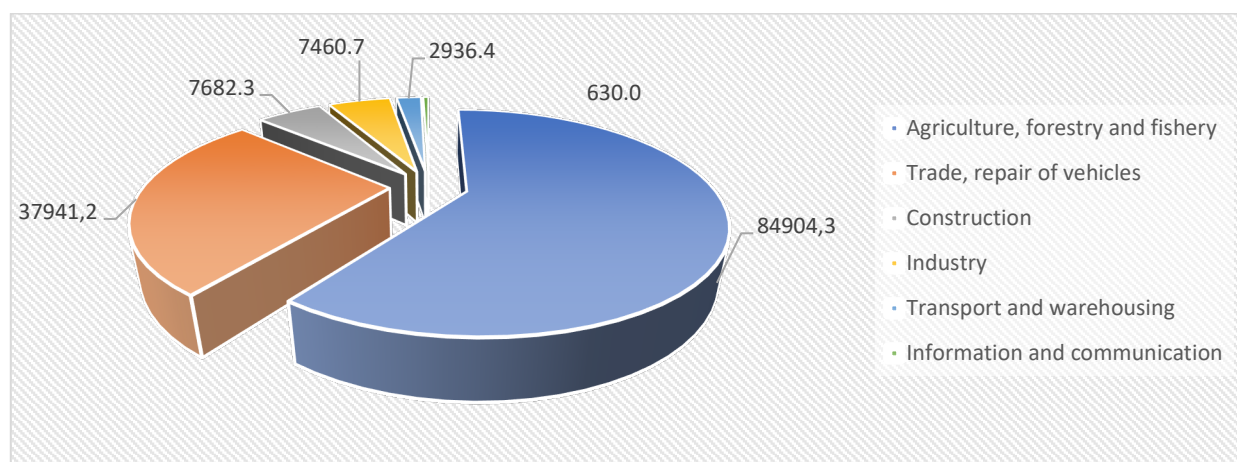
- Lerik Modul tipli elektrik stansiyası

Əkin sahələri və heyvandarlıq

- taxıl əkinli
- kartof əkinli
- tərəvəz əkinli
- qaranfil əkinli
- heyvandarlıq
- meyva bağları

The major part of the output in the district is agriculture at 60 percent valued at 84.904.3 million manats. Trade and vehicle repair is next at 26.8 percent of gross output (37,941.2 million manats) followed by the construction sector at 5.4 percent (7682.3 million manats) in 2022.

Figure 27: Output in the main sectors of the economy, Lerik District, 2022



6.2. Economic development trends and financial situation

The main socio-economic indicators of the district, reveal that the general socio-economic situation has improved in recent years.

Table 7A. Main socio-economic indicators for districts in LAER (2022- Actual prices)

	Territory, thousand sq. km. ¹	Population, (thousand persons)	Number of economic facilities		Number of employees, (thousand persons)	Average monthly nominal salary of salaried employees, (manats)	Nominal incomes of the population, thousand manats ²
			legal persons	physical persons			
Azerbaijan Republic	86.6	10127.1	182837	1222859	1738.7	840.0	68914600.3
Lankaran- Astara ER	6.07	930.6	7658	123376	67.9	543.8	2951084.9
Astara district	0.62	110.9	648	14627	8.4	529.6	304276.0
Jalilabad district	1.44	214.9	1442	29968	12.9	565.8	790196.7
Lerik district	1.08	85.2	551	7606	5.0	556.7	155618.4
Lankaran district	1.54	226.6	2564	32680	21.9	550.3	908641.4
Masalli district	0.72	225.3	1966	29880	15.0	519.6	676397.5
Yardimli district	0.67	67.7	487	8615	4.7	546.7	115954.9

¹ Including areas of islands in the Caspian Sea

² Based on preliminary data.

Table 7B: Main socio-economic indicators for districts in LAER (2022) (actual prices)

	Gross product output on primary areas, million manats	Industrial product ³ , thousand manats	Agricultural product, thousand manats	including:_		Retail trade turnover, thousand manats	Investment to the fixed capital, thousand manats ⁴
				crop farming	animal husbandry		
Azerbaijan Republic	146016538.6	86383438.6	10984231.7	5538057.2	5446174.5	52170961.1	17878165.1
Lankaran-Astara IR	2451654.0	360977.4	999720.1	556430.8	443289.3	2273678.7	310192.8
Astara district	274056.5	31266.7	110318.2	60105.8	50212.4	238233.1	54232.9
Jalilabad district	710670.5	37696.1	415907.2	278272.3	137634.9	616757.7	50567.7
Lerik district	141554.9	7460.7	84904.3	26597.8	58306.5	118566.4	6864.2
Lankaran district	612912.3	136102.5	162551.9	94049.3	68502.6	705031.8	68520.5
Masalli district	614356.5	143267.1	170101.3	83623.5	86477.8	511892.2	126883.9
Yardimli district	98103.3	5184.3	55937.2	13782.1	42155.1	83197.5	3123.6

Table 8: The main socio-economic indicators of the economic region in 2022 (with comparative prices, as a percentage compared to the previous year)

	Population as of 01.01.2023	Number of employees	Average monthly nominal salary of salaried employees	Nominal incomes of the population	Gross product output by major areas	Industrial product	Agricultural product	including		Retail trade turnover	Investments to fixed capital
								crop farming	animal - narrowness		
Azerbaijan Republic	100.6	101.7	114.7	120.5	104.5¹⁾	98.9	103.4	103.3	103.4	103.1	103.3
Lankaran-Astara ER	100.8	99.4	118.1	120.2	111.5	106.3	105.4	106.7	103.9	102.8	2.0 d.
Astara district	101.0	98.8	120.6	118.9	115.1	90.5	106.6	109.5	101.4	101.8	195.8
Jalilabad district	101.2	101.6	117.9	118.6	108.4	97.5	105.1	108.1	100.7	101.3	2.2 d.
Lerik district	101.1	92.6	122.7	117.2	106.6	55.1	121.8	113.6	124.9	99.8	2.4 d.
Lankaran district	100.4	100.5	118.0	124.6	111.2	115.3	101.3	101.0	101.6	106.7	2.1 d.
Masalli district	100.7	98.0	116.0	118.1	116.3	105.0	102.9	105.5	100.6	101.0	2.1 d.
Yardimli district	100.9	102.2	117.4	118.9	104.5	110.1	103.3	106.5	102.5	101.3	62.5

The number of wage earners in the regional economy decreased from 5.5 thousand in 2015 to 5 thousand in 2022. Compared to last year, the population increased by 1.1 percent (region by 0.8 percent). Although the number of salaried workers has decreased, in 2022 the average monthly salary of salaried workers in the district has increased by 22.7 percent to 556.7 manats (271.3 manats in 2015) (the region - 543.8 manats, the country - 840.0

³ Considering the industrial activity of households and individuals-individual entrepreneurs working informally in the field of industry by district.

⁴ The part of fixed capital investments that cannot be distributed by district is not reflected in the table.

manats). In addition, the nominal income of the population in 2022 increased by 22.7 percent compared to the previous year . Inthe region it increased by18.1 percent. The number of economic entities in the district are 551 legal entities as compared to 7,658 in the region, and 182,837 in the country. Individual business entities or natural persons were 7,606 while in the region it was 123,376, and in the country it was 1,222.859).

The financial situation: of the district includes revenues and expenses of the district budget. In 2022, it is seen that the revenues from the district was less tha expenses. The district needs additiional support from the state and is not in a position yet to self-finance all expenditures. According to statistical indicators, the prices of consumer products and services provided to the population in Lerik district compared to the previous year were 10.2 percent in 2017 and 8.6 percent in 2021.

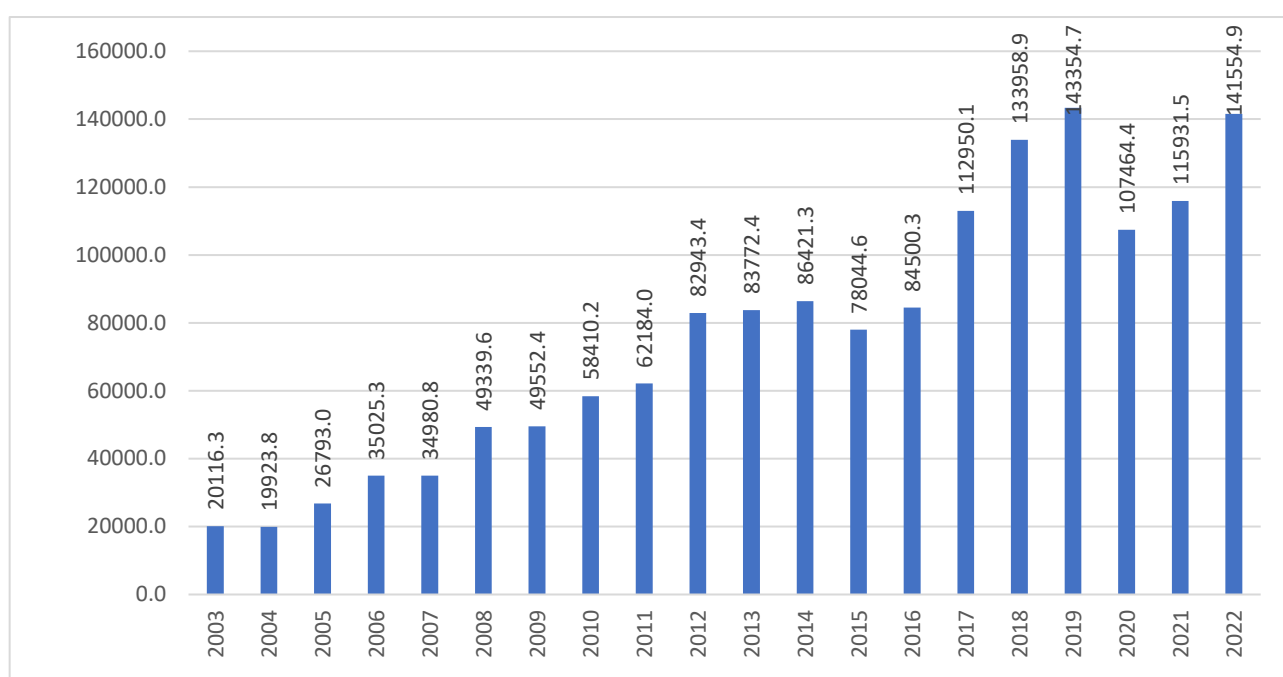
6.3. Business environment and market infrastructure

Based on data from 2021, the share of the private sector (81.9 percent) in the output of ndustry in Lerik district is greater. However support to promote businesses is limited. The lack of industrial and entrepreneurial activity is clear from the fact that there is only one branch of Kapital Bank in Lerik city with 4 ATMS located mostly in the city along with one on the Lerik-Lankaran highway. There is thus limited access to finance. No branches of either ABAD or KOBIA are located in the district.

6.4. Product and service production

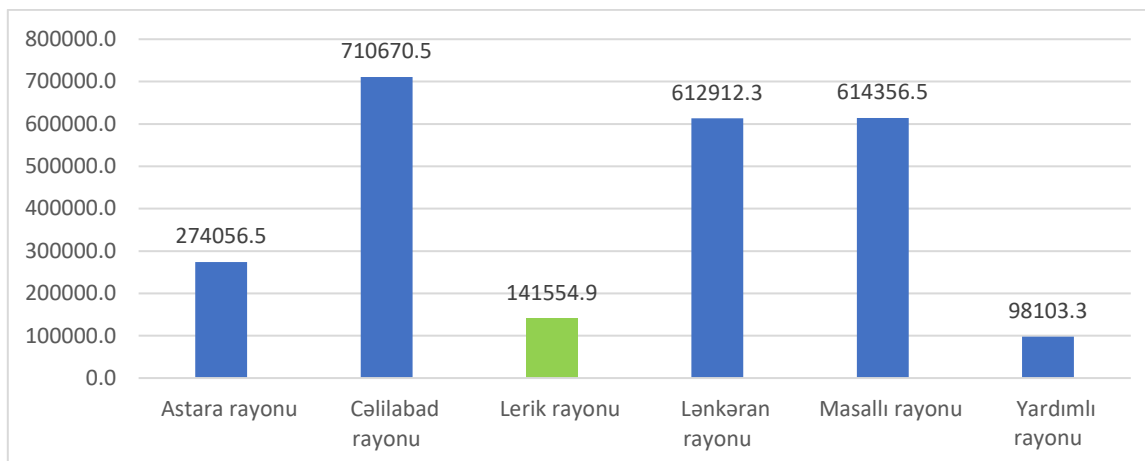
Output has increased from 2006-2022, except for the years 2020 and 2021 which could be attributed to the pandemicThus, the output of 0.35 million manats in 2006 increased to 141.55 million manats in 2022.

Figure 28: Product output by year , at current prices, in thousand manats



Over the period under review, output increased by more than seven times., which is a positive development.. In 2022, the share of Lerik district in the total output of the economic region was 5.8 percent.

Figure 29: Product output in 2022 , at current prices, thousand manats



The increase in total output has also led to an increase in per capita output. t Over the years 2006-2022, per capita output has increased over three times. . In 2006, per capita output was 489.8 manats, it increased in 2022 to 1669.7 manats.

Figure 30: Product output per capita at current prices, in manats

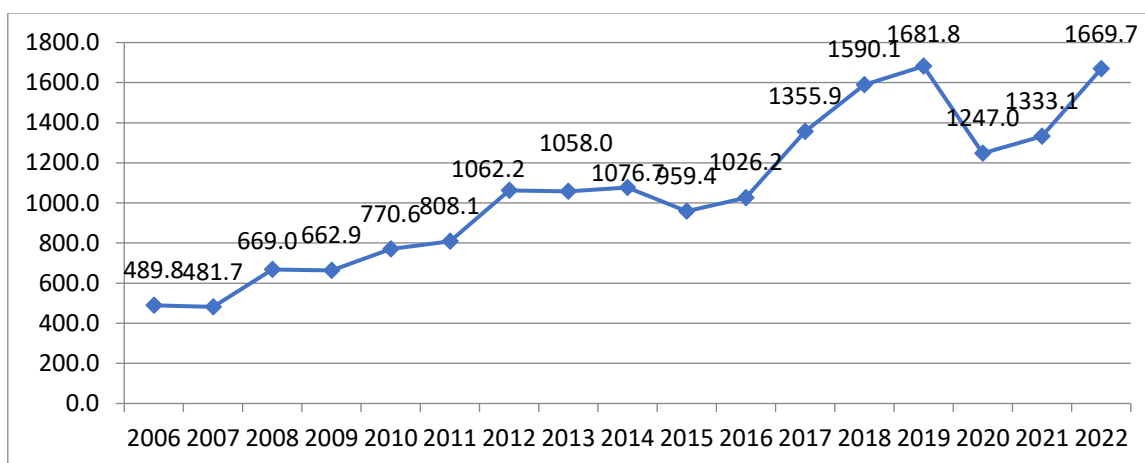
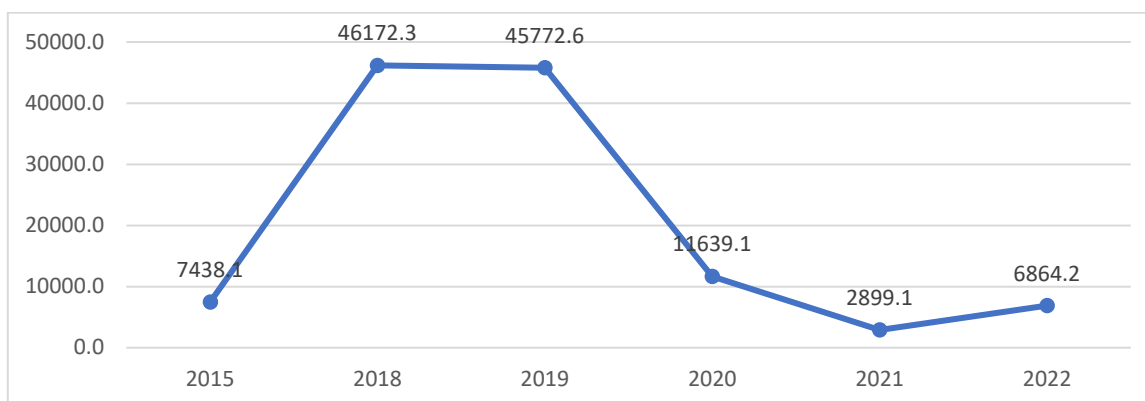


Figure 31: Investments in fixed capital, at current prices, (000, AZN)

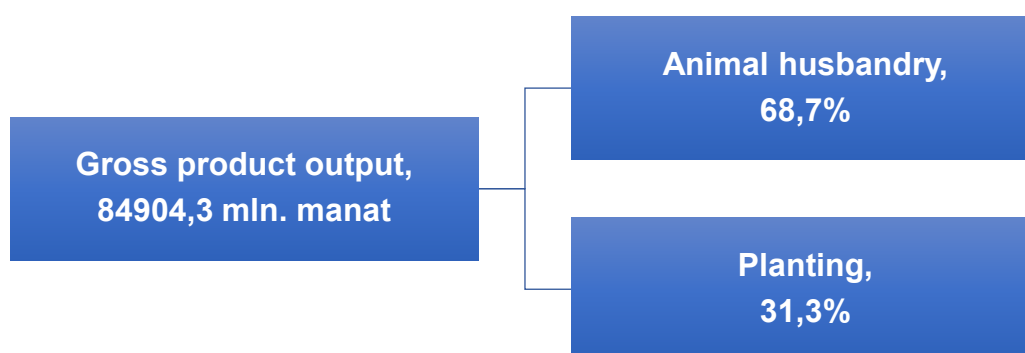


Fluctuations in the volume of fixed capital investments in Lerik district is observed during 2015-2022. While in 2015, the investment was 7.4 million manats, it decreased to 2.9 million manats by 2021, and increased to 6.9 million manats in 2022.

6.5. Agriculture, forestry and fishing

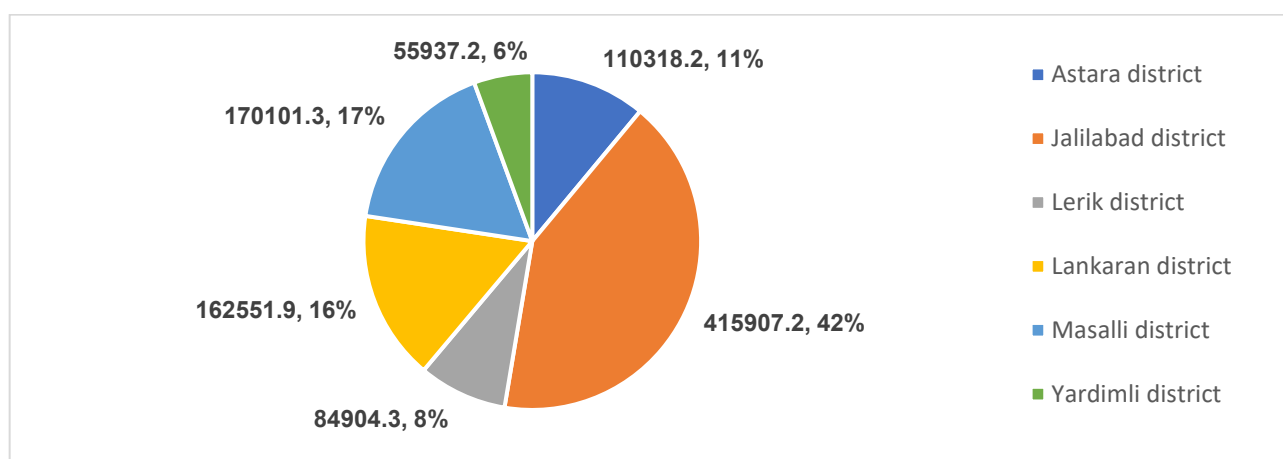
Agriculture is the main occupation and the main income for the majority of the population, especially the people living in the villages.. The district has 8.0 percent of the total output of agricultural products in the economic region.

Figure 32: Area structure of total agricultural output (percent)



Agriculture was 51.1 percent of the gross output of the district in 2021. In 2022, total agriculture output was 84, 904.3 AZN. Of this 68.7 percent was from animal husbandry and from planting of crops it was 31.3 percent. Thus animal husbandry forms the major part of the agricultural economy in the district.

Figure 33: Agricultural output in LAER by districts (000 AZN and percent)

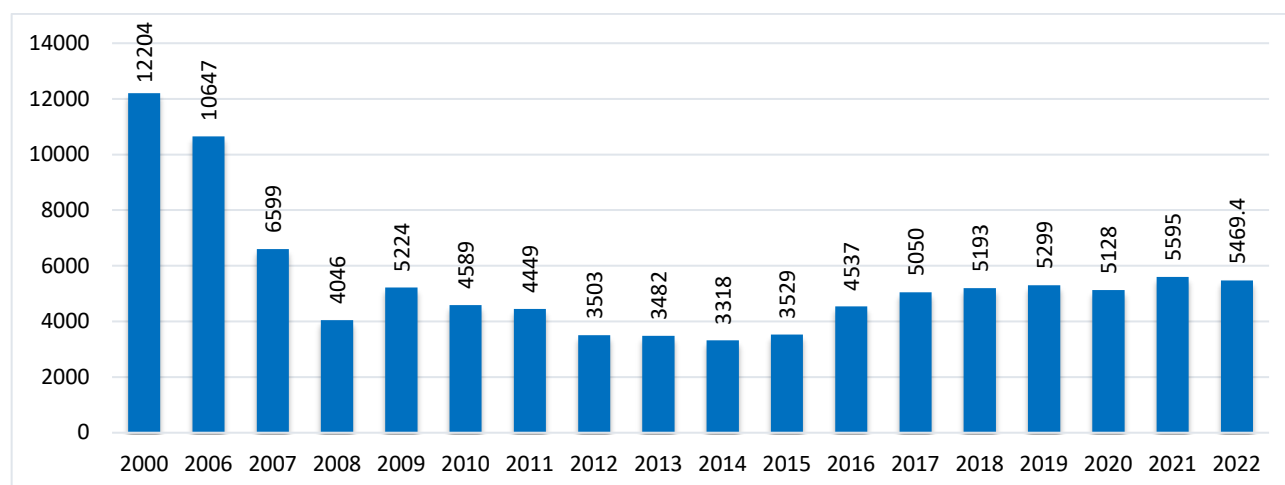


6.5.1. Crop farming

The cultivated area of agricultural crops in Lerik district decreased over the years, almost until 2014, and increased from 2015 to 5469.4 ha in 2022. , In 2000, 12,204 ha of agricultural crops were planted, and in 2014, this figure was 3,318 ha. A sharp decrease occurred in 2007 (a decrease of about 38 percent compared to the previous year) and 2008. From 2016 onwards the area under cultivation has been increasing except for a slight decrease

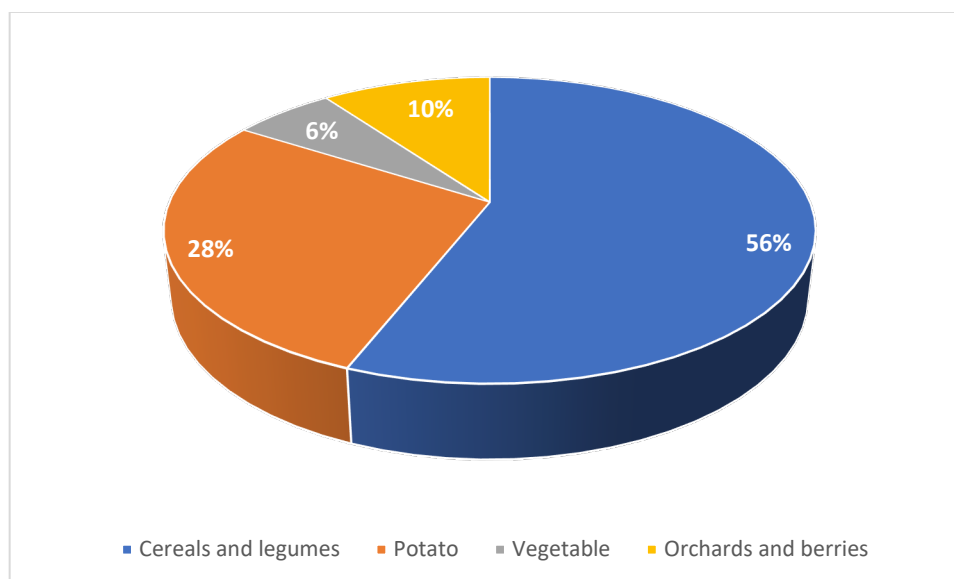
in 2020. However most of the arable land is not cultivated in the district. Only 11 percent is under crops. This is due to the difficulty of the terrain and also lack of water in some areas. The reduction of population in some villages could also be a reason.

