Background

After raising the issue of the situation in the occupied territories of Azerbaijan in the fall of 2004, the Government of Azerbaijan through its Mission to the United Nations introduced a draft resolution in the UN General Assembly that called, inter alia, for a fact-finding mission to ascertain the situation. Given that discussion of this issue in the UN General Assembly presented a potential obstacle to further consultations on resolution of the Nagorno-Karabakh conflict taking place in Prague between the Foreign Ministers of Azerbaijan and Armenia and mediated by the Minsk Group Co-Chairs, the Co-Chairs organized a number of meetings with the Foreign Ministers in Baku, Moscow, New York, Sofia, Brussels, and Prague. These consultations resulted in agreement between the two parties on conducting an OSCE Minsk Group fact-finding mission (FFM) to the occupied territories. The compromise was based on the agreement of Armenia to contribute to such a mission on the condition that Azerbaijan would suspend its UN General Assembly initiative. The two Foreign Ministers agreed as well on the modalities of the mission, selected the Minsk Group member countries that would provide members of the mission, and agreed that the mission would visit the occupied territories around Nagorno-Karabakh.
Findings

As described in the attached report, the mission, which took place from January 31 to February 5, 2005, found evidence of the presence of settlers in the territories examined. The mission did not determine that such settlement resulted from a deliberate policy by the Government of Armenia. There was evidence of various degrees of support by the authorities of Nagorno-Karabakh (NK) to settlers in some regions. The Co-Chairs have not assessed the degree to which there is coordination between the NK authorities and the government of Armenia. The NK authorities stated to the Co-Chairs at the outset of this mission that they did indeed encourage settlements in Lachin. The Co-Chairs note that Lachin has been treated as a separate case in previous negotiations.

Conclusions

The FFM was not a census-taking team, and its observations cannot be seen as an exhaustive and statistically accurate picture of the current situation in the occupied territories. However, the Co-Chairs believe that the FFM's findings closely reflect the situation in these areas. Based on the findings of the FFM, the Co-Chairs draw the following conclusions:

- The Co-Chairs view the realization of the mission as a positive achievement made possible by the compromise agreed by the parties to the conflict.
- There is little disagreement between the sides on the number of settlers in the occupied territories and the nature of the settlements. On these points, the findings of the FFM are broadly consistent with information provided by the sides (see annexes). The areas of disagreement between the sides are the question of government sponsorship and the places from which the settlers come, which the FFM has also addressed in its findings.
Based on the findings of the report and their discussions while in the region, the Co-Chairs conclude that the NK authorities are the primary responsible party in questions regarding support of settlement activity.

The areas in question have undergone complete destruction. Therefore, all settlers arriving in these areas have had to construct basic shelter, there being virtually no undamaged structures surviving the conflict and its consequences.

It is apparent that any settlement allowing the return of internally displaced persons and refugees must be preceded and accompanied by substantial international assistance for reconstruction of shelter and infrastructures, such as water supply and sanitation, electricity, and agricultural irrigation, as well as demining in specific areas and restoration of transportation links, including the completely dismantled railway in the south formerly connecting Baku, Nakhichevan and Yerevan.

Although most settlers interviewed by the FFM expressed a desire to return to the areas from which they fled, it is clear that the longer they remain in the occupied territories, the deeper their roots and attachments to their present places of residence will become. Prolonged continuation of this situation could lead to a fait accompli that would seriously complicate the peace process.

In most areas examined except Lachin, settlers were found living in miserable and isolated conditions. In this respect, their situation is comparable to that of many persons dislocated by the conflict. Considering also the appalling conditions of the refugees and IDPs on the Azerbaijani side, the situation in the occupied territories should also be seen in humanitarian terms as an additional factor motivating efforts to achieve a negotiated settlement. Prolonged lack of resolution of the conflict hampers economic development and impedes the possibility of improving living conditions for all its victims.

The Co-Chairs thank the OSCE Secretariat, the Personal Representative of the Chairman-in-Office and his staff, and the head of the fact-finding mission and all its members for their contributions to the success of the mission. The Co-Chairs also appreciate the cooperation extended by the governments of
Azerbaijan and Armenia, as well as by the NK authorities, before and during the work of the mission.

Recommendations

Based on their conclusions from the report of the FFM as well as their experience in the region and the efforts to facilitate a negotiated settlement to the conflict, the Co-Chairs make the following recommendations:

- The Co-Chairs discourage any further settlement of