Figure 34: Plantation area of agricultural crops in Lerik district 2000-2022, ha



Currently, Lerik district is ranked 5th in the economic region in terms of cultivated area of agricultural plants (Yardimli region is the last). According to the data of 2022, the following cereals and legumes and potatoes are dominant in the structure of farmland in Lerik district.

Figure 35: The structure of agricultural land in Lerik district in 2022, in percentage

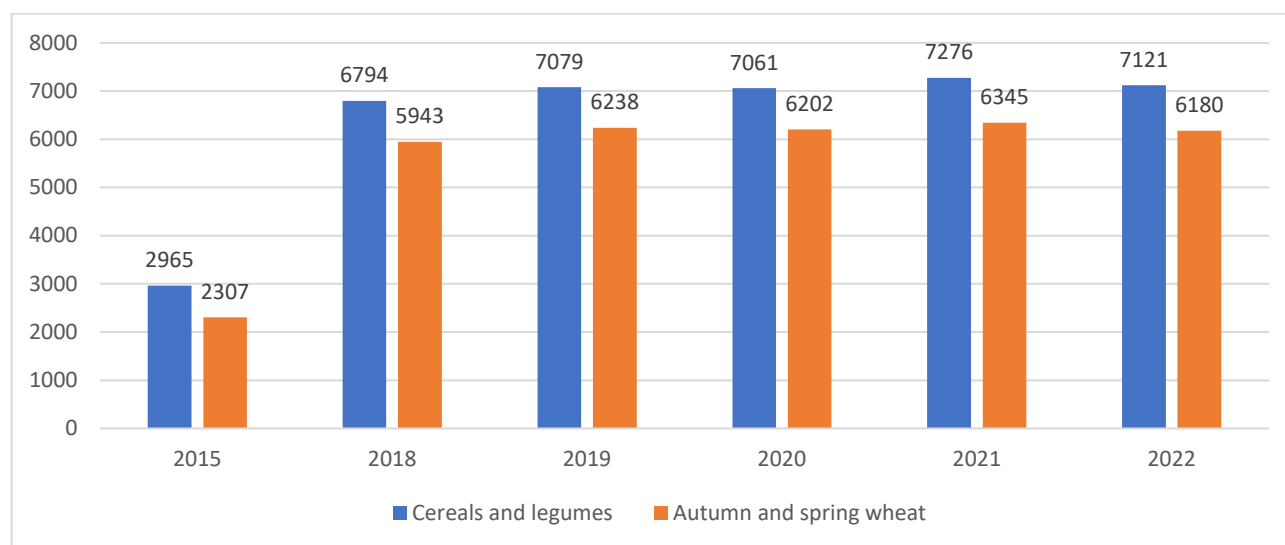


Data for 2022 shows that cereals and legumes are predominant in the structure of cultivated areas in Lerik district with 56 percent of the area under cultivation. Potato is next with 28 percent of cultivable land. Orchards and berries occupy 10 percent of the cultivated land and other vegetables 6 percent.

Fluctuations in the production of cereals and pulses, as well as winter and spring wheat are noticed. There was no stable trend during the years 2015 to 2022, and there are increases and decreases in certain periods. The record production for both crops is observed in 2021

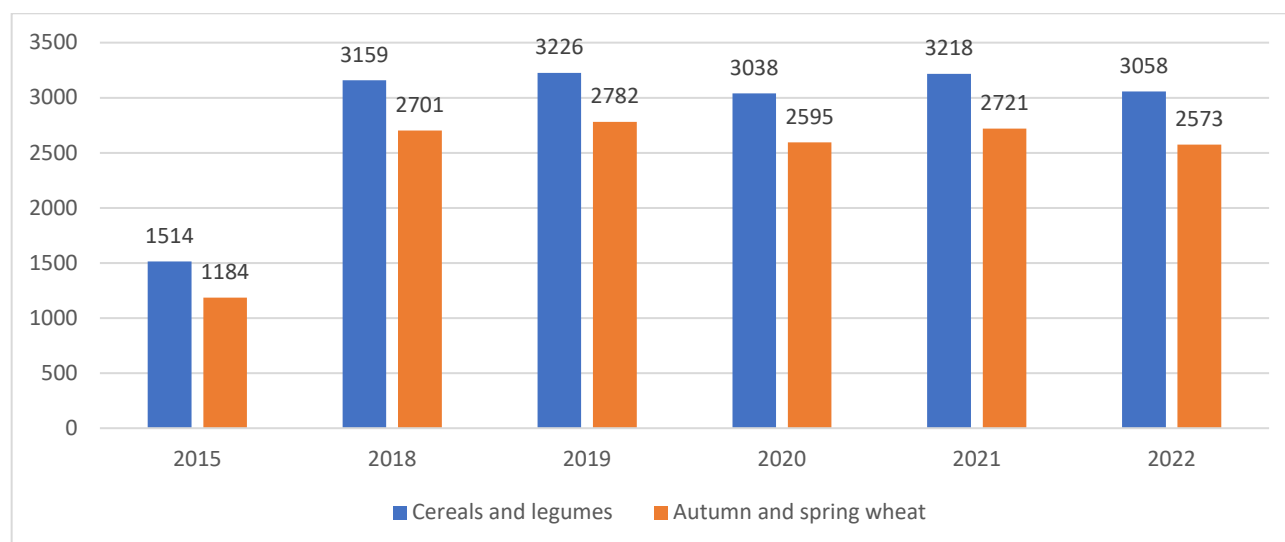
when 7,276 tons of cereals and legumes 6,345 tons of winter and spring wheat was produced.

Figure 36: Production of cereals and legumes and wheat 2015-2022 , (tons)



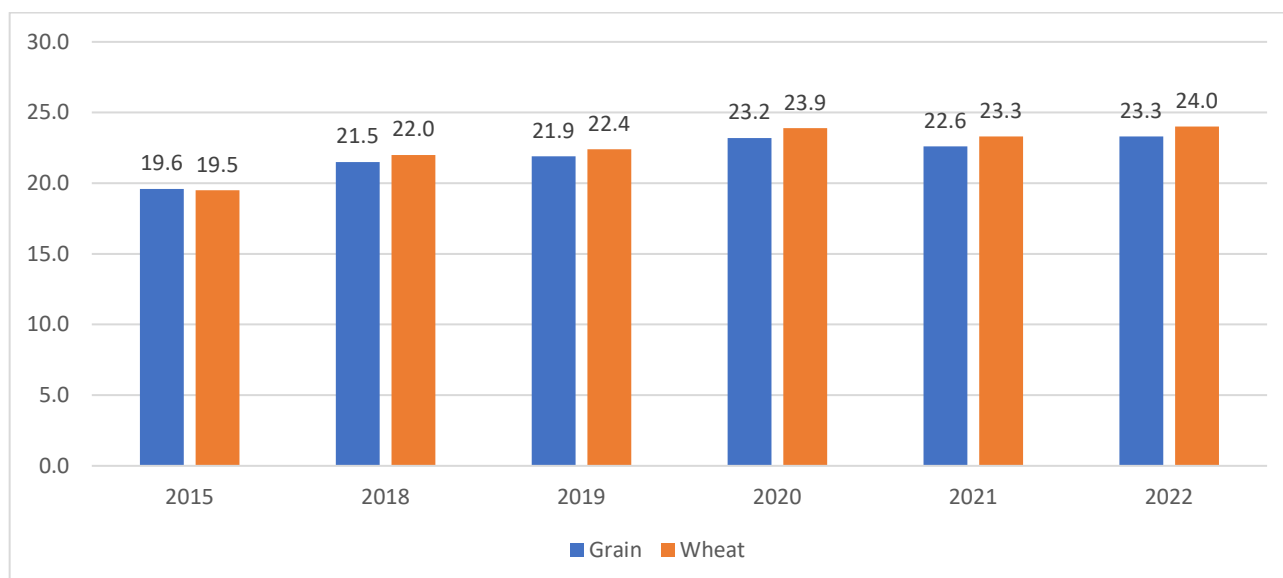
During the years 2015 to 2022, there was a significant increase in the area of cereal and grain legumes, as well as winter and spring wheat, although there were certain fluctuations in some years. Thus, in 2015, the cultivated area for cereals and legumes was 1,514 ha, and in 2022, it almost doubled to 3,058 ha. The cultivated area of autumn and spring wheat in 2022 was 2573 ha, which is 2.2 times more than in 2015.

Figure 37: Area under cereals and legumes and wheat 2015-2022(ha)



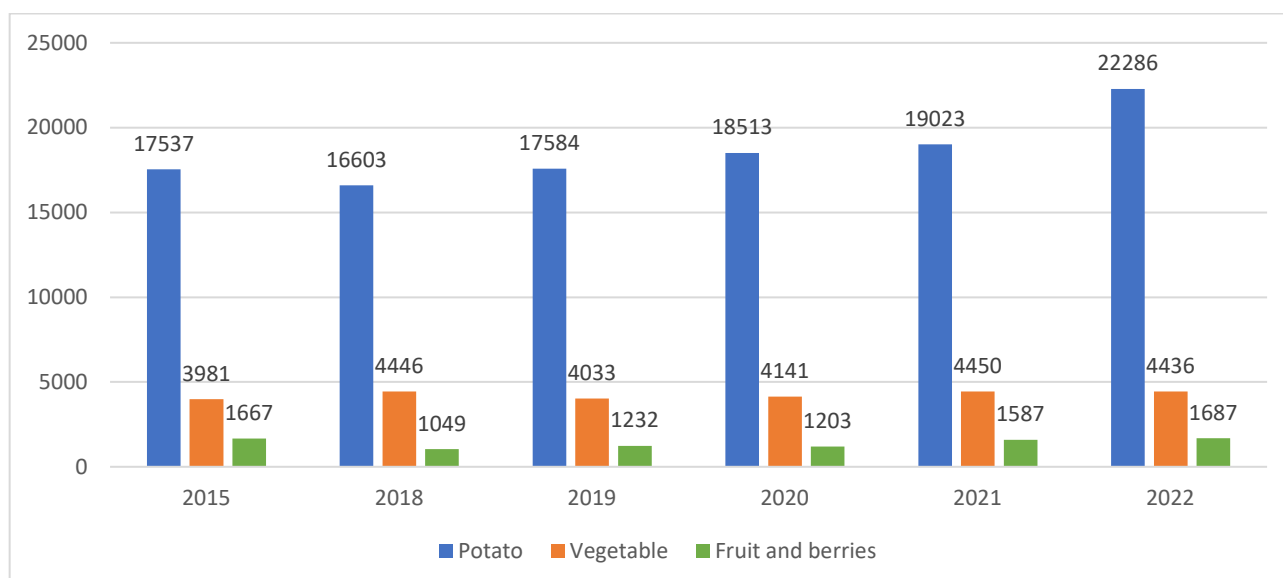
An increase in the productivity of cereals , including wheat, is observed in Lerik district. Thus, compared to 2015, grain productivity increased by 3.7 centners/ha, and wheat productivity increased by 4.5 centners/ha, reaching 23.3 centners/ha and 24.0 centners/ha in 2022, respectively. For comparison, in 2022, the productivity of grain in the economic region was 26.3 centners/ha, and the productivity of wheat was 28.2 centners/ha. This means that productivity in Lerik district is lower than the region.

Figure 38: Productivity of other grains and wheat, centner/ha



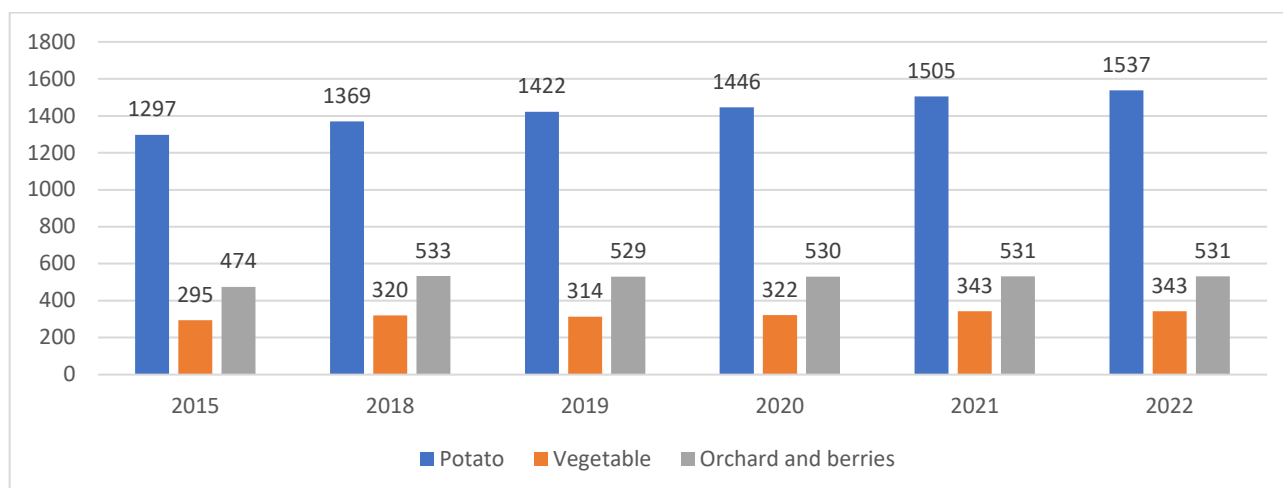
If we look at the production of fruits and berries, it can be seen that it was 1,587,000 tons in 2021. The production of potatoes has registered an overall increase from 2015 to 2022 except for 2018.

Figure 39: Production of vegetables, potatoes, fruits and berries (tons)



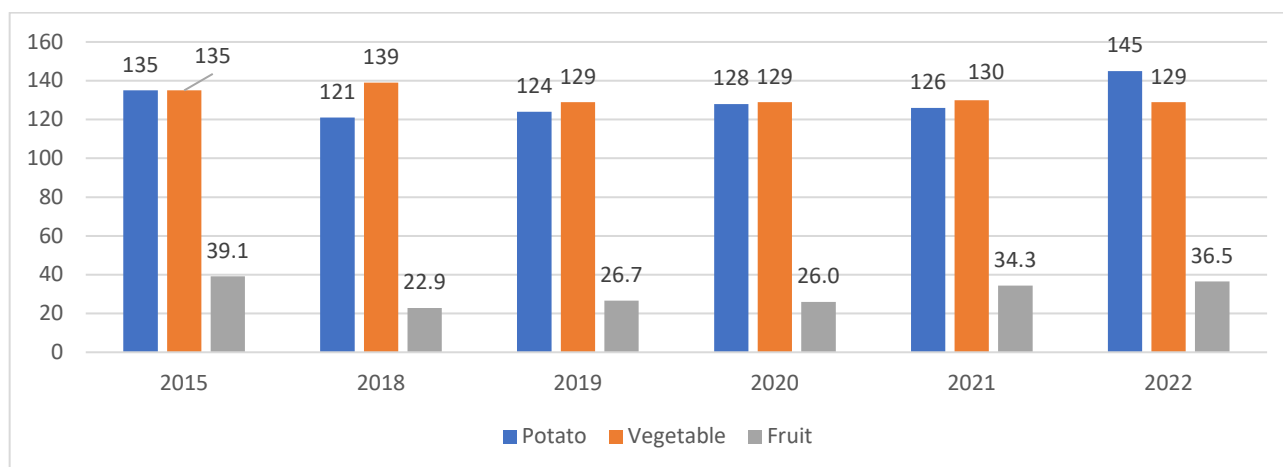
During the years 2015-2022, there is a slight increase in the cultivated area of potatoes, vegetables, fruits and berries. Thus, in 2015, the cultivated area for potatoes was 1,297 ha, and in 2022, it increased by 18.5 percent to 1,537 ha. In 2022, the cultivated area for vegetables was 343 ha, and for orchards and berries it was 531 ha. This is 16.3 percent and 12.0 percent more than in 2015, respectively.

Figure 40: Area under vegetables, potatoes , gardens and berries, ha



There were no noticeable changes in the productivity of potatoes, vegetables and fruits in Lerik district for 2015-2022 . Compared to 2015, the yield of potatoes in 2022 increased by 10 centners/ha to 145 centners/ha, the productivity of vegetables decreased by 6.0 centners/ha to 129.0 centners/ha, and the fruit yield decreased by 2.6 centners/ha to 36.5 centners/ha.

Figure 41: Productivity of vegetables, potatoes , orchards and berries, centner/ha



Apple and potato production are traditional and promising areas for increasing the income of the district's population and for developing agriculture of the district as a whole. The value chain analysis of these crops conducted by the EU4Lankaran project shows that 53.2 percent of the area under apple orchards (474.7 ha) and 15 percent of the area under potato (10209 ha) in the economic region are in Lerik district. The analysis revealed the following difficulties in the field of agriculture in the district:

- Due to the existing mountainous conditions and the limitation of local resources (less arable lands difficulty of getting to the fields, water scarcity), the possibility of mass production of high-yield crops based on intensive farming is limited;
- Almost no use of productive varieties;
- The areas where crops are planted are less favorable ;
- Decrease in productivity;

- Trend of decreasing population engaged in agriculture, including farmers;
- Limited access to the market, including the remoteness of the markets;
- Lack of new investments, farmers' reluctance to take risks.

These studies have shown that there are also the following opportunities in the field of horticulture in Lerik:

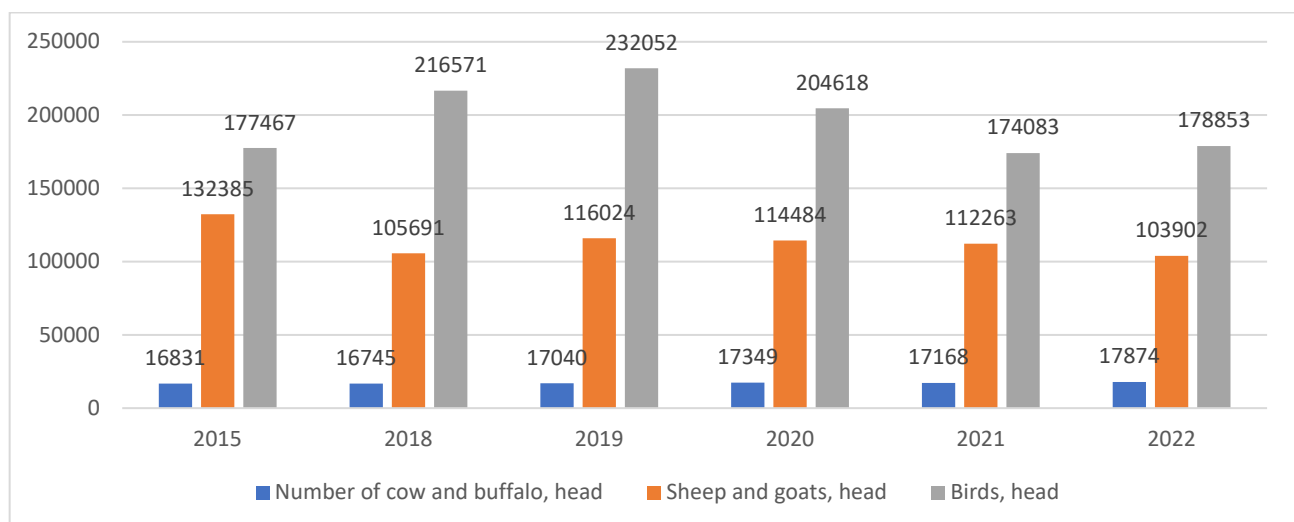
- Lerik products are traditional, local produce with unique characteristics that distinguish them from others;
- Opportunity to produce certified ecologically clean products.
- Presence of young and ambitious farmers looking for new opportunities;
- An increase in the number of visitors to Lerik for recreation;
- Existence of a group of buyers/consumers looking for local, traditional products;
- Availability of credit lines and subsidy opportunities for new investment initiatives proposed by financial institutions for small and medium farms;
- Increased availability of business support services in the region.

6.5.2. Animal husbandry

When talking about agriculture in Lerik district, it is necessary to pay special attention to the livestock sector. The share of animal husbandry in the total output of agriculture is high. It was 68.7 percent in 2022.

There is an increase in the number of cows and buffaloes and poultry, and a decrease in the number of sheep and goats during the period 2015-2022. While in 2015 there were 1,77,467 numbers of poultry, 1,32,385 sheep and goats, 16,831 cows and buffaloes in the district, in 2022 these numbers were 1,78,853 heads, 1,03,902 heads and 1,7874 heads, respectively.

Figure 42: Number of cattle, sheep and poultry 2015-2022



There is a positive trend in production from livestock. During the years 2015-2022, there is an increase in both meat production and milk and egg production. However there is a decrease in wool production in 2021-2022. This can also be explained by the decrease in the number of sheep and goats.

Figure 43: Production of livestock and poultry products

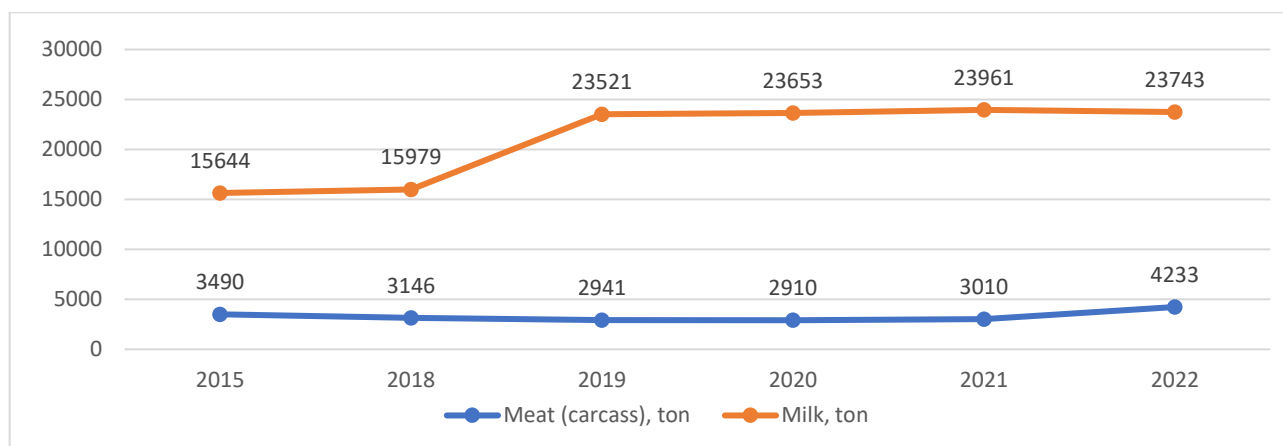
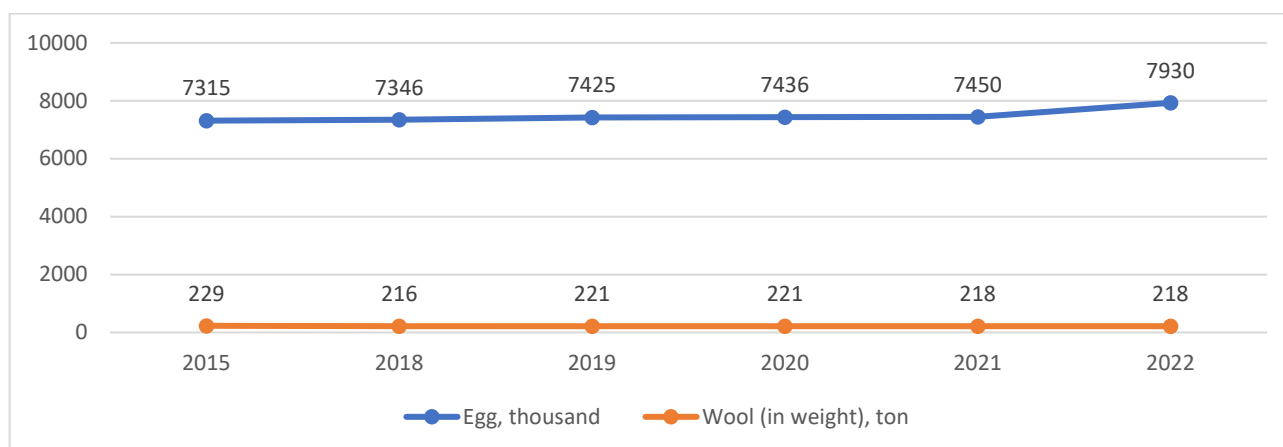
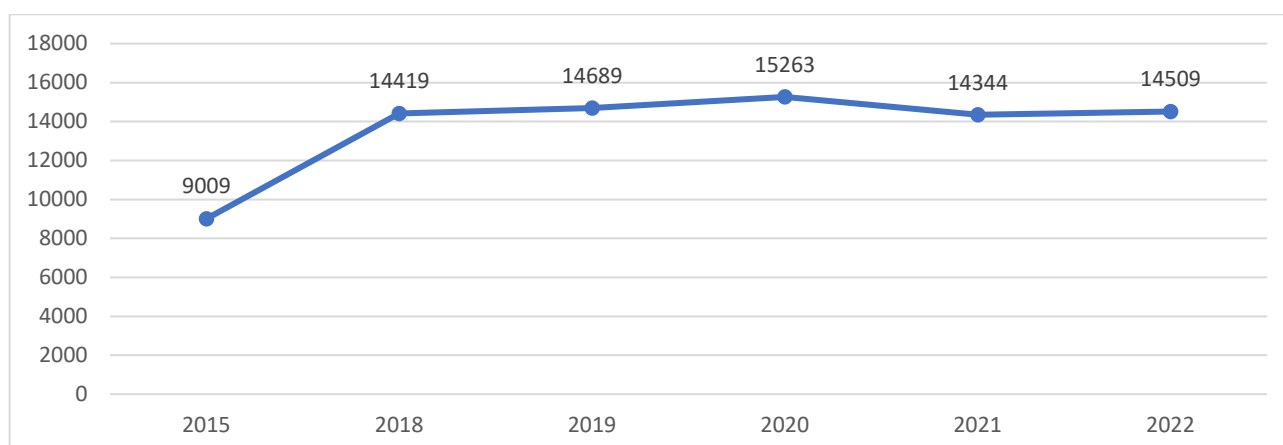


Figure 44: Production of Egg and Wool



Beekeeping is one of the developing areas of animal husbandry in Lerik district. Figure 45 shows the number of bee families in the district. The number was 9,009 in 2015, it increased in the following years and reached 15,263 in 2020, then it decreased somewhat, but the growth rate was restored in 2022. In 2022, this number was 14,509 [3; 8]. The reason for the sharp increase in the number of bee families between 2017-2020 was due to the 10 manat subsidy for each bee family provided since 2017.

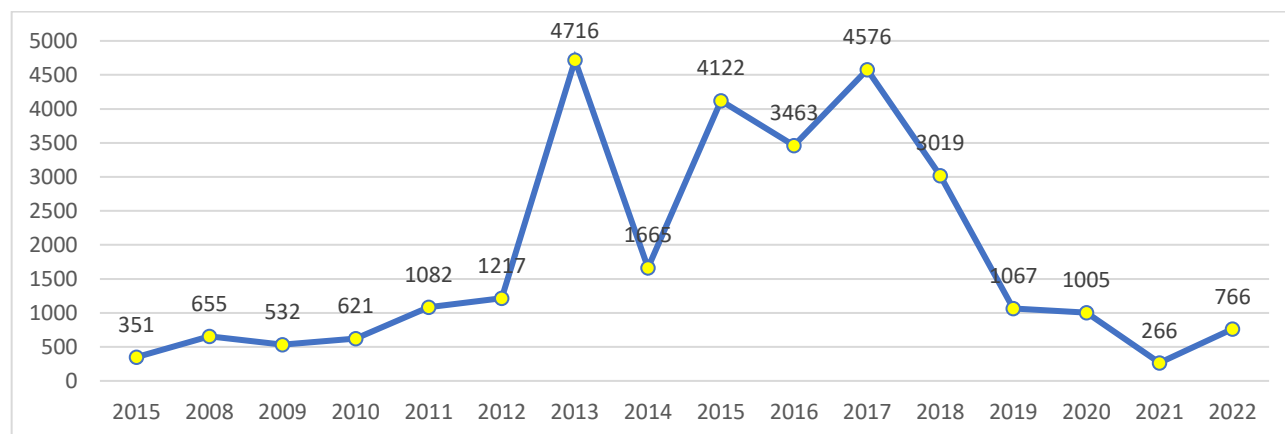
Figure 45: Number of bee families, unit



6.5.3. Revenue and Profit from Agriculture

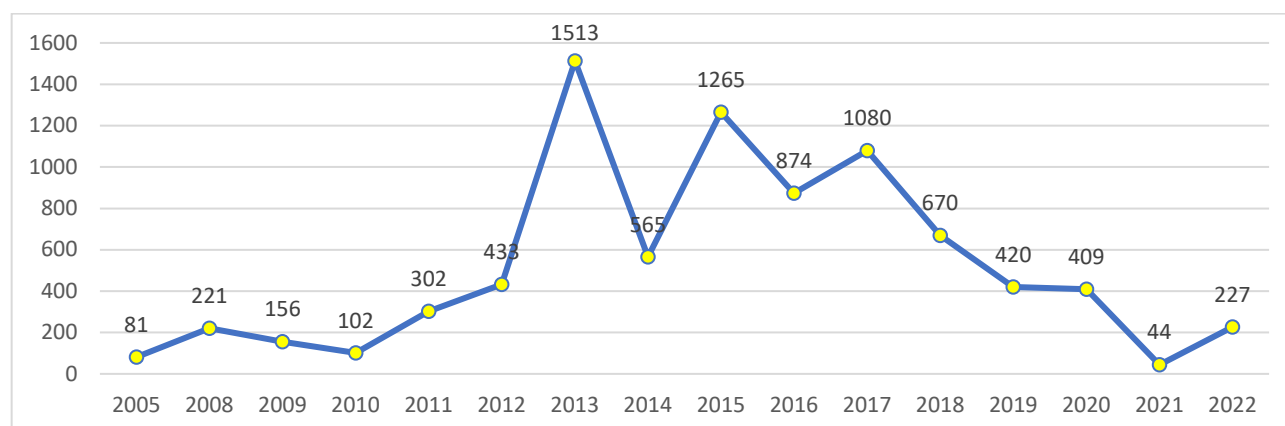
There were fluctuations in the sales revenue from agriculture products between 2005 and 2022. The revenue was generally increasing year on year except for 2009, during 2005 to 2012. In 2013 there was a sharp increase of approximately 3.9 times and in the following year 2014 it fell by 2.8 times to 1,665,000 manats. The next year 2015 saw an increase of 2.5 times to 4,122,000 manats. The next two years saw a sharp decrease from 2016 to 2017. It fell again for the next two years. The sales revenue in 2022 amounted to 766,000 manats. The record was in 2017 when revenue reached 4,716,000 manats.

Figure 46: Revenues from the sale of agricultural products (000 AZN)



Profits are a better indicator than revenue and the trend is the same here. There was an increase in profits from agriculture during 2005 to 2013 except for 2009 to 2010, sharp fluctuations between 2013 to 2017, and a consistent decrease in the following years. The profit from agriculture amounted to 44,000 manats in 2021, which is a decrease of 34 times compared to 2013 (Figure 47). In 2022, an increase in profits is observed with profits amounting to 227,000 manats.

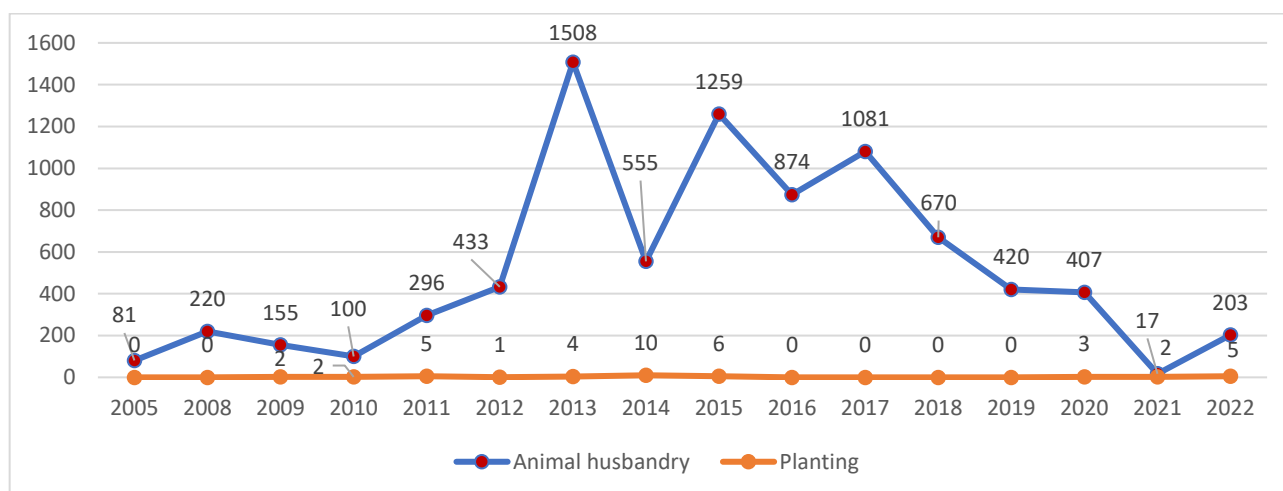
Figure 47: Profit from agriculture 2005-2022 (000,AZN)



When we look at profits from sale of crop production and livestock the picture is different. There was no profit from the sale of crops in 2005, 2008, and 2016 to 2019. The highest profit was 10,000 manats in 2014, and it was just 2,000 manats in 2021 which increased to

5,000 mannats in 2022. The sharp fluctuations in overall profits is due to the sharp increase and decrease in profits from the sale of livestock.

Figure 48: Net profit and loss from agriculture sales, (000 AZN)



Profit from livestock increased between 2005 and 2013 except for 2009 to 2010. It went up to its highest figure of 1,508,000 mannats in 2013. It fell sharply in 2014 to 555,000 and increased to 1,259,000 in 2015, it decreased to 874,000 in 2016. An increase was noticed in 2017 when profits rose to 1,081,000 mannats. It then fell between 2018 to 2022 and amounted to just 17,000 manats in 2021. In 2022 it was 203,000. Livestock which is the major part of the agricultural output thus influences the overall profits from agricultural output.

6.6. Industry

Number of enterprises. The industrial sector in Lerik district is poorly developed. Despite the predominance of agriculture, especially animal husbandry, there are no agricultural processing enterprises in the district.

Figure 49: Number of industrial enterprises operating in Lerik district, number

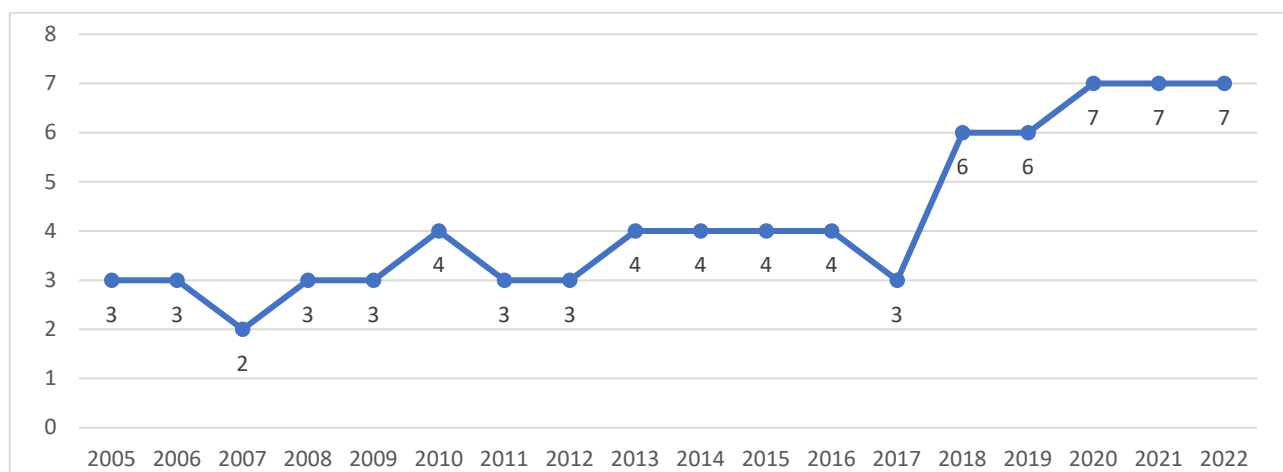
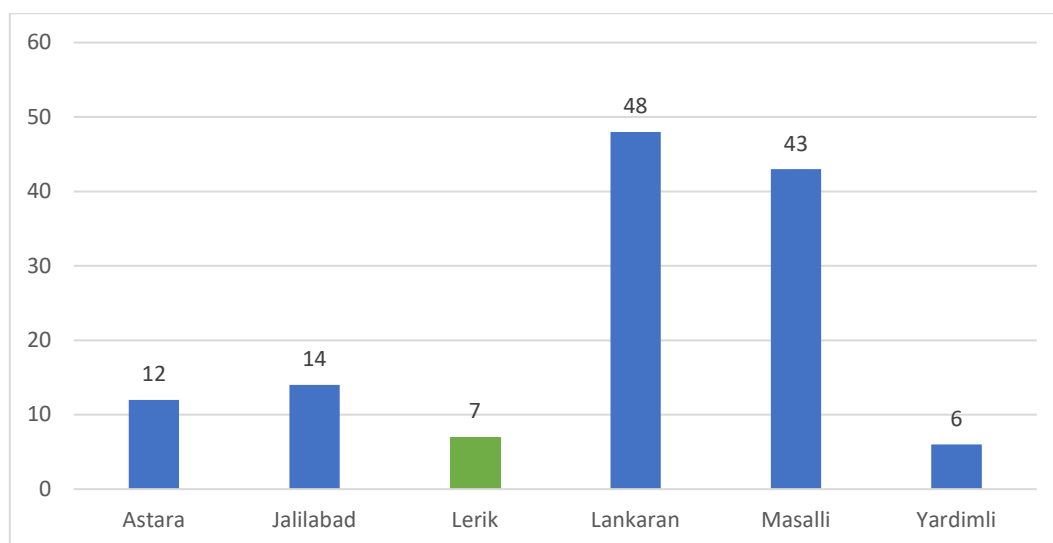


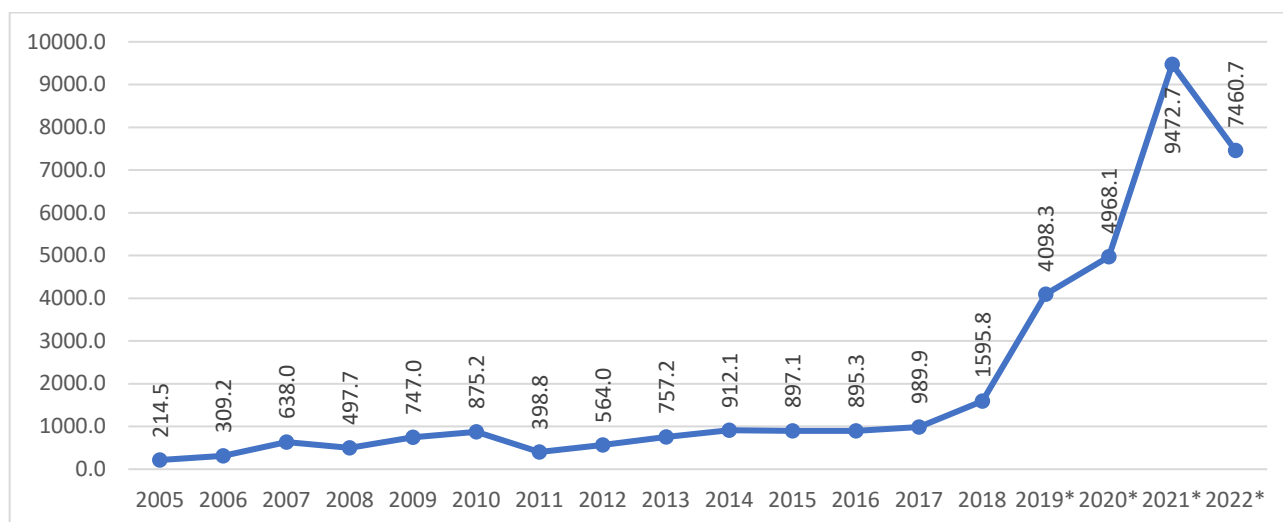
Figure 49 shows the number of industrial enterprises in the district. There were 4 units in 2015, and this figure increased to 7 in 2022. In 2022, in terms of the number of industrial enterprises, Lerik district ranked 5th in Lankaran-Astara economic region. The enterprises include "Kaspi-star" LLC located in the village of Piran, engaged in the production of bricks, sand-gravel, and facing stones,. There is another factory "Lerik-broiler" which produces 6,000 broiler chickens per hour, which amounts to 132,000 chickens per week. There is also a bakery, located on the 37th km of the Lankaran-Lerik road. The other 4 units classified as enterprises are not really enterprises. They are utilities and include the electricity distribution network, the gas distribution network, water distribution and the power plant which are all state owned.

Figure 50: Number of industrial enterprises in LAER by districts, 2022



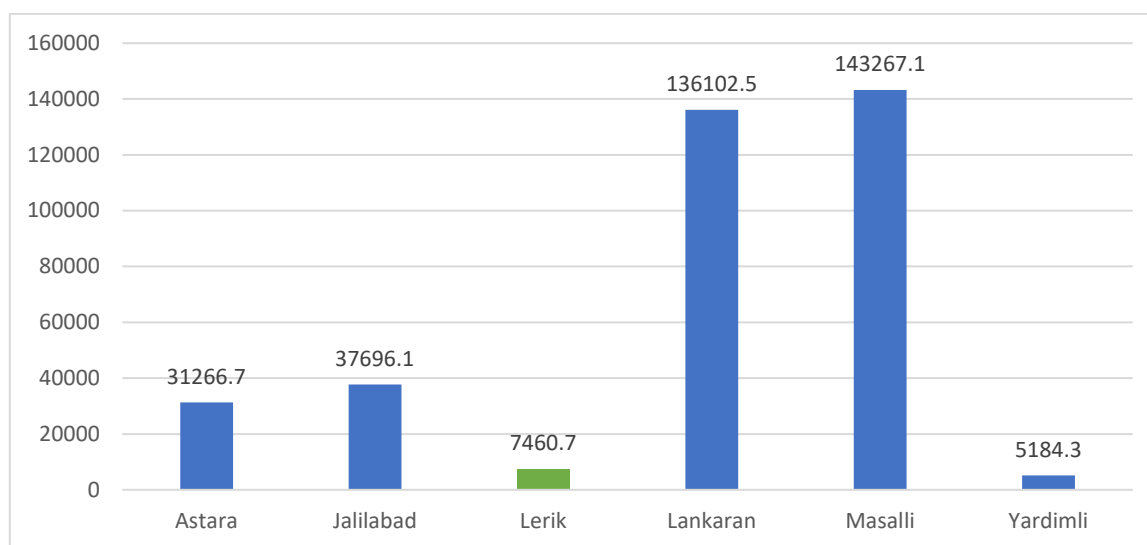
The small number of industrial enterprises has affected the volume of industrial production. As can be seen from Figure 52. There are decreases in industrial production in some years (2008, 2011, 2015 and 2016). The indicator increased significantly until 2021 and reached 9,472,700 manats, but in 2022 it decreased by 21.2 percent to 7,460,700 manats.

Figure 51: Industrial production in Lerik district (000 AZN)



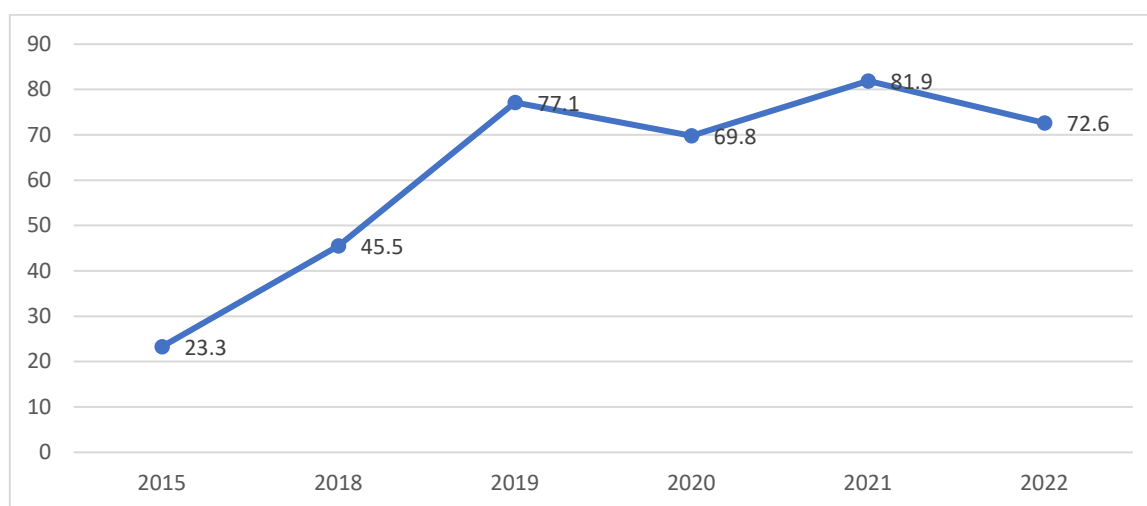
The volume of industrial products increased even though there has been no change in the number of industrial enterprises in recent years. Lerik district has one of the lowest outputs from industry except for Yardimli district.

Figure 52: Industrial production in LAER by districts (000 manats)



The weight of the private sector in industrial production increased from 23.3 percent in 2015 to 72.6 percent in 2022.

Figure 53: Share of the private sector in the value industrial output in Lerik district (percent)



6.7. Construction

One of the more developed sectors of the economy in Lerik district is the construction sector. Construction materials (clay, sand-gravel, facing stones, etc.) are available however large-scale use of these materials can have an environmental impact. . There were increases and decreases in the number of construction enterprises between 2005-2022. There was 1 enterprise in 2019, and it increased to 3 in 2021. In 2022, Lerik district ranked last in the Lankaran-Astara economic region in terms of the number of construction enterprises.

Figure 54: Dynamics of the number of construction enterprises

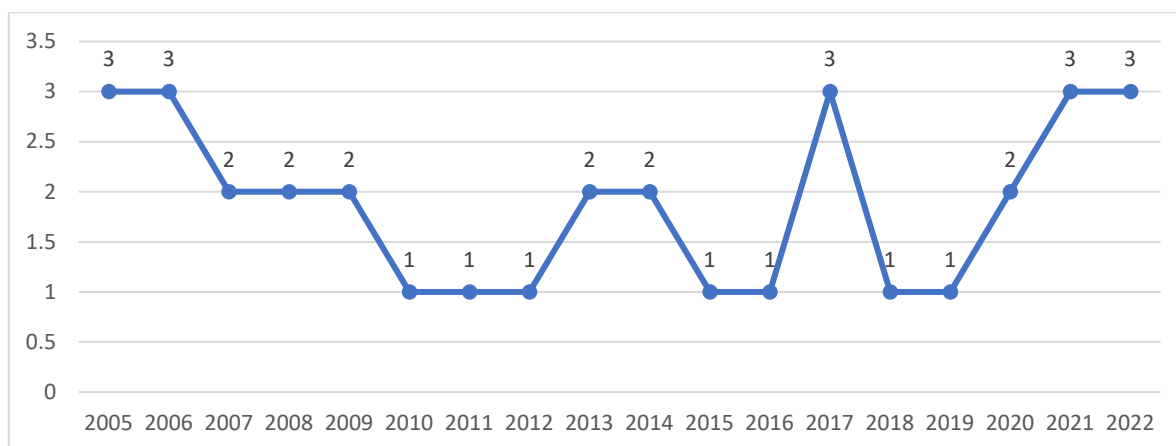
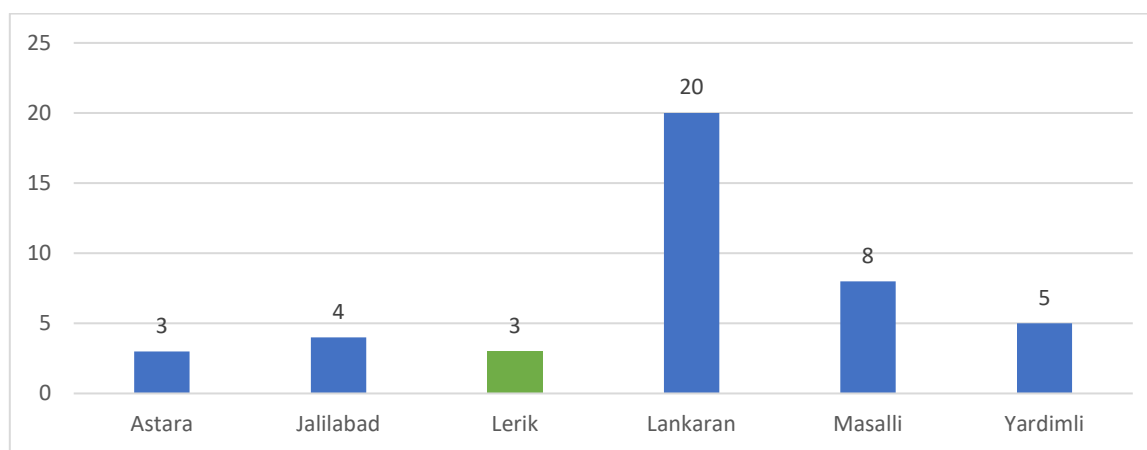


Figure 55: Construction enterprises in the region by districts, 2022



In 2022, 3 out of the 43 construction enterprises (7.0 percent) in the Lankaran-Astara economic region were in the Lerik district. Between 2015 to 2022, there are sharp fluctuations in the value of construction works. In 2015 the value of output from construction activities was 617,300 manats, and in 2022 it increased more than 12 times and amounted to 7,682,300 manats. The record value generated from the sector was in 2021 at 9,654.700 manats. In 2022, this figure decreased by 20.4 percent compared to the previous year.

Figure 56: Value generated by construction, 2015-2022 (000 AZN)

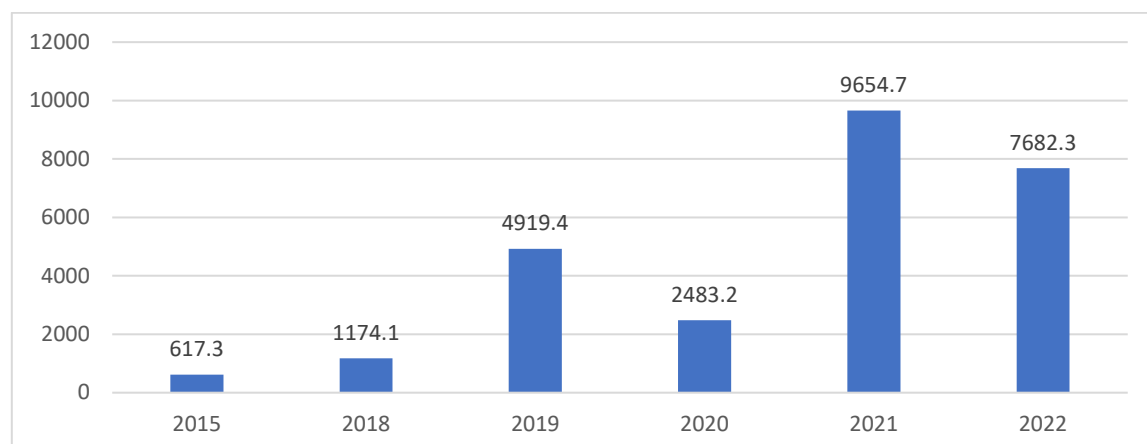
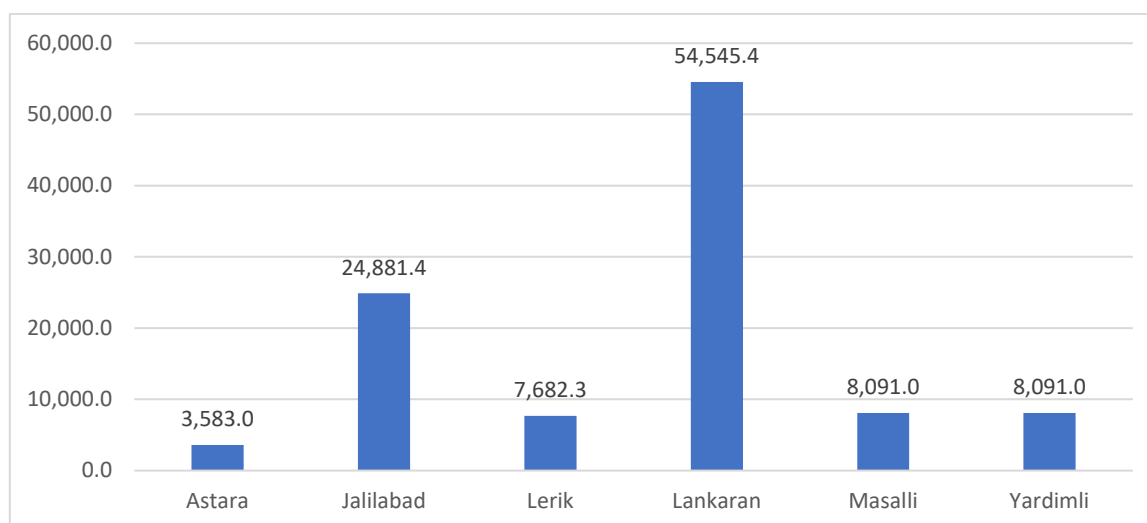


Figure 57 shows the value of construction works in 2022 by districts of the economic region. Lerik district is ranked 5th in the region, ahead only of Astara district.

Figure 57: Value generated by construction by districts in LAER, 2022 at current prices, (000 AZN)

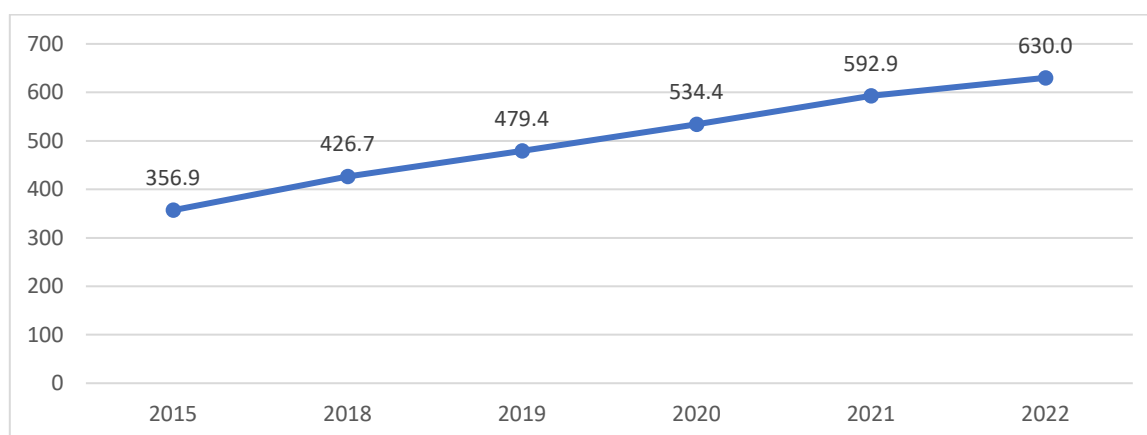


6.8. Services

6.8.1. Telecommunications and postal system

There are only a few companies providing ICT services in Lerik district. The income from information and communication services was 356,900 manats in 2015, and 630,000 manats in 2022.

Figure 58: Income from information and communication services (000 AZN)



6.8.2. Banks

Only one bank branch of Kapital Bank with 4 ATMs (2 in Lerik city, 1 in Shingedulan village, 1 in Piran village) serves the entire population of Lerik district. This factor, in addition to having a negative impact on the business environment in the region, also severely limits access to banking services for local residents. More than 90 percent of residents receiving wages, pensions and allowances from the state have to make a trip to this bank to avail

themselves of their benefits. Though farming is the main economic activity in the district the bank does not lend to farmers.

6.8.3. Tourism

There is good potential to develop tourism in the district. For this infrastructure in particular roads need to be improved. Tourist circuits and facilities also need to be built and existing ones improved. There is potential for spa tourism due to the presence of medicinal waters, agro and eco-tourism and adventure tourism with mountain biking, off roading, camping, hiking, and para sailing, among others.(See Tourist Map below)

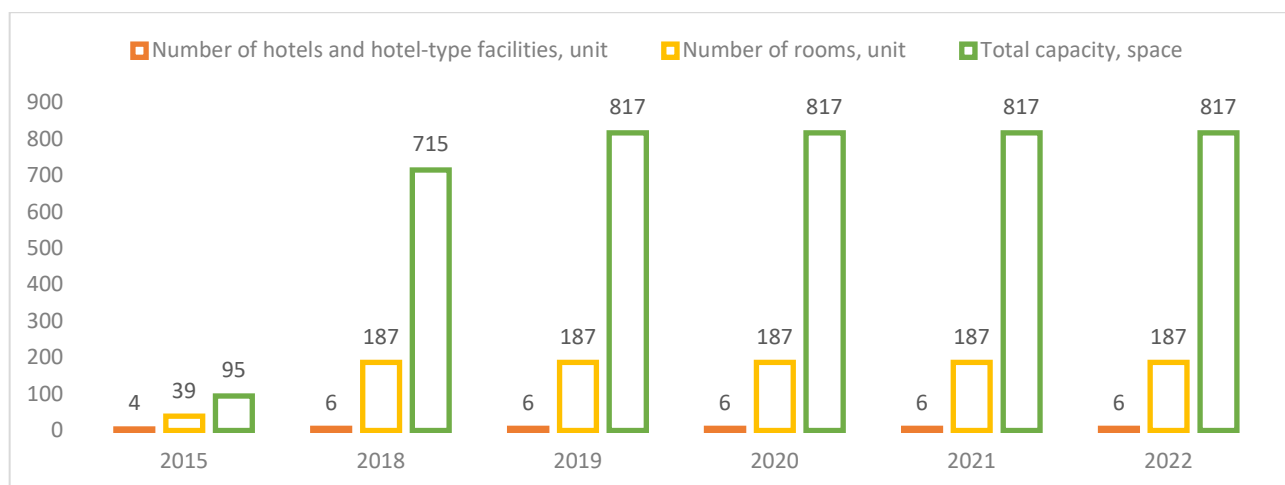
Map 3. Tourism map of Lerik district



There are 10 main hotels operating in the district. These are "Relax", "Tabassum", "Meshabayi", "Chanlibel", "Khayal", "Hayat", "Gala", "Janub", "Mujuze", and "Safa". Most of them are located off the Lerik-Lankaran highway and there are no standard hotels in the city or beyond.

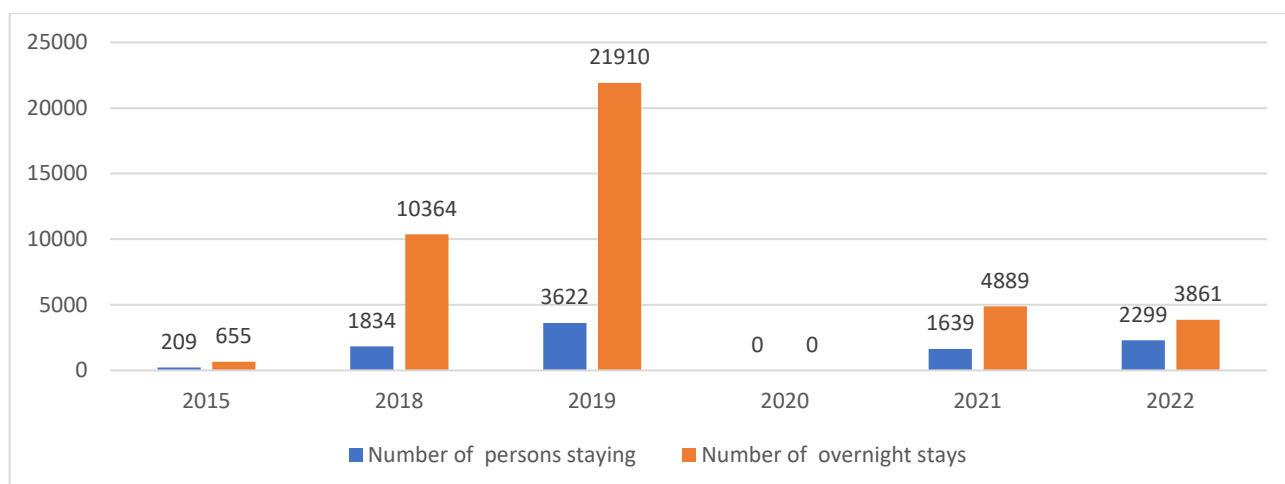
The number of hotels and hotel-type establishments in the district and the number of rooms available in them increased until 2018, and then remained stable during the years 2018 to 2022. There are 6 hotels with 187 rooms, respectively. The one-time capacity of hotels and hotel-type establishments increased to 715 places by 2018, and remained stable during the years 2018-2022. In 2022, the number of people accommodated in hotels and hotel-type establishments in the region amounted to 2,299 people, 40.3 percent more than in 2021 (1,639 people).

Figure 59: Hotels and hotel-type establishments, rooms and single capacity places, 2015-2022



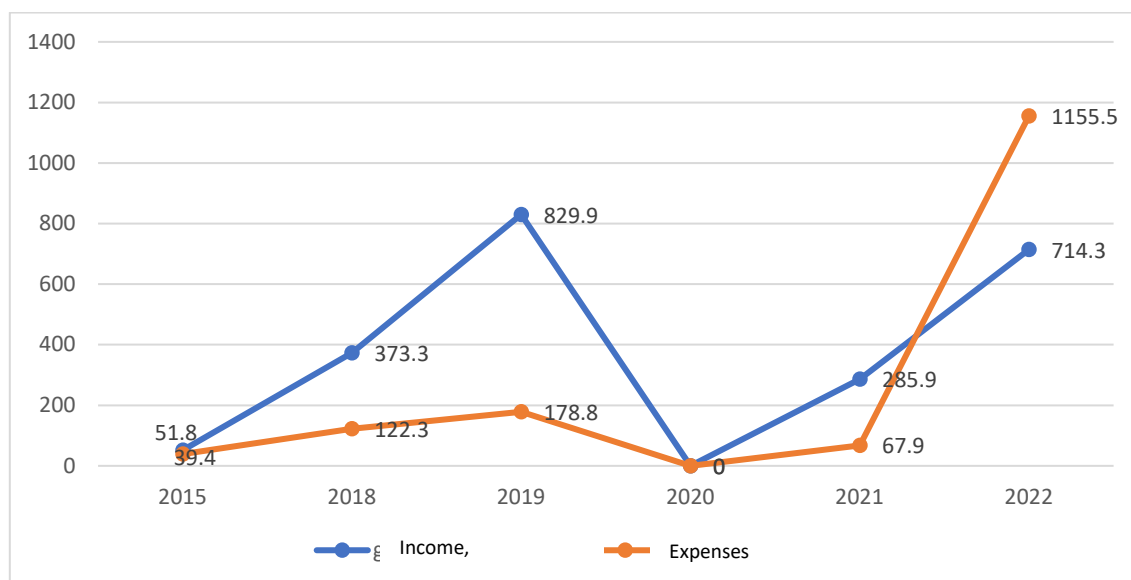
Another figure that is relevant relates to the number of persons and overnight stays in hotels and hotel-type establishments. There was a sharp increase during the years 2015 to 2019, In 2020, due to the pandemic there were no tourist arrivals. A revival is observed in 2021 and 2022.

Figure 60: Persons staying in hotels and hotel-type facilities and number of overnight stays.



The revenues and expenses of hotels and hotel-type enterprises register the same trend as the number of overnight stays. Revenues and expenses increased in the years 2015 to 2019, and decreased to zero in 2020, and increased to 285,900 manats and 67,900 manats in 2021, and to 714.300 manats in 2022. and amounted to 1,155,500 manats. The hotels were not making profits as expenses exceeded income in the post pandemic years.

Figure 61: Income and expenses of hotels and hotel-type enterprises (000 AZN)



During the discussion with local stakeholders, they stated that the rise in expenses was due to the pandemic.

There is scope for developing agro-tourism and home stays so that the income generated remains within the community. There is no data available on agro-tourism in Lerik District. However, the project team is aware of at least one innovative example of agro-tourism through local entrepreneurship. A local farmer in Zuvand offers homestays and horse riding on his farm. He also takes tourists on hikes to collect wild herbs. More can be done to promote such initiatives.

Agro-tourism can result in additional income for rural households. Agrotourism is experiential tourism based on the wide use of natural, historical, socio-cultural objects and other resources in rural areas to create a regional tourist product. Guests have the opportunity to participate in farm work e, learn about farming , buy local produce directly from the village producers, eat local food and have the opportunity to stay overnight. The main objective of agro-tourism is to be close to nature, be in fresh air, eat ecologically clean food, change your environment and temporarily engage in agricultural and horticultural work.

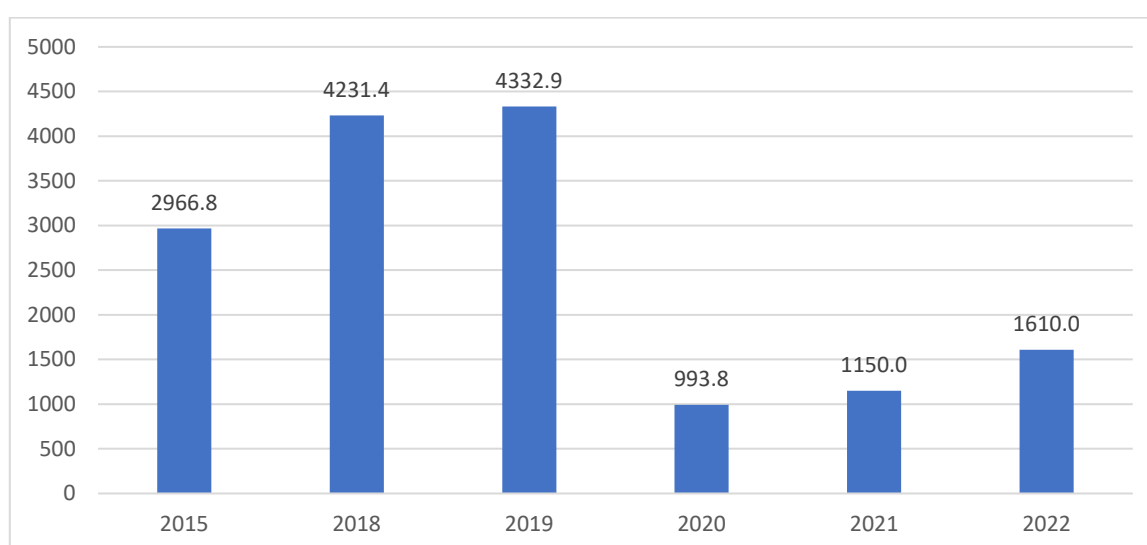
The local farmers have little knowledge about agro-tourism and the standards of service required. Participants of the seminar noted that opportunities and inexpensive labor as strengths in this field. However, the workforce needs to be trained. The service quality in the tourism sector as a whole is poor. Along with this is the low quality of infrastructure development, for instance roads to some tourist sites are not well developed. The district has no developed tourist circuits. Most of the tourist facilities as seen from Map 3 are on

the Lerik-Lankaran highway. These are mostly restaurants and some hotels by the river, local tourists come to eat here without traveling to Lerik city and other parts of the district. The district does not have a tourism map or signage that shows the main tourist attractions, there is no tourism information office, the district is not marketed well, and its attractions are not known to most tourists from outside the region.

6.8.4. Catering and Trade

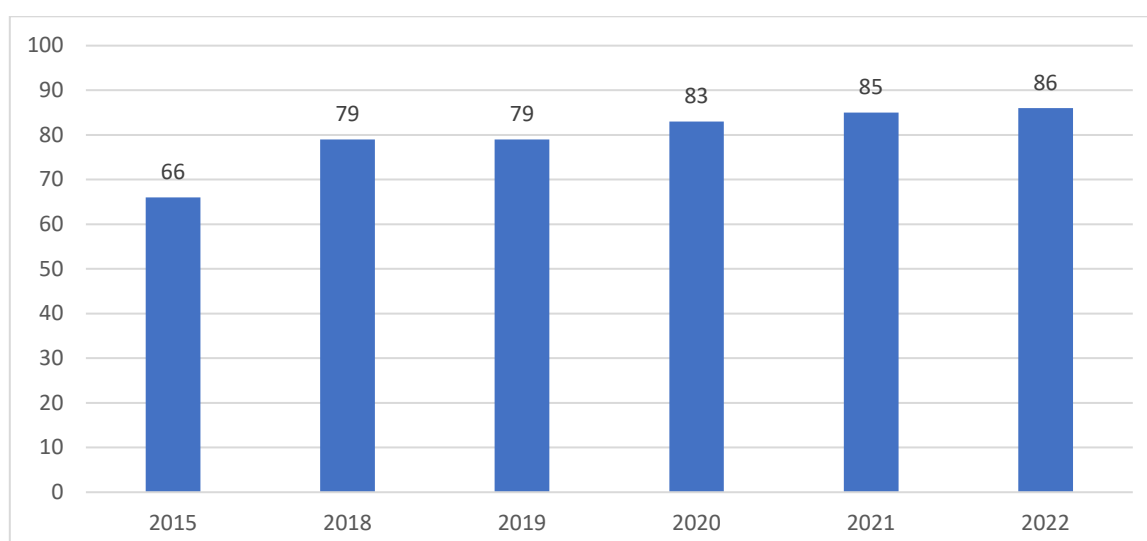
Catering turnover increased by 31.5 percent from 2,966,800 manats to 4,332,900 manats between 2015 to 2019. However, due to the pandemic in 2020, turnover decreased over 4 times to 993,800 manats. Growth was restored in 2021 and 2022, however it is nowhere near pre-pandemic levels.

Figure 62: Catering turnover (000 AZN)



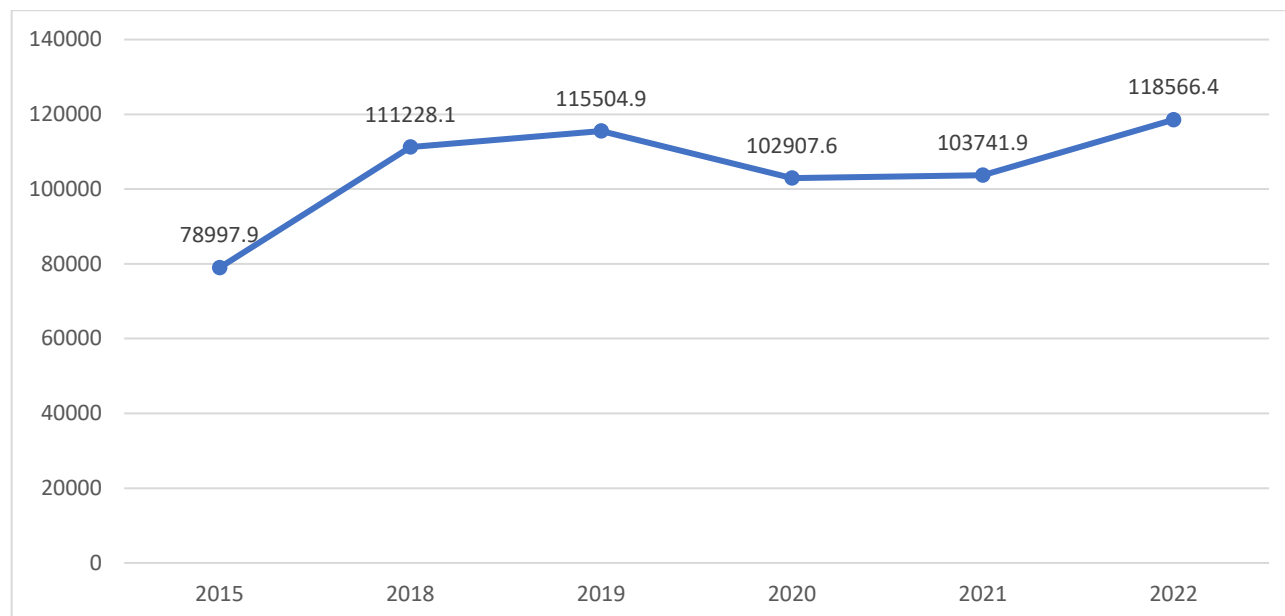
The number of catering establishments increased during the years 2015 to 2021. In 2015 there were 66 enterprises, in 2021 this number increased to 85.

Figure 63: Number of catering establishments



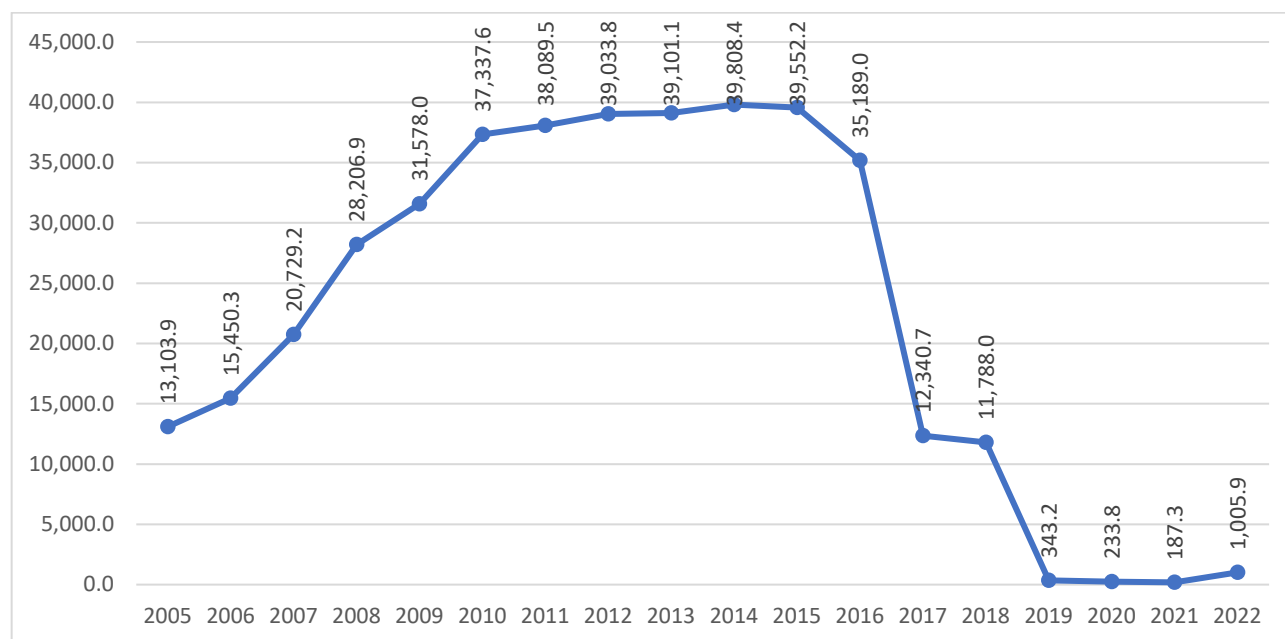
Retail trade turnover per capita increased by 46.2 percent during the period 2015 to 2019. It decreased in 2020 due to the pandemic by 11 percent. The turnover registered an increase 2021 and 2022. In 2022, it overtook the pre-pandemic level in 2019. Lerik ranks fifth in the region for retail trade turnover among the six districts of the region.

Figure 64: Retail turnover (000 AZN)



Wholesale trade turnover shows a slightly different picture. It registered rapid growth between 2005 to 2014. From 2015 to 2021, there was a sharp decrease. A steep fall occurred between 2018 and 2019, approximately 34 times decrease. The district ranks last in the Lankaran-Astara region for wholesale trade turnover..

Figure 65: Wholesale trade turnover (000 AZN)

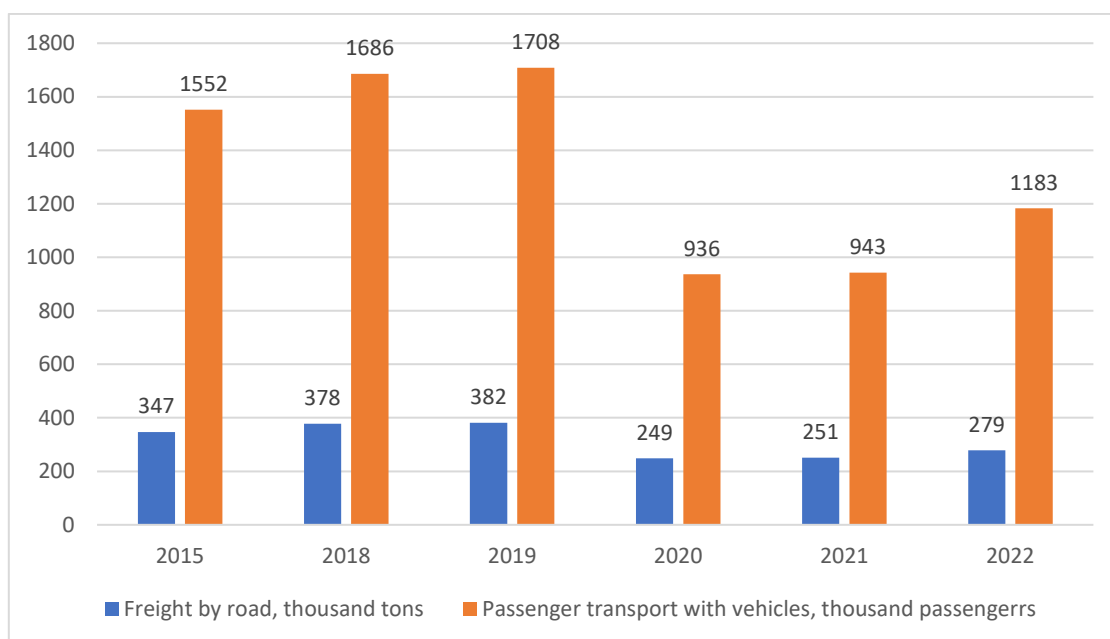


6.8.5. Transportation

In 2022, freight transported by road amounted to 279,000 tons, while 1,183,000 passengers used road transport. Freight is transported both by cars and trucks. At the end of 2022, there were 4783 private cars, and 833 trucks. Between 2015 to 2022, there was growth in both freight and passenger traffic. In 2020 the pandemic led to a decrease in these indicators, however growth was restored from 2021.

In the Lankaran-Astara economic region, in 2022, cargo transportation by road was 6,433,000 tons, and passenger transport was 5,481,200 persons. The share of Lerik district was 4.3 percent and 2 percent respectively of the region.

Figure 66: Passenger and cargo transported by car in Lerik district



At the same time, in terms of the growth rate of the number of private passenger cars per 100 families, Lerik district in 2022 ranked fourth in the region according to the corresponding indicator.

Table 9: Vehicles in Lerik district

	2015	2018	2019	2020	2021	2022
Number of vehicles	2917	4110	4462	4787	5269	5801
including:						
Trucks	587	717	742	755	790	833
Buses	37	66	66	63	66	68
Cars used as taxis	2229	3250	3575	3893	4325	4812
Private cars	2204	3232	3548	3860	4295	4783

Table 10: Number of private passenger cars per 100 families

	2000	2005	2010	2015	2016	2017	2018	2019	2020	2021	2022
By country	19	25	40	52	52	52	53	54	56	59	58
Lankaran-Astara economic district											
Astara district	14	13	17	24	26	29	31	33	34	37	34
Jalilabad district	27	25	27	35	36	40	42	43	45	48	43
Lerik district	8	11	13	19	21	24	27	29	32	35	39
Lankaran city	18	18	26	33	33	34	36	37	38	40	40
Masalli district	21	22	27	35	36	38	40	41	42	45	44
Yardimli district	16	16	13	18	20	23	27	29	31	36	34

6.9. Entrepreneurship development and SMEs

6.9.1. Entrepreneurship

The number of newly established business entities in Lerik district was 1,109 in 2021 and 1,138 in 2022. The output from these enterprises was 21,712,000 manats in 2021, and 29,814,000manats in 2022.

The output in 2022 by sector was from construction– 7,682,300 manats; trade and repair of vehicles – 13,356,200 manats; industry 4617,500 manats; transport and storage – 2,936,400 manats; and from education - 1,555,800 manats.

Table 11: The number of operating micro, small and medium enterprises

	2021				2022			
	Total	including			Total	including		
		Micro	Small	Medium		Micro	Small	Medium
Total by country	355906	346171	6856	2879	377842	366944	7760	3138
Lankaran-Astara IR	19938	19704	164	70	21648	21374	197	77
Astara district	2170	2143	17	10	2227	2195	21	11
Jalilabad district	4203	4171	22	10	4741	4701	29	11
Lerik district	1109	1096	9	4	1138	1123	9	6
Lankaran district	6161	6069	65	27	6725	6633	66	26
Masalli district	5527	5474	40	13	6034	5957	60	17
Yardimli district	768	751	11	6	783	765	12	6

**Table 12: Output of micro, small and medium enterprises by economic activity
2021-2022 (million AZN)**

	2021				2022			
	Total	including			Total	including		
		Micro	Small	Medium		Micro	Small	Medium
Total by country	24,747,439.2	9,373,358.8	4,230,072.6	11,144,007.8	29,003,312.6	11,072,156.4	4,714,883.5	13,216,272.7
Lankaran-Astara IR-total	563,502.5	327,613.0	41,525.7	194,363.8	658,504.8	393,348.0	69,599.1	195,557.7
Astara district	72,795.5	47,187.8	2,057.5	23,550.2	84,474.8	51,883.2	4,545.8	28,045.8
Jalilabad district	81,806.3	46,967.0	5,939.8	28,899.5	115,268.1	58,026.7	7,692.1	49,549.3
Lerik district	29,814.1	15,649.5	4,955.1	9,209.5	43,369.6	23,070.1	13,849.8	6,449.7
Agriculture, forestry, and fishing	386.4	385.4	1.0	-	9,560.5	503.9	9,056.6	-
Industry	4,837.4	357.3	3,874.4	605.7	4,617.5	712.5	2,982.1	922.9
Construction	9,654.7	647.6	996.2	8,010.9	7,682.3	1,081.8	1,703.7	4,896.8
Trade; vehicle repair	8,886.6	8,886.6	-	-	13,365.2	13,365.2	-	-
Transport and warehousing	2,247.5	2,164.0	83.5	-	2,936.4	2,829.0	107.4	-
Tourist accommodation and public catering	588.2	588.2	-	-	947.5	947.5	-	-
Information and communication	777.3	184.4	-	592.9	927.7	297.7	-	630.0
Education	1,406.6	1,406.6	-	-	1,555.8	1,555.8	-	-
Provision of health and social services to the population	243.4	243.4	-	-	271.7	271.7	-	-
Other areas	786.0	786.0	-	-	1,505.0	1,505.0	-	-
Lankaran district	241,757.4	125,620.1	14,649.4	101,487.9	238,780.0	142,990.5	24,923.7	70,865.8
Masalli district	111,410.1	74,168.6	11,498.3	25,743.2	148,217.1	99,621.3	15,409.9	33,185.9
Yardimli district	25,919.1	18,020.0	2,425.6	5,473.5	28,395.3	17,756.3	3,177.8	7,461.2

Table 13: Number of employees in micro, small and medium enterprises, 2021-2022

	2021				2022			
	Total	including			Total	including		
		Micro	Small	Medium		Micro	Small	Medium
Total by country	357,840	40,909	102,180	214,751	370,120	42,423	104,764	222,933
Lankaran-Astara IR – total	9,089	1,577	2,227	5,285	9,569	1,543	2,293	5,733
Astara district	842	121	129	592	1,321	145	234	942
Jalilabad district	1,558	556	255	747	1,591	546	257	788
Lerik district	704	181	259	264	615	89	200	326
Lankaran city	3,583	428	952	2,203	3,512	425	890	2,197
Masalli district	1,868	226	470	1,172	1,991	281	537	1,173
Yardimli district	534	65	162	307	539	57	175	307

A decrease in the number of employees in micro, small and medium enterprises by 12.6 percent was observed in 2022 compared to 2021r. In general, according to the number of salaried workers in the relevant field, Lerik district is ranked 5th in the economic region (Yardimli region is the last).

Table 14: Number of newly registered micro, small and medium enterprises by economic activity

	2021				2022			
	Total	including			Total	including		
		Micro	Small	Medium		Micro	Small	Medium
Total by country	118,719	118,537	138	44	121,737	121,308	363	66
Lankaran-Astara economic district-total	13,949	13,945	3	1	12,347	12,343	3	1
Astara district	1,787	1,787	-	-	1,729	1,729	-	-
Jalilabad district	2,135	2,135	-	-	2,061	2,060	-	1
Lerik district	1,134	1,134	-	-	1,068	1,068	-	-
Agriculture, forestry, and fishing	898	898	-	-	904	904	-	-
Industry	10	10	-	-	9	9	-	-
Construction	17	17	-	-	7	7	-	-
Trade; vehicle repair	103	103	-	-	65	65	-	-
Transport and warehousing	25	25	-	-	31	31	-	-
Tourist accommodation and public catering	7	7	-	-	10	10	-	-
Information and communication	6	6	-	-	2	2	-	-
Transactions related to real estate	-	-	-	-	3	3	-	-
Education	4	4	-	-	4	4	-	-
Other areas	64	64	-	-	33	33	-	-
Lankaran district	3,885	3,882	2	1	3,146	3,143	3	-
Masalli district	4,067	4,067	-	-	3,439	3,439	-	-
Yardimli district	941	940	1	-	904	904	-	-

... output

	2021		2022	
	Number of subjects	Product release, thousand manats	Number of subjects	Product release, thousand manats
Total	1134	29,814.1	1068	29,814.1
Agriculture, forestry, and fishing	898	386.4	904	386.4
Industry	10	4,837.4	9	4,837.4
Construction	17	9,654.7	7	9,654.7
Trade; vehicle repair	103	8,886.6	65	8,886.6
Transport and warehousing	25	2,247.5	31	2,247.5
Tourist accommodation and public catering	7	588.2	10	588.2
Information and communication	6	777.3	2	777.3
Transactions related to real estate			3	3
Education	4	1,406.6	4	1,406.6
Provision of health and social services to the population	-	243.4	-	243.4
Other areas	64	786.0	33	786.0

According to the Lerik District Executive Authority, there are few small-scale enterprises besides "Kaspi-star" MMC and Lerik Broiler both in Piran village on the Lerik-Lankaran road. The latter comprises of 6 farms, a 150-ton feed production plant and a 5,000-ton warehouse. A bakery has been established at the 37th kilometer of the road linking Lerik with Lankaran. It has 10 employees and makes and sells 4 types of bakery products. In the city of Lerik, there is also a small unit producing plastic doors and window frames. A two-story furniture and household goods showroom are also in the city. An enterprise to produce drinking water and juice is being built in Peshtatuk village, and a bakery in the city of Lerik is under renovation. .

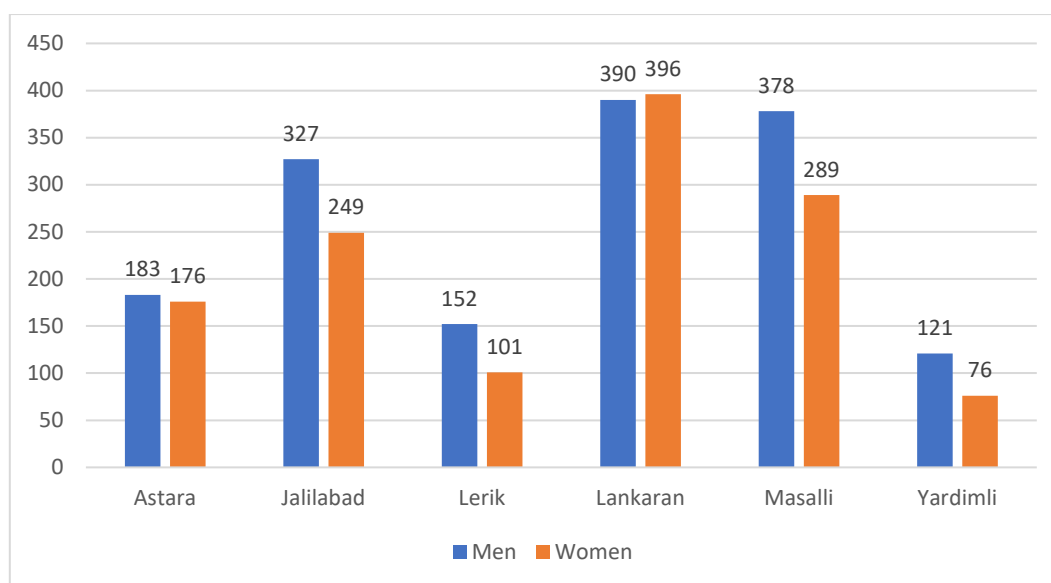
7. SOCIAL CONDITIONS

7.1. Gender

Women constitute 50.3 percent of the population in Lerik district. The distribution of men and women are equal in the city at 4,300 each out of a total population at the beginning of 2023 of 8,600 persons. In rural areas however with a population of 76,600, women are 42,400 as against men who are 42,800. Life expectancy for women is more than men in both rural and urban areas at 79.2 and 78.1 respectively. The same figures for men are 69.7 and 76.3. Women of working age (15-62) are 29,800 as against 28,900 men who retire later (15-64). Most of these women are not working besides working on family farms.

Of the students who received certificates after completion of general secondary in 2022 and were admitted to higher educational institutions reveals there were 152 men (60 percent) and 101 women (40 percent). Lerik district ranks 5th in terms of this indicator just above Yardimli district in the region.

Figure 67: Gender distribution of students admitted to higher education institutions in the region, 2022

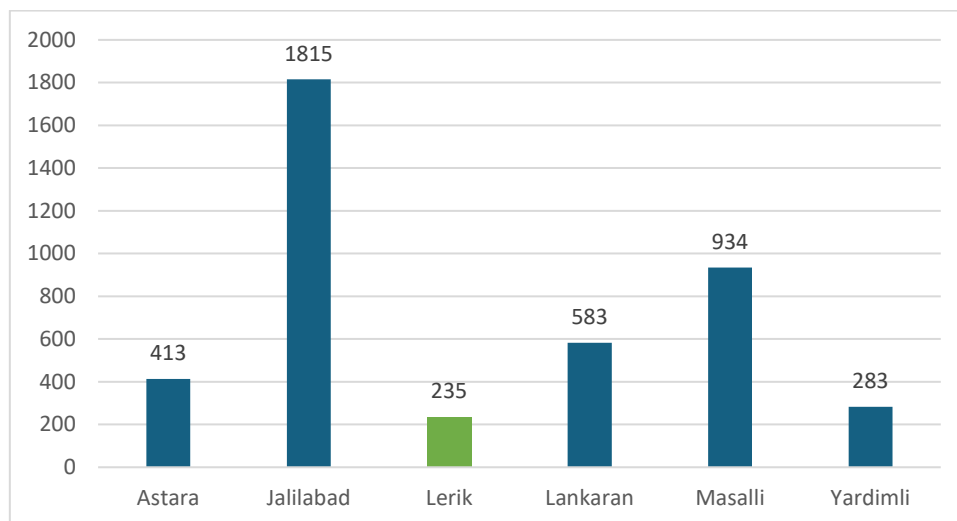


Participants in the workshop attested to; the lower percentage of girls getting an education, due to negative ideas about women's education and work. The inability of families with limited financial means to educate their daughters as preference is given to boys' education was also noted. Other issues include early marriage of girls; cases of domestic violence impacting women. Women arriving home late from work due to the lack of public transport also leads to conflicts within the family. Women have to often choose between family and career. There is also excessive use of non-paid women's labor on family farms.

A prominent issue noted was the increase in selective abortions due to gender determination during pregnancy. In 2022, for every 100 girls born in Lerik 111 boys were born. The figure is 116 in urban areas, and 110 in rural areas. Newborn boys are 1.11 percent more than girls as more boys are born than girls in Lerik district.

The number of children born to women in unregistered marriages in Lerik district in 2022 was 235, of which 218 were born in the village and 17 in the city. This could be due to not registering marriages or due to marriages below the legal age for women. The number of children born out of wedlock in Lerik district is the lowest in the economic region.

Figure 68: Children born to women in unregistered marriages in the region, 2022

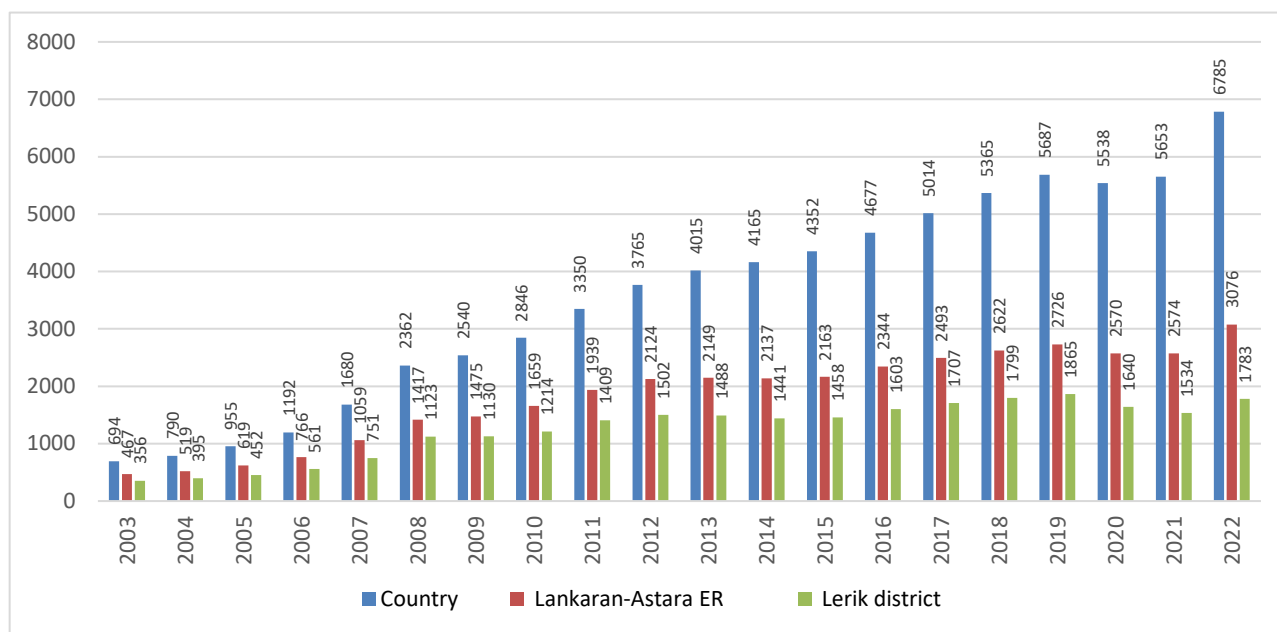


7.2. Socially vulnerable groups

7.2.1. Incomes and social protection

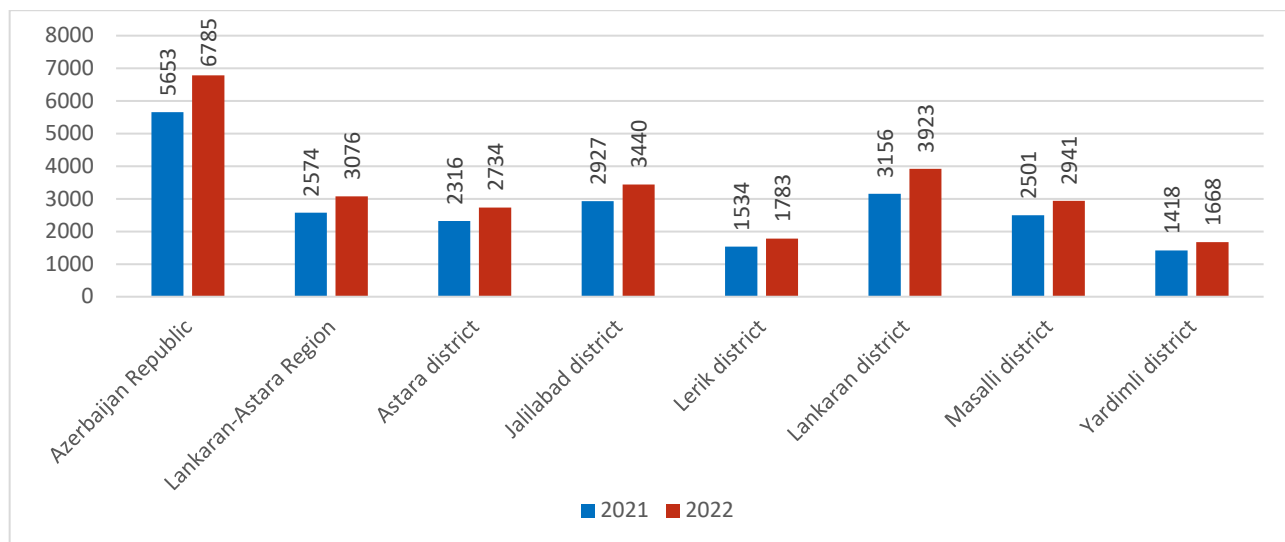
There has been an increase in the material wellbeing of the population in Lerik. However, the problem of less jobs is a burning one. . The major income of the population is from farming and this income is impacted by several factors as reflected in the section on agriculture. Incomes in Lerik district are lower than the country and the region as a whole.

Figure 69: Incomes per capita (AZN)



Income per capita has increased 5 times compared to 2003 when it was 356 manats and amounted to 1783 manats in 2022. Lerik district in 2022 had a lower figure than the average income per capita in the Lankaran-Astara region (3076 manats) and the country (6785 manats).

Figure 70: Income per capita, 2021-2022 (AZN)



Within the region Lerik district ranks second last just above Yardimli district. This is attributed to the lack of decent jobs and enterprises and the low income from farming.

Some interesting results are revealed by data on the number of family members receiving social assistance. As per official statistics, in 2009, 12,632 people received social benefits, in 2015, this number was 4,525, and in 2022, it decreased to 1,406 people. This can be seen as an improvement in the financial well-being of the population. However, in some cases, families are deprived of assistance due to the lack of documents required to receive assistance,

Figure 71: Average monthly social assistance per person by district (AZN)

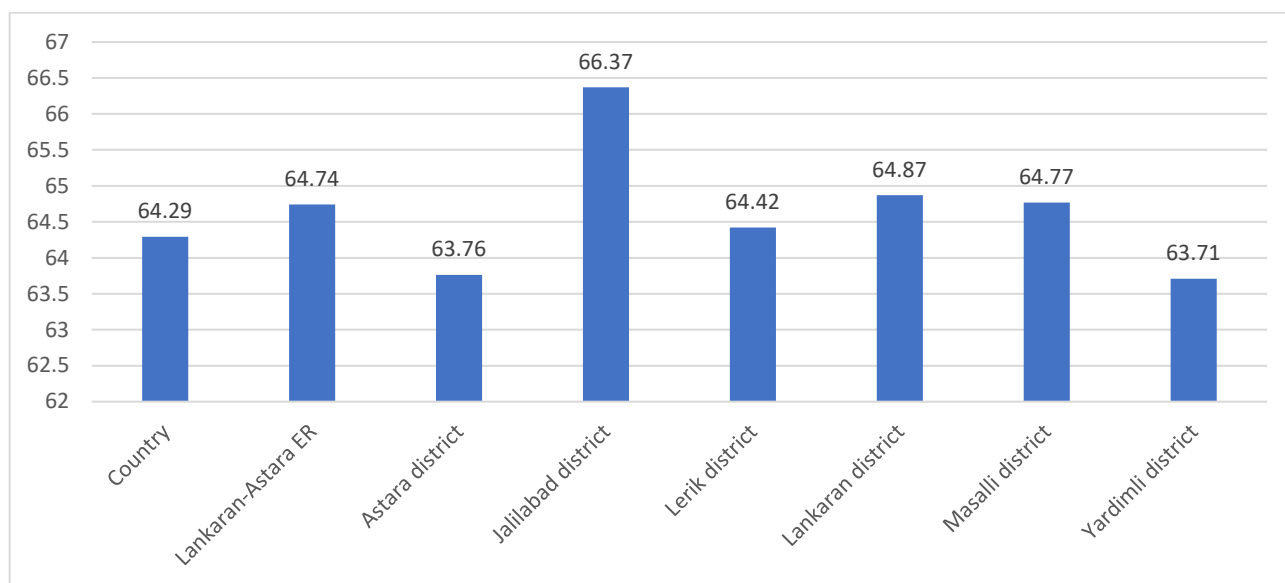
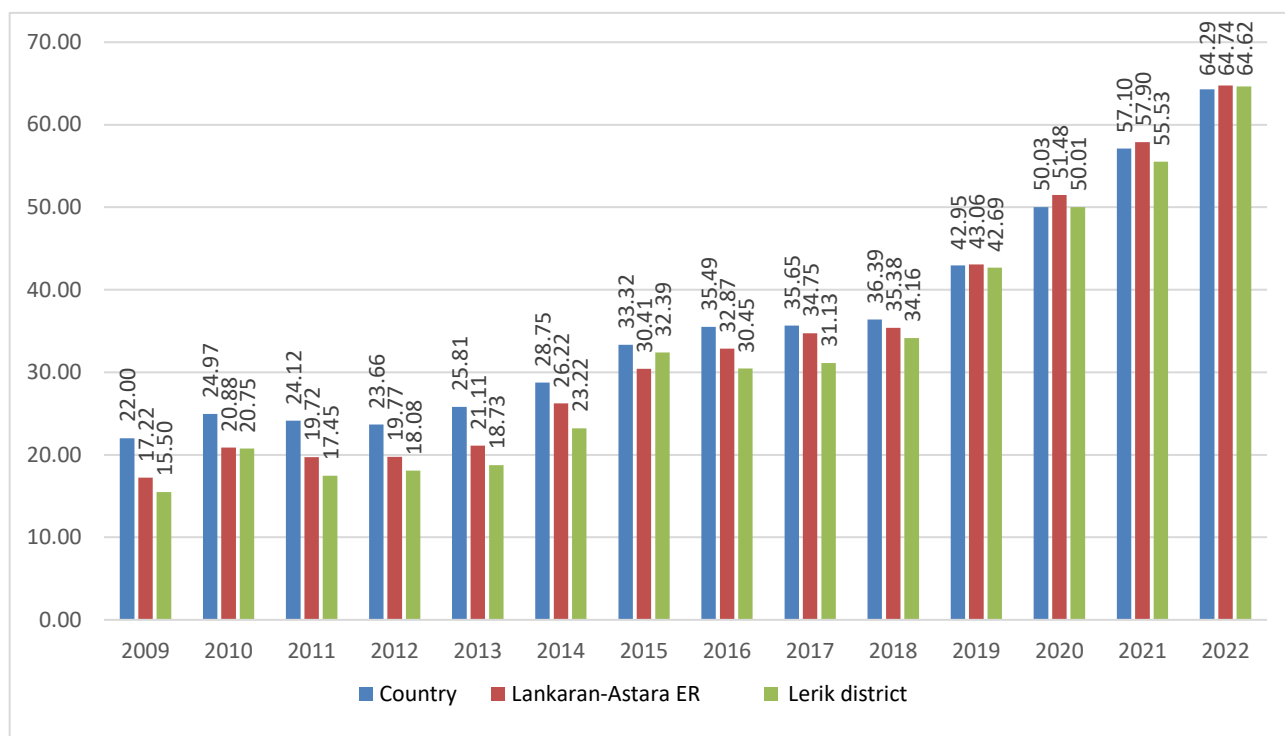
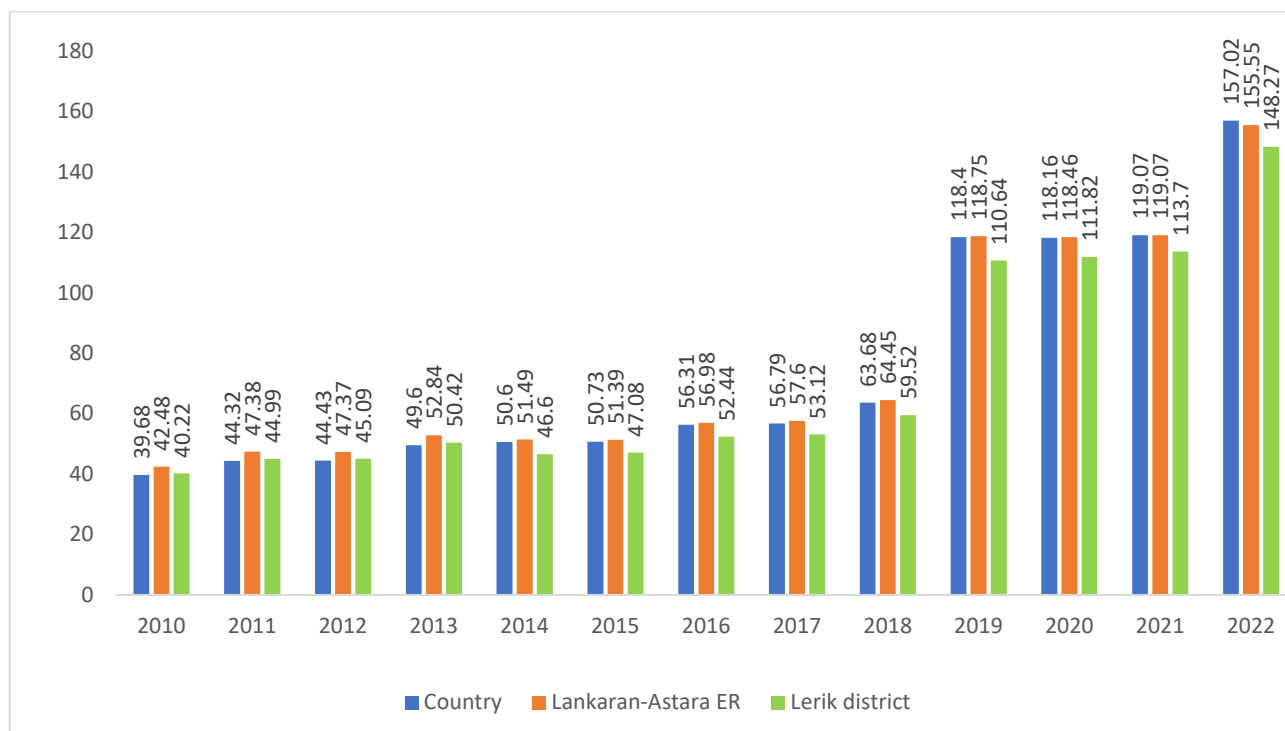


Figure 72: Average monthly social assistance per person by district, region, and country (AZN)



The average monthly social assistance per person in Lerik district increased over the years and reached 64.62 manats in 2022. The indicator is around the average for the country and region.

Figure 73: Comparison of social benefits provided by the state to the population (average monthly amount per person,_(AZN)



In 2022, 44.8 percent of social benefit recipients that is 1, 530 persons in Lerik district were those who received social benefits due to disability. The average monthly amount per person has increased over the years and amounted to 148.27 manats in 2022, which ranks last in the region. This indicator is lower than the average for the region and country from 2010 to 2022. Given that only 4 percent of the population is on social assistance the material well-being of the population we could assume is not that bad.

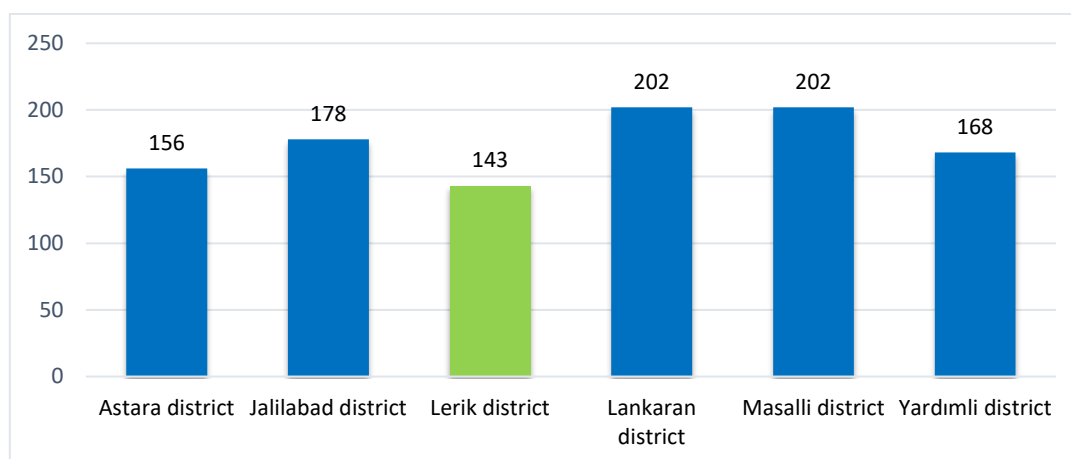
7.2.2. Culture

The district has a Flag Museum, a Longevity" museum, it also has a H. Aliyev Center. The number of visitors to museums decreased from 3,300 in 2015 to 3000 in 2022. There is a centralized library system with a central library and 60 branch libraries, and one children's library, In addition there is one art gallery, two primary music schools, and 11 houses of culture. Between 2015 to 2022, the number of public libraries decreased from 64 to 60, but the book collection increased from 301,600 to 313,500. At the same time the number of clubs decreased from 66 in 2015 to 58 in 2022.

7.3. Sports, youth, and entertainment

In 2022, the number of sports facilities in Lerik district was 143. These include the "Youth" stadium with a capacity of 1, 500, and the educational institutions with 40 gyms. The number of people engaged in physical education and sports was 7292, of which 3218 were women. In terms of the number of sports facilities, Lerik district ranks last in the economic region. Local residents consider the lack of a youth center, and an Olympic Complex ,like in other districts and the low salaries in the sports field as a hindrance to the development of sports in the district.

Figure 74: Number of sports facilities by districts of the economic region



7.4. Housing conditions

Housing was not mentioned as a problem by residents at the workshop. During 2015 to 2022, the number of families who bought housing with the support of the state and improved their living conditions was 32. This includes 28 families in 2020, and 4 in 2022. During the

years 2015-2022, the total area of the housing fund increased regularly and reached 1155,700 square meters from 1024,800 square meters. This is a 12.8 percent increase.

Figure 75: Total area under the housing fund (thousand square meters)

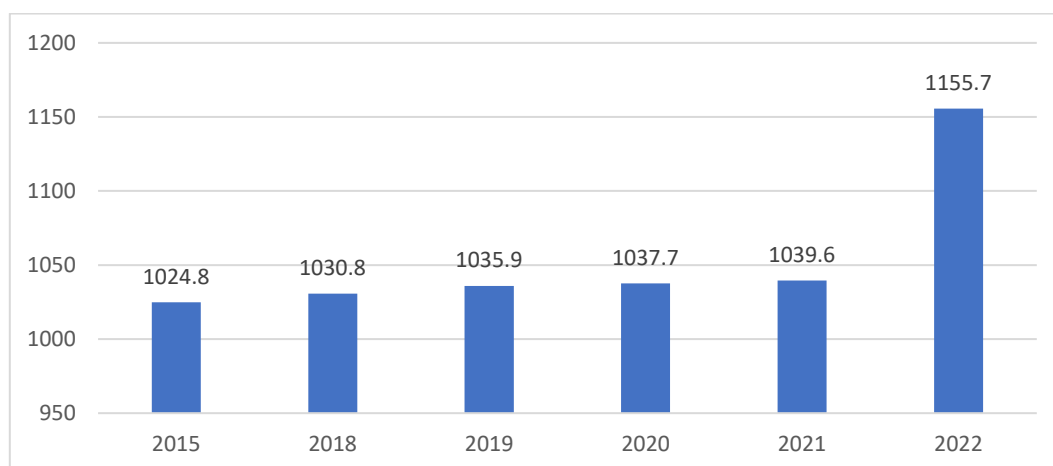
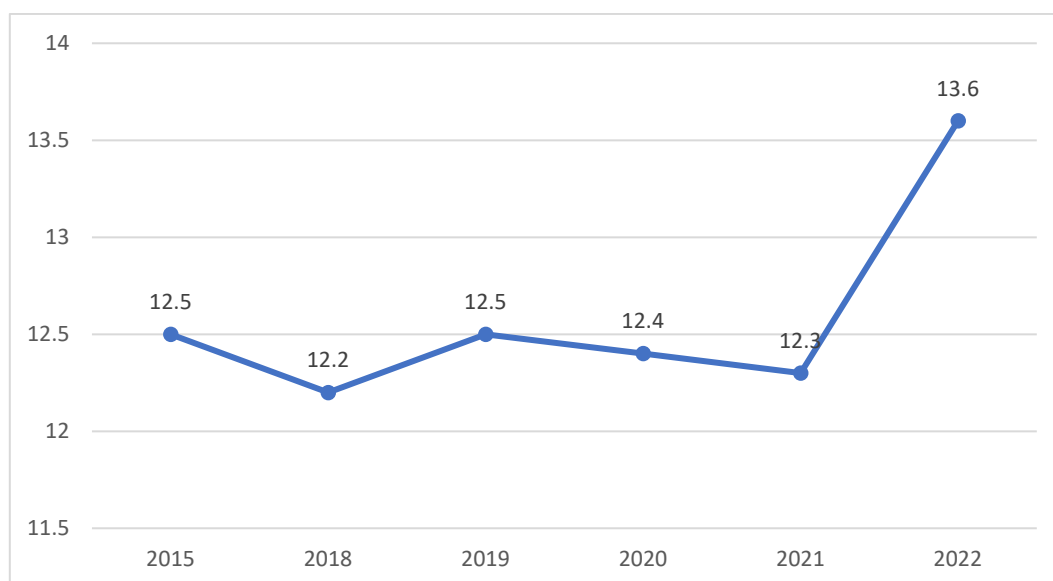


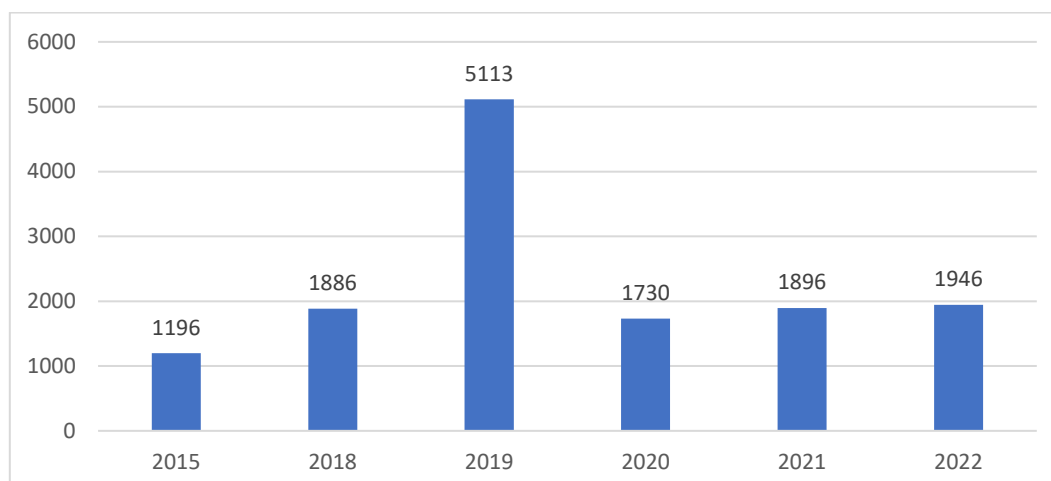
Figure 75 shows the trend in the total area available for housing per capita in Lerik district during 2015 to 2022. The area for housing increased during 2015 to 2022, with certain fluctuations. In 2015, it was on average, 12.5 sqm. per capita. In 2022 it was 13.6 sqm. and increase of 8.8 percent.

Figure 76: Total area for housing per capita , sq.m. (REPLACE)



The total area of residential housing used during the period 2015 to 2022 was the highest in 2019 (5113 sq.m). The following year it sharply decreased to 1730 sq.m. In 2021 and 2022, it increased slightly to become 1946 sq.m. This was equal to approximately 1 percent of the houses commissioned in the Lankaran-Astara economic region in 2022.

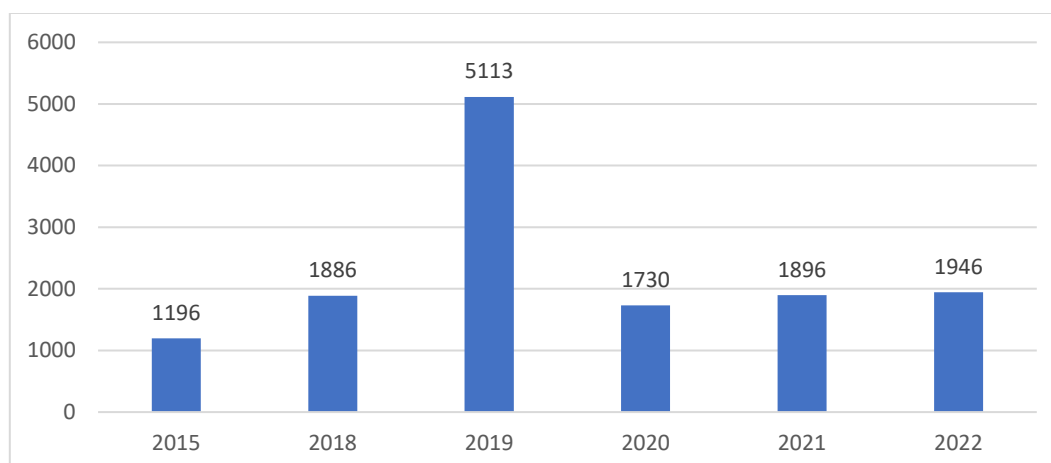
Figure 77. Residential houses put into use, total area, sq m. (ADD)



7.5. Crime and safety

There were fluctuations in the number of crimes registered in Lerik district between 2015-2022. However, the number has been increasing in recent years. In 2022, 109 criminal cases were recorded, of which 8 were serious crimes, and 2 were crimes committed by children aged 14-17 years. In that year, 3 people (two of them women) were victims of domestic violence. The number of registered crimes in 2022 increased by 50 compared to 2021.

Figure 78: Number of recorded crimes



Recorded crimes fell from the highest figure in 2019 of 5133 to 1946 in 2022. Participants in the workshop noted that fraud, theft, drug addiction, and domestic violence are increasing in the district.

7.6. Civil society organizations

There are 12 non-governmental organizations registered in the Lerik district. In addition, local and regional branches of a number of civil society organizations, including foundations, are present in the district.

8. ENVIRONMENTAL SITUATION

8.1. Biodiversity

Lerik has diverse flora and fauna and two state reserves have been earmarked to preserve the biodiversity of this ecologically sensitive district. These are Zuvand State Nature Reserve with 15,000 hectares. Rvarud State Nature Reserve with 510 hectares. The Botanical Research Center of the National Academy of Sciences operates a collection point in Zuvand. It studies the fauna and flora of the area.

8.2. Climate change

The residents of the district are noticing climate change and its negative effects. Several of these were mentioned at the workshop. This includes premature flowering of trees due to changes in the onset of seasons, thinning of the grass cover, increase in wind and natural disasters, migration of some species of animals and birds, destruction of crops, increase in pests, especially rodents and new plant diseases. In addition, the falling phenomena are observed sometimes atypical weather conditions, rapid melting of snow, the changing of seasons, longer winter, and water scarcity due to reduced rainfall and snow. In addition, decreased productivity, also due to damage to prematurely blooming trees by snow, rain, and wind, destruction of bees due to the shifting of seasons and harsh winters. Negative impacts on human health have also been felt.

According to Hydromet data, as a result of climate change, the average annual temperature in Lerik district has increased by 1.10 degrees over the last 10 years compared to the norm of 1961-1990. At the same time, the number of days above 25 degrees Celsius has more than doubled in the summer months. According to climate scenarios built on the basis of three models accepted at the international level, the average annual temperature in Lerik district is expected to increase by 1 degree every year from 2020-2040. In the highlands, the increase is projected to be even greater (1.50 C).

During the last 30 years, the amount of precipitation in Lerik district has decreased by 8 percent. Rising temperatures and decreasing rainfall are leading to a decrease in water resources, which has an impact on agriculture. As a result of comparing the data of the last twenty years with the norm of 1960-1991, a 20 percent decrease in water consumption is observed in Lankaran river. Water scarcity will become more acute in the future. As per the climate scenarios mentioned above, the amount of precipitation will decrease between 2020-2040. An increase in the number of days with heavy rains causes considerable damage to agriculture.. In the last 30 years in Lerik district, the number of days with heavy rain has doubled.

Figure 79. Comparison of the average air temperature in Lerik district in the last 10 years with the norm (Celsius)

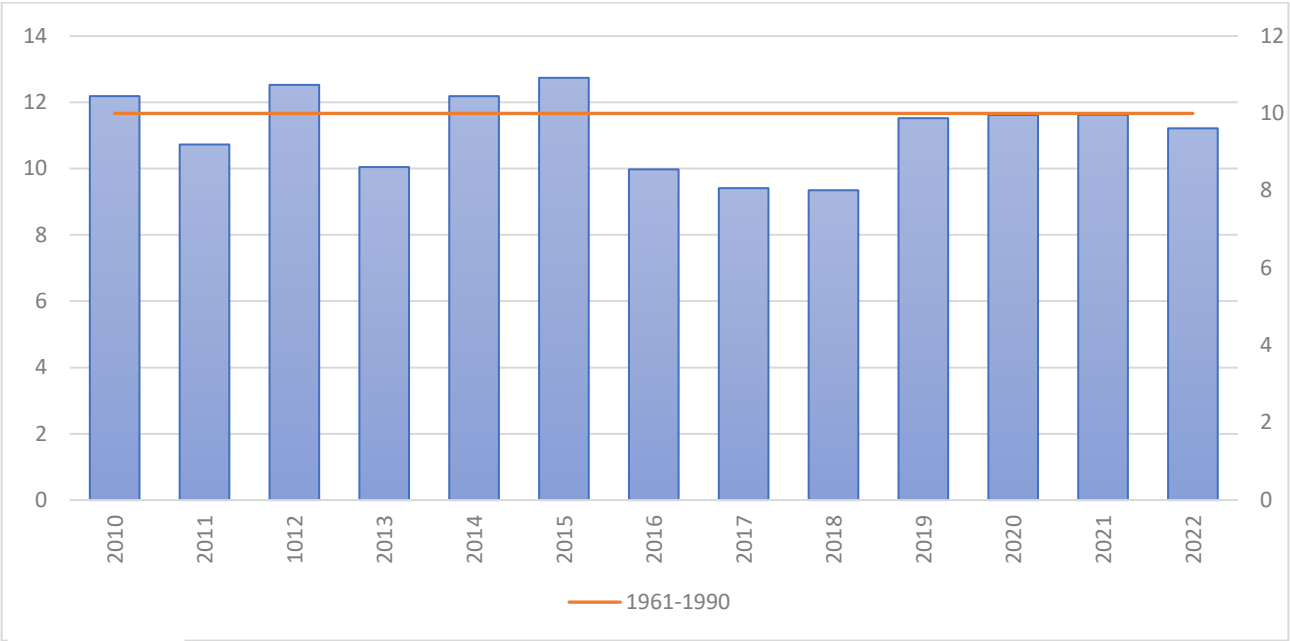
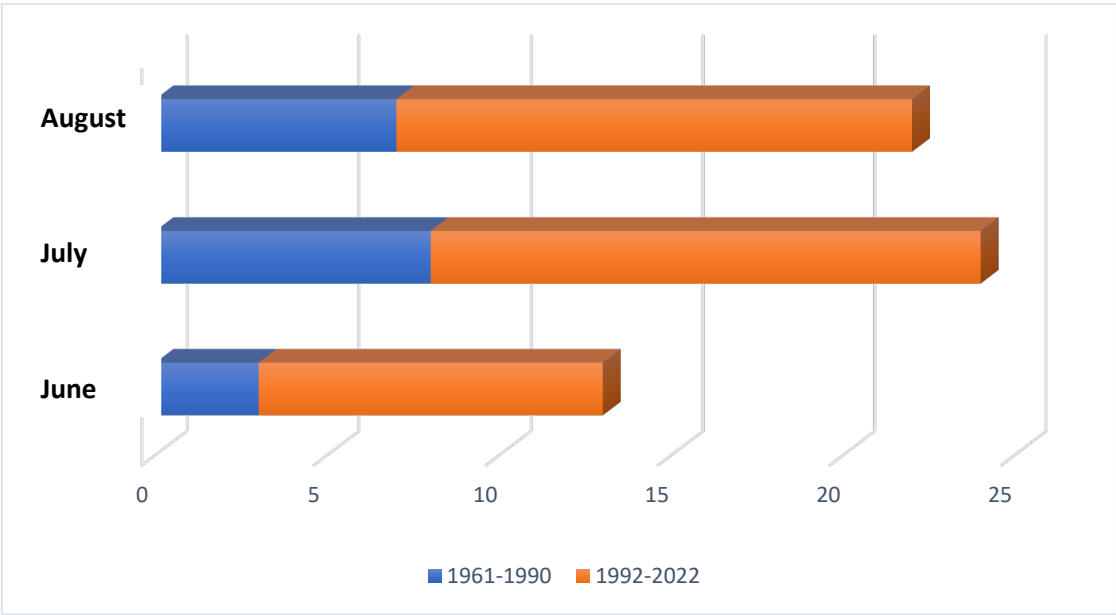


Figure 80. Number of days with air temperature at 25 Celsius



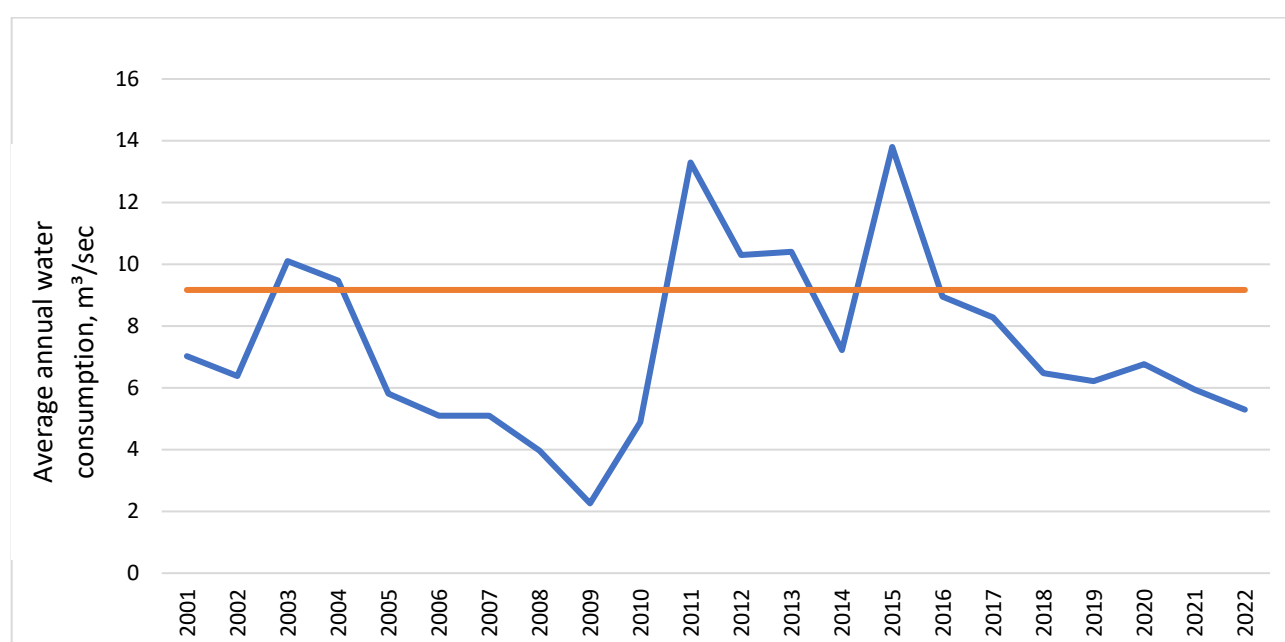
Though the forest boundaries are still intact, thinning of trees is observed due to the collection of wood for firewood and heating. This is also due to the lack of gas and the cost of gas which is unaffordable for some. The number of forest fires is increasing. Although this is caused by anthropogenic factors, forest fires are also believed to be caused by dry forests due to reduced rainfall. Reduction in trees leads to less water retention in the soil which in turn affects water resources.

The decrease in the number of days with intense winds in the region has a positive effect on the development of agriculture. The analysis of wind data for the last 100 years shows

that the number of days with intense winds in Lerik district has decreased by 2 times. However, the total number of windy days has increased. Winds are above 5 miles per hour, and this means there is potential for using wind energy. There is an increase in the number of sunny days, which increases the potential of using solar energy. The number of sunny days has increased by 11 percent over the last 20 years in Lerik district.

In order to improve the efficient use of water in Lerik district, there is a need to collect rain and river water in the autumn-winter season for the summer season. The construction of water reservoirs can play a significant role in the development of the agricultural and energy sectors.

Figure 81: Comparison of average annual water flow in Lankaran river in Lerik district with the norm



On comparing data for the last 20 years with the norm of 1960-1991, a 20 percent decrease in water flow is observed in Lankaran river which is the main river in Lerik district. The main factors behind the decrease are reduction of rainfall, snow melting, and increase in temperature and evaporation. The inefficient use of water also contributes to this situation.

8.3. Air, land, and water pollution

Among issues of concern raised by the residents was the lack of garbage collection and processing, failure to collect garbage on time, throwing of waste into the rivers in rural areas, non-processing of waste, lack of household waste sorting and disposal points, throwing plastic bags into the river, dumping of household waste, lack of recycling facilities, lack of garbage bins, improper selection of garbage dumping areas, and inadequate sanitary conditions. There is in addition, lack of a sewage system in rural areas, contamination of water resources, excessive use of old cars, lack of awareness and

training related to preserving the environment. ,lack of signs on roadsides about keeping the environment clean and bins and environmental management.

Lerik district ranks second after Astara district in the region for the volume of pollutants emitted from stationary sources. In 2022, the volume of pollutants released into the atmosphere from stationary sources in Lerik district was 77.7 tons. A large part of those substances is gaseous and liquids (carbon dioxide was 43.1 tons).

Table 15: Pollutants released into the atmosphere from stationary sources in 2022, tons.

economic regions and administrative territorial units	Air pollutants - total	including:				
		solids	gaseous and liquid substances	From them:		
				sulfuric anhydride	carbon dioxide	nitrogen oxides
Astara district	1604.1	-	1604.1	0.7	646.0	413.0
Jalilabad district	26.3	0.3	26.0	0.5	2.0	0.7
Lerik district	77.7	0.1	77.6	0.9	43.1	27.8
Lankaran district	20.2	0.7	19.5	1.6	8.2	2.9
Masalli district	26.8	7.0	19.8	1.7	4.9	2.8
Yardimli district	4.1	-	4.1	0.1	0.3	0.3

Table 16: Average annual indicators from water samples taken from Lankaran river in Lerik District, 2022

Designated components	Results
pH	8,3
SSAM mg/l	0,02
Phenol mg/l	0,001
NH4	0,34
NO2	0,08
NO3	4,93
PO4	0,03
Dissolved O2 mg/l	7,6
percent	81,2
OBS5	2
Σ ion	406
Cl	89,8
SO4	87,6

The analysis of water in the Lankaran river shows the negative impact of sewage water and animal husbandry on the river within the Lerik district. This is also carried downstream to Lankaran district and into the Caspian Sea. The pollution is due to the lack of sewage facilities in rural areas and improper storage and use of manure by farmers.

Figure 82: Sewage in Lerik district, million cubic meters

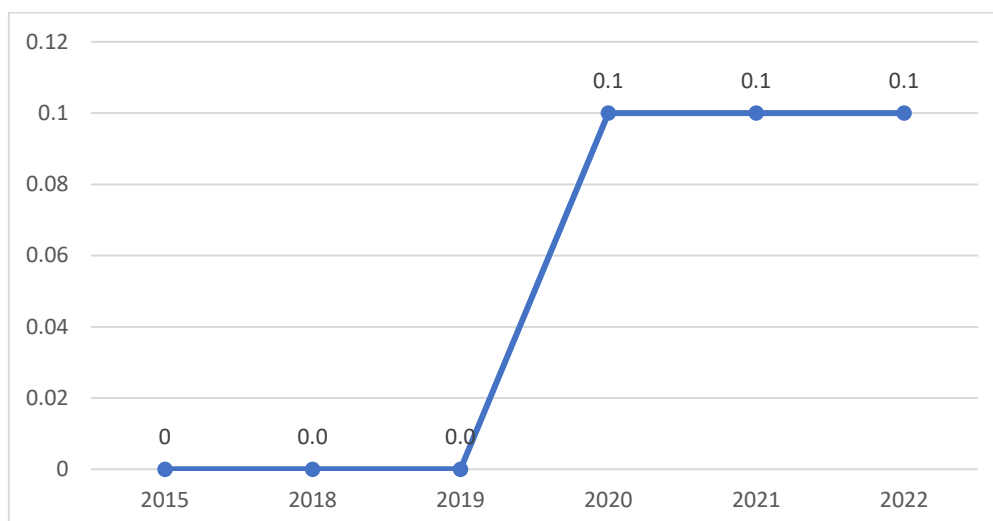
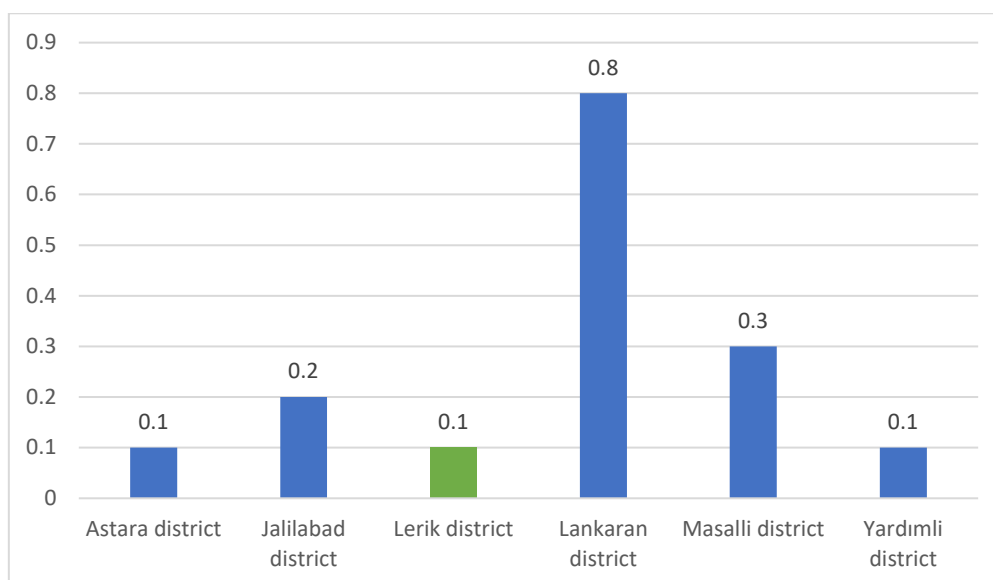


Figure 83: Wastewater disposal in economic region in 2022, (million cubic meters)

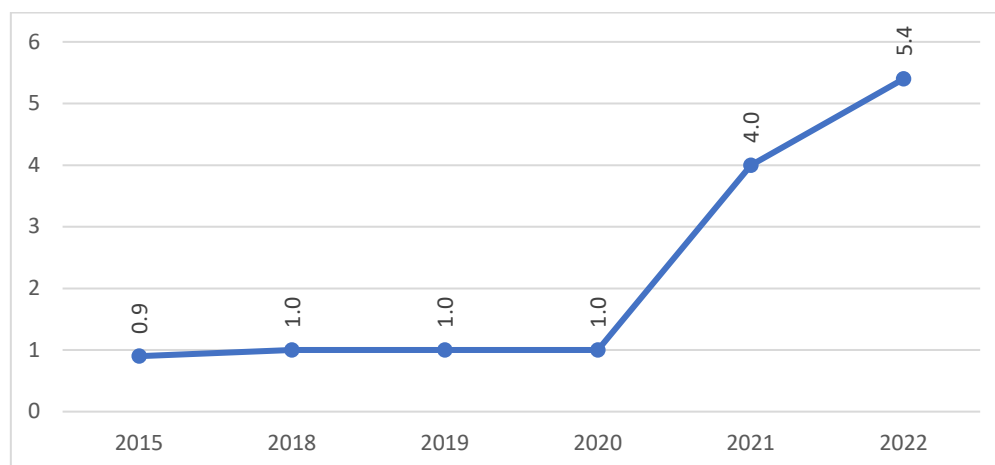


There is a significant increase in sewage from 2019 and it remained at this level in 2021 and 2022. In the discharge of wastewater by districts, Lerik district comes after Lankaran, Masalli and Jalilabad districts and is level with Astara and Yardimli districts. .

8.4. Solid waste management

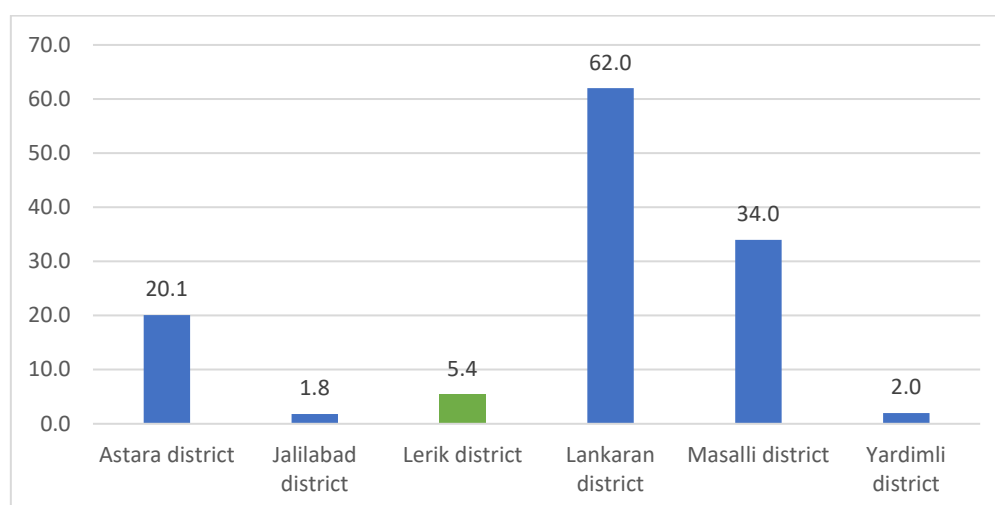
The lack of solid waste management in Lerik is visible with plastic and waste lining rivers and waste being dumped. This has ecological and environmental impacts Household waste is not collected in rural areas and is often burned further generating air pollution.

Figure 84: Waste collection by communal services, (thousand cubic meters)



The volume of household waste collected by communal services in Lerik district increased sharply in 2020-2022 and amounted to 5.4 thousand cubic meters in 2022. There is a landfill for household waste on 1 ha near the city of Lerik, 1 km from the Lerik-Hiramo road, A new landfill for the collection of household waste is being built on an area of 2 ha located on the 3rd km of the Lerik-Lankaran highway. Lerik district is fourth in the region for the collection of solid waste.

Figure 85: Household waste collection 2022, (thousand cubic meters)



8.5. Natural disasters

Climate change has a direct impact on the destruction of the region's ecological environment. As a result of landslides in Sors, Molalan, Zuvuj, Larmarud, Vizazamin, Veri Aliabadi, Ordahal and other residential areas, houses were seriously damaged and fell into disrepair. In addition, the landslides that occurred in shared lands created difficulties in conducting cultivation on arable lands. As a result of the spread of rodents, grain fields are being damaged, which has a negative impact on the income of the population. It is necessary to take timely and flexible steps towards the solution of these issues.

9. STRENGTHS, WEAKNESS, OPPORTUNITIES AND THREATS - SWOT ANALYSIS

Table 17: SWOT analysis for the district

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • rich natural relief • potential for tourism (including ecotourism, agrotourism, home stays). • presence of forests, including relict, endemic (hardwood) plants. • Pure, untouched nature. • availability of favorable natural conditions for the development of animal husbandry, including beekeeping. • abundance of labor resources. • availability of forest food products and wild medicinal plants. • availability of mineral water sources. • rich national cuisine. • existence of ancient historical and cultural monuments. • famous for people who lived long healthy lives. • azonality. 	<ul style="list-style-type: none"> • limited agricultural land s. • unfavorable geographical conditions (remote mountainous area). • lack of irrigation water. • complexity of logistics, difficulty of access to markets. • low competitiveness of products. • lack of agricultural products processing enterprises; limited use of the natural-economic potential, including tourism. • difficulties in providing fodder and quality seeds. • insufficient investment. • insufficient development of production, and market infrastructure areas. • lack of decent jobs. • migration of young people and qualified personnel to big cities and foreign countries • poor development of social sectors and services (education, healthcare, culture, etc.). • increase in environmental pollution. • deforestation (due to lack of gas). • lack of improvement of sewage system. • insufficient environmental management. • poor promotion of the district.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • presence of extensive state support (subsidy, tax concessions, etc.) for the development of the district and rural areas. • existence of state programs for the development of regions. • opportunities to involve state, non-governmental and international and bilateral development organizations, and institutions for the implementation of relevant projects. • availability of public-private partnership opportunities. • possibility of attracting local and foreign investments from abroad and other regions of the country. • opportunities to study and apply advanced practices in agriculture from around the country and the world. • development of collective entrepreneurship. • availability of mechanisms for stimulating technological development. • existence of mechanisms for supporting innovations in agriculture. • location near an airport and railway in the region,. • location near the international North South transport corridor 	<ul style="list-style-type: none"> • reduction of water resources, as a result of climate changes. • decrease in soil fertility. • intensification of natural disasters. • reduction of state support. • limited access to financial resources. • As a relatively remote mountainous region, there is little interest from investors. • spread of infectious diseases and pests • increase in war and international conflicts. • increase in inflation. • -restriction of access to border trade and foreign markets. • spread of harmful habits like drugs.

10. KEY CHALLENGES

10.1. Physical infrastructure and services

All 162 settlements of the district are provided with electricity . However, the electric overhead lines, which were operated for many years without major repairs and built in the 60s of the last century, result in interruptions in supply in autumn and winter.

The main reasons for the low level **of gasification** are the unfavorable terrain and the uneven settlement of population. . In all 102 (6743 houses) out of 162 settlements (12003 dwellings) do not have gas connections. This shows the rate of gas provision to be around 37 percent. In 33 settlements (63 percent) it is not economically viable to provide gas. .

Water There are problems related to accessing drinking water. In 33 of the 162 settlements, there is serious water shortage in the summer months. This is 35.8 percent of the population of the district, and 20.3 percent of the settlements. In the 33 villages, the demand for water increases due to the reduction of water in the springs in the summer months. Residents carry water from greater distances using packed animals and other forms of transport. In total, 8,019 families (72,098 people or 84.7 percent of the population) live in villages that use spring water, wells they dig (artesian wells) and water from nearby rivers.

A number of problems remain in the field of **irrigation**. Irrigation is used for cultivation of crops in Gosmalian, Kalakhan, Pirasora, Orand, Chayrud, Mistan, Monidigah villages. . In Chayrud, Rvarud, Pirasora, Gosmalian, Kalvaz, Goydara and other areas, farmers have built water tanks and small reservoirs.

There is a serious need to rebuild **the transport infrastructure, especially inter-village roads**. The fact that the highways of Lerik district are covered with dirt (6.7 percent of the existing highways in the region are asphalt-concrete, 11.7 percent are gravel, and 81.6 percent are covered with dirt) contribute to the lower development of the socio-economic areas of the region. For all mountain region road connectivity is essential for access to markets, education, and health. .

The construction of the 38.7 km Aliabad-Kiravud-Nuçu-Vamazgon, the 11.7 km Agchay-Tekdam (Yardimli) (which would give Lerik residents better access to Masalli city and Yardimli residents access to Lankaran city which is the regional center , the 15 km Blaband-Andurma-Chayrud, the 10 km 40th km (village)-Nuvadi-Aliabad, the 25 km Piran-Bursulum-Bobla, the 18 km Piran-Veri Aliabadi-Veri, the 14 km Lerik-Mastayyl-Livadirga-Laman, the 15 km Nisli-Razgov roads have been proposed. s Preliminary project estimates were prepared, and the issue was raised before the relevant institutions for the construction of roads in the coming years.

In total, the roads leading to 36 villages of the region are paved. This is 22.4 percent of the total number of villages. The roads leading to the remaining 126 settlements or 77.6 percent of the total villages need to be made into asphalt roads. .A public transport system has not

been established within the city , as well as between the district center and the villages and inter-villages, and the routes in the relevant directions have not been determined. In addition, lack of reliable transport r from the cities of Baku and Lankaran to the center of Lerik district and no public transport to tourist attractions in Lerik also hinders the development of tourism. In this regard the construction of a bus station in the city is also important..

There has been an increase in **communication and information services** in recent years, problems still remain. Thus, 33 settlements in the region, 16 settlements in Burüsülüm and Tulu-Jonu village administrative territorial circle have telephones. Most of the wooden posts on the communication lines are rotten, and some of the wires are attached to electric poles. There are also serious problems with internet speed in the region. Currently, 43 settlements with 2,146 households do not have access to high-speed internet. In the absence of generators and power supplies-accumulators in EATS, communication with the areas is cut off when electricity is cut off. There is a need to expand the scope of the fiber-optic high-speed internet line in the region. Work is ongoing in this direction.

10.2. Social infrastructure and services

Challenges remain in the education sector. such as rehabilitation of infrastructure and the lack of qualified personnel.. There are no schools in 66 settlements with low population covering in total with 13,700 people. . Students living in these villages travel an average distance of 3 km, and some of them 20 km, to the nearest school. There is a need to organize buses for the transportation of students in villages without educational institutions to their respective schools. There are 13 pre-schools s in the district. (2 in the city center, 11 in the villages), these are full. Given the population of pre-school age more pre-schools are needed to prepare children for school.

There is a need for the construction of a new administrative building for the Lerik district education department and for Cengamiran, Lülekaran, Soru and Vistan village secondary schools. New kindergartens are needed in the villages of Livadirga, Zuvuj, Shingedulan, Vizazamin, Vistan, Nucu.

The situation of the vocational school, which is responsible for providing the district with trained personnel is deplorable. Of the two buildings, one building built in the 30s of the last century has fallen into a state of complete disrepair, so teaching has been stopped there. The other building does not meet modern requirements. Taking into account the growing interest in new service areas (tourism, catering, management of agricultural machinery, repair of machinery and equipment) in the region, there is a need to build a new building for the vocational school (or move it to another building).Currently, there is a need for 399 subject teachers in the region.

As in most regions, there are certain deficiencies in **healthcare in Lerik district** . The main problems are lack of qualified doctors, unsatisfactory medical services, small number of hospital beds, and low wages. In Lerik district, the number of doctors per 10,000 people

was 4.4, the number of secondary medical staff was 18, and the number of hospital beds was 9.2. For comparison, in Lankaran-Astara economic region, these indicators were 8.8 people, 28.7 people and 14.8 units, respectively, which means that all indicators of Lerik district are lower than the average indicators of the region. The number of hospital beds in the region has decreased twice in the last 10 years.

Construction of a new building for the Hygiene-Epidemiology Center, construction of doctor's stations in Daster, Boykendil, Larmarud, Tikaband, Livadirga, Nucu, Nuravud, Soru and Haftoni villages, construction of new buildings for Aliabad, Peshtatuk, Zuvuch and Veri village health centres, as well as strengthening the existing material and technical bases of healthcare institutions are the main priority issues. Currently, there is a need for 67 qualified doctors and 120 medical workers in the district.

10.3. Labor market

Looking at the **employment level of the population, it is possible to observe that there are problems specific to other regions.** Thus, there are a total of 2611 unemployed people in the district. The number of unemployed populations was 358 people in urban areas and 2253 people in rural areas, which makes Lerik district the second place in Lankaran-Astara region.

The region is rich in labor resources. These are, however, not professionally qualified as most people have on average a secondary education. They are not qualified for many jobs. There are no higher education institutions in the district and students have to leave for Lankaran or Baku to pursue higher education. The quality of the education is reflected in the fact that on average high school graduates do not score high on entrance exams to higher educational institutions. Qualified persons often do not work in their area of specialty. This and the lack of decent jobs, the prominent level of unemployment lead to the migration of young people who often do not return to the district.

Lerik district has favorable conditions for the development of folk crafts (carpets, weaving, embroidery). However, the neglect of traditional crafts in recent years, the decrease in the interest of young people and women in this field, as well as the lack of promotion and low profitability reduces the use of this potential. It is important to increase support for folk crafts to create outlets for sale especially to tourists. Small-scale work is done individually in the villages of Pirasora, Divagac, Mondigah.

10.4. Agriculture

The agriculture sector is the basis of the region's economy (60 percent of the UMB), and the main employment of the population is closely related to the development of this sector. Factors that adversely impact the development of the sector include the weakness of agrotechnical and agrochemical services as well as their supply, insufficient supply of productive seed varieties in crop cultivation, lack of irrigation water, low use of modern techniques and technologies especially suitable for the mountainous terrain lack of fodder,

and limited use of forest produce, herbs and medicinal plants, There is also limited access to finance and markets for the sale of agricultural products, and the lack of qualified personnel in the relevant field. The availability of agrotechnical and agrochemical services in Lerik district is limited.

The Agroservis OJSC office is located in Jalilabad.. Besides the lack of supply points, there is a need to educate farmers in the proper use of fertilizers and pesticides. The minimum demand for mineral fertilizers in the region is 600 tons, and for pesticides 500 kg. While the actual supply of mineral fertilizers during the year is 250-300 tons, this figure for pesticides is 300-350 kilograms. Due to the climatic conditions of the region, the demand for herbicides is low. In addition, there is a need to supply 300 tons of mineral fertilizers and 150 kg of pesticides, as well as to create additional mobile supply points for agrochemical products in the cities of Lerik, Piran, Shingedulan, Chayrud, Gosmalian.

About 5300 farmers are currently working in the region. There is a need for them to regularly participate in trainings on the use of fertilizers, irrigation, cultivation, correct and efficient use of equipment, disease and pest control, cultivation in accordance with agrotechnical rules, organization of harvesting, good agricultural practices ecetra.

In the region, farmers have a high demand for quality seed varieties and fruit seedlings. During the research, it was found that Lerik district ranks first in the region in terms of the area of planted apple orchards (252.6 ha), but it ranks last in terms of productivity (17.9 cents/ha). Thus, the area of planted apple orchards in the region is 474.7 ha, and the average yield is 38.8 cents/hectare. Also, although the district ranks second in the region in terms of potato planting area (1537 ha), it is in the third place in terms of productivity (145 cents/ha). Accordingly, the cultivated area for potatoes in the region is 10,209 ha, and the average yield is 221 cents/hectare.

Currently, 5,000tons of seed potatoes and 13,000 apple saplings (and others) are needed. The unsatisfactory number of agricultural machineries in Lerik district of 212 units, only 175 are operational, the rest are not working. The standard equipment built for the plains does not work in the mountains. For example, if in the neighboring regions the harvester harvests 40-50 ha during the day, this number is around 8-10 ha in the Lerik district. In order to bring 4,000 hectares of arable land under cultivation, 5 mountain harvesters, 15 plow tractors, 10 mowers, 10 seed drills and seed drills are needed.

Lack of access to fodder directly affects the production of livestock products and the income of farmers. The annual fodder demand in the region is about 240,000 tons. For full satisfaction of demand, an additional 90,000 tons of fodder is needed.

The potential for using forest produce in Lerik district is high. However, the lack of systematic harvesting and sale do not allow for this potential to be developed. During the research, it was found that on average 3-20 tons of fruits and berries (separately) such as hawthorn, blueberry, blackberry, wild gooseberry, forest walnut, crab apple, forest pear, Caucasian date, rose hip, acacia seed, sedge, and nettle is available. In addition, 1-3 tons of herbs

such as thyme and sweet pepper are available. There is a need to create supply and sales points for forest produce in Lerik city which can also attract tourists. .

The inadequate development of e market infrastructure because there is no permanent or weekly market for agricultural products creates problems in selling cultivated produce.. For this purpose, it is important to organize weekly markets (fairs) in the region for the regular and dedicated sale of agricultural products.

10.5. Industry

The number of **industrial enterprises is low**. There are just 7 units, and the majority of output is from a few enterprises. The lack of agricultural processing enterprises like canning plant, hide processing, mineral and table water packaging, meat, wool, milk, and honey processing, in Lerik district, limits the growth of this sector. While there are building materials (marble, lime, clay, basalt, cement), the problems in obtaining appropriate permits for operation, unsatisfactory road infrastructure, and the distance between the district and cities limits their use. Given the fragile ecology of the region, polluting industries are to be avoided.

10.6. Services

In the tourism sector though there has been growth in recent years, there is no change in the number of hotels and hotel-type enterprises. Weak marketing, low quality of services, and poor hygienic conditions are major handicaps. The absence of a tourist information office and tourist maps in the city, lack of trained personnel is limiting the tourists who stay overnight in the district., There is also no sewage system in most facilities which further impacts the expansion of the sector.

The tourism and recreation facilities are concentrated on the Lankaran-Lerik highway as can be seen from the tourism map. Tourists make few trips to the center, as well as to other villages with tourism potential in the region (Zuvand, Gosmalian, Kalakhan, Avila, Kalvaz). There is a need to create tourism-recreation zones and develop them.

Private homestays rented daily or seasonally make up the majority of bed capacity. Many of these do not meet the standard required for tourism, and the physical and hygienic conditions of most are unsatisfactory. Only a few are available for rent through online platforms. This reduces access to a wider circle of tourists.

10.7. Entrepreneurship development

Entrepreneurship development is limited. The lack of support for the creation of new business entities, the need to improve the business environment, and the weakness of market infrastructure development are major handicaps. The lack of access to preferential credit, insurance, guarantees and other support mechanisms. as well as difficulties in obtaining loans, non-acceptance of collateral in rural areas, insufficient awareness and

financial literacy, and lack of entrepreneurial knowledge (finance, business, digital literacy) are also key issues holding back entrepreneurs.

Considering the current state of the banking system in the region, there is a need to launch mobile and online applications and install additional ATMs in major villages to facilitate the access of SMEs to preferential financial and credit products. There is also no permanent market for sale of products produced by SMEs in the district center.

10.8. Social problems

Although steps have been taken to improve the material and social conditions of the population, some social problems remain. The workshop participants attested to the lack of gender equality. There are few women active in public life, less education is provided to women due to negative perceptions about women's education and work. Civil society institutions are few and weak. Young people lack a youth center and an Olympic sports complex to spend their leisure time in productive pursuits.

10.9. Environmental problems

Mountainous regions like Lerik are sensitive to climate change. There has been a deterioration of the environmental conditions of the district. The use of wood from forests due to the lack of gas for heating and cooking has a negative impact on forests. A major problem is the lack of solid waste management, resulting in waste contaminating the countryside rivers, plastic strewn even on riverbanks, the lack of recycling and waste processing and household waste sorting and disposal points. There are no sewage systems in rural areas, sewage pits are often not dug and sewage seeps into the rivers as seen in the water analysis of river water. There is a general disregard for environmental issues and no campaigns regarding environmental awareness. No signage on roadsides and river banks about keeping the environment clean. In the city there is a lack of trash cans, and good solid waste management.

Although there is a sewage system in the city of Lerik, none of the villages have a sewage system. In villages near rivers, wastewater is discharged into the river. Garbage wells are used in some villages. It is possible to see the same scene at the tourist facilities on the Lerik-Lankaran road. While some of them use septic tanks, many, especially the daily ones, discharge their wastewater into the Lankaran river.

Natural **disasters** also have a direct impact on the destruction of the region's environment. As a result of landslides in Sors, Molalan, Zuvuj, Larmarud, Vizazamin, Veri, Aliabadi, Ordahal, houses were seriously damaged, and some fell into disrepair. In addition, the landslides that occurred on shared lands create difficulties in cultivating arable lands. In 2023, as a result of the spread of rodents, grain fields were damaged, impacting the income of the population.

11. RECOMMENDATIONS

11.1. Priorities for the development of the region

Priority 1: Strengthening agricultural development

Accessibility to agrotechnical and agrochemical services needs to be increased , and additional mobile supply points created in large settlements. Farmers need training in modern agriculture practices. Measures are needed to increase the supply of quality seeds (potatoes) and seedlings (apples and others). Forest produce and wild herbs should be collected and sold or processed into other products for sale. Sale points need to be created in the city and Lankaran city. .The branding of local agricultural products (potatoes, apples, honey, etc.) typical to the district should be done and the brands promoted, and markets created for these products.

Fodder supply needs to be increased and sale points created in the main villages. Farmers need to be provided with training and necessary equipment for the processing of selected produce (meat, milk, wool, eggs, beekeeping products) in households. The application of modern approaches, advanced techniques, and technologies (especially suitable for mountainous terrain) should be popularized. There is need to develop the market infrastructure , in particular, for selling agricultural products, weekend markets (fairs) should be organized in the city center and large villages, for the sale of the products produced by villagers and farmers.

Priority 2: Strengthening industry

The creation of agricultural processing enterprises (small-scale enterprises) should be undertaken, Research should be undertaken into establishing businesses that build on the comparative advantages of the district , steps should be taken for establishing such enterprises, and for attracting foreign and local investors , and supporting public-private partnership initiatives.

Priority 3: Strengthening entrepreneurship development

For the development of entrepreneurship, it is important to support the growth of existing businesses ,and the creation of new business entities. Steps should be taken to improve the business environment in the region. This includes simplifying the procedures for starting and conducting a business in particular supporting business education for prospective and existing entrepreneurs. Efforts should be made to increase access to financial resources, by diversifying financial and banking services and developing the market infrastructure. Expansion of marketing channels , including through e-commerce and m-commerce are also to be undertaken.

Priority 4: Acceleration of tourism development

Tourism-recreation zones should be created based on public-private partnership in the areas with relevant opportunities and potential. Basic infrastructure development needs to be undertaken including provision of all-weather roads, high speed internet, clean water, and waste management.

A Tourism Cluster needs to be created and communication and cooperation between the tourism sector and related sectors (transportation, food, agriculture, telecommunications, folk crafts, education, health, travel agencies, ecology, culture strengthened. This can help to improve the tourism experience. The development of agro, and green tourism and homestays is to be undertaken taking into account the natural and climatic conditions and tourism potential of the district.. The quality of service in tourism facilities needs to be improved and training provided to service providers and their staff. Tourism marketing, advertising and promotion need to be strengthened.

Priority 5: Increasing the level of utilization of labor resources.

The use of labor resources should be improved through skill development and increasing decent jobs,. Digital skills of the population need to be increased. . More social enterprises need to be supported. The participation of women and other vulnerable groups in the labor force should be supported through training and access to finance and markets. The development of local raw materials-based industry including traditional types of folk crafts, is to be encouraged.

Priority 6: Accelerating the development of physical infrastructure areas.

The electricity supply network should be rehabilitated to provide uninterrupted electricity in the district to residences and businesses. . The connection of villages without gas to the gas supply network should be accelerated. To meet the demand for drinking water and irrigation in the villages rainwater and snow melt harvesting should be done and the capacity of the water supply system increased.. The transport infrastructure has to be developed by organizing public transport and laying asphalt on inter-village roads. . A bus station should be created in the Lerik district and bus transport arranged to all villages. High speed internet should be provided to all villages in the district.

Priority 7: Development of social infrastructure areas

A bus service needs to be organized for children who are far from schools. More trained teachers need to be recruited with attractive remuneration. The network of pre-school educational institutions has to be expanded. This also frees up time for women with children to do productive work. . The vocation school needs urgent support including a new building, modern equipment and new relevant courses including in computer maintenance, software, and tourism. Primary health care network needs to be expanded, trained personnel increased, and the quality of services improved. Campaigns should be organized to provide. Gender inequality in the family, workplaces, educational institutions, and public places. Conditions should be created for women and girls to have equal access to education, health services, and decent work.

Priority 8: Strengthening environmental security.

In order to protect the environment and reduce the impact of climate changes, steps need to be urgently taken to reduce water pollution, waste collection and disposal and creation of sewage system.. Steps should be taken for the use of alternate energy including solar energy. Awareness about environmental protection should be increased through educating school children and the general public. Fines should be charged for dumping of waste.

ANNEX 1

KEY SUSTAINABLE DEVELOPMENT INDICATORS

The name of the indicator	Base level - 2022	Source	Notes
Demographics			
Population (people)	85201	AZSTAT	
Population density (number of people per 1 km ² area)	79	AZSTAT	
Average age limit - General	30.9		It is calculated on the basis of population data by age groups
Average age - Male	29.5		It is calculated on the basis of population data by age groups
Average age - Female	32.3		It is calculated on the basis of population data by age groups
City population	8615	AZSTAT	
Level of urbanization (percent)	10,11		Calculated based on city and total population data (City population/Total population)
Life expectancy at birth	77.7		It is calculated on the basis of death data by age groups
Standard of living			
Incomes of the population, thousand. manats	155618,4	AZSTAT	
Per capita income of the population, manat	1780.5	AZSTAT	
Employment rate (percent)	91.4		Number of employed population/numbers of economically active population*100 percent
Unemployment rate (percent)	8.6		100 percent-Employment rate
The number of unemployed people receiving social benefits - per 1,000 people		AZSTAT	
Use rate of sports infrastructure (Number of people/Number of sports facilities)		AZSTAT	
The number of people engaged in sports per thousand of the population		AZSTAT	

The name of the indicator	Base level - 2022	Source	Notes
Proportion of population with access to electricity (general, rural, and urban areas)			
Specific gravity of the population with access to clean water (general, rural, and urban areas)			
Specific gravity of the population with access to the gas supply system (general, rural, and urban areas)			
Economic development			
Volume of Total Product Release (thousand manats)	141554.9	AZSTAT	
Gross Domestic Product per Capita (Gross Output)	1661.4	AZSTAT	
Specific weights of product production in the main sectors of the economy, in percent (2022 - preliminary data)	100		
<i>Industry</i>	<i>5.0</i>		
<i>Agriculture, forestry, and fishing</i>	<i>60.0</i>		
<i>Construction</i>	<i>5.4</i>		
<i>Transport and warehousing</i>	<i>2.1</i>		
<i>Information and communication</i>	<i>0.4</i>		
<i>Trade; vehicle repair</i>	<i>26.8</i>		
Export	0	AZSTAT	
Production of agricultural products (thousand manats)	84904,3		
Production of crop products (thousand manats)	26597.8		
Production of livestock products (thousand manats)	58306.5		
Agricultural lands (common, cultivated, irrigated, dryland, pasture)	Total - 52568 ha. Plantation -5782.5 ha		
Electricity consumption by the population (million KWh)	13.8	AZSTAT	
Gas consumption by the population (million m ³)	8.0	AZSTAT	
Investments in fixed capital (thousand manats)	2899.1	AZSTAT	
State investments		AZSTAT	
Private investments		AZSTAT	

The name of the indicator	Base level - 2022	Source	Notes
Health status			
The number of diseases per 10,000 of the population	989	AZSTAT	
The number of doctors per 10,000 people	4.7	AZSTAT	
The number of health workers per 10,000 people	17.7	AZSTAT	
Number of hospital beds per 10,000 population	9.4	AZSTAT	
Capacity of ambulatory-polyclinic institutions per 10,000 people	69.1	AZSTAT	It is determined by the number of visitors to these establishments during the shift
Education level			
The specific weight of students who completed secondary education and were admitted to higher education institutions - men	4.0	AZSTAT	
The specific weight of students who have completed secondary education and are admitted to higher education institutions - women	0.7	AZSTAT	
Number of higher education institutions	0	AZSTAT	
The number of newly admitted students to higher education institutions		AZSTAT	
The number of students registered in higher education institutions	422	AZSTAT	
Environment			
Pollutant emissions from stationary sources into the atmosphere (thousand tons)	0.2	AZSTAT	
Pollutants released into the atmosphere from motor vehicles (thousand tons)	1.6	AZSTAT	
Amount of household waste (thousand m ³)	4.0	AZSTAT	
Amount of water taken from natural sources (million m ³)	1.1	AZSTAT	
Water consumption (million m ³)	1.0	AZSTAT	
Water loss (million m ³)	0.1	AZSTAT	

The name of the indicator	Base level - 2022	Source	Notes
Water used for domestic and drinking purposes (million m ³ - per inhabitant)	0.2	AZSTAT	
Water used for irrigation and agriculture (million m ³)	0.8	AZSTAT	
Waste water discharge (million m ³)	0.1	AZSTAT	
Forest area (km ²)	403.06	AZSTAT	
Forest area (percent of total area)	37.2		Forest area/total land area*100 percent

BIBLIOGRAPHY

1. Azərbaycanın statistik göstəriciləri. DSK, Bakı, 2022.
2. Azərbaycan-faktlar və rəqəmlər 2022. DSK, Bakı, 2022.
3. Azərbaycanın regionları, 2022.
4. Azərbaycan rəqəmlərdə. DSK, Bakı, 2022.
5. Azərbaycanın kənd təsərrüfatı. DSK, Bakı, 2022.
6. Azərbaycan Respublikası regionlarının 2019–2023-cü illərdə sosial-iqtisadi inkişafı Dövlət Proqramı
7. Dayanıqlı İnkişaf Məqsədləri, DSK, Bakı, 2022.
8. Dövlət Statistika Komitəsinin bülletenləri.
9. Lerik rayonunda maraqlı tərəflərlə keçirilən Diagnostik Seminarın nəticələri.
10. Kənd təsərrüfatı müəssisələrinin və fərdi sahibkarlıq təsərrüfatlarının əsas iqtisadi göstəriciləri. DSK, Bakı, 2022.
11. Regionların sosial-iqtisadi inkişafı. DSK, Bakı, 2022.
12. www.president.az
13. <http://lerik-ih.gov.az>
14. <https://gsaz.az/articles/view/185/LERIK-TABIATIN-HORMONIYASI>
15. www.economy.gov.az
16. <http://eco.gov.az>
17. www.maliyye.gov.az
18. www.stat.gov.az
19. www.azersu.az
20. www.e-qanun.az
21. "Lerik rayonunun statistik göstəriciləri"
22. Nəricə 1.1 üçün Ümumi Hesabat. "Avropa İttifaqının Azərbaycan Respublikasının Lənkəran-Astara İqtisadi Rayonuna Dəstəyi" layihəsi. May 2022.
23. "Azərbaycan torpaqlarının səmərəli istifadəsinin sosial-iqtisadi, ekoloji əsasları" - Q.S. Məmmədov. 2017.
24. "Azərbaycan Respublikasında turizm və onun əsasları" Həbibə Soltanova. 2015.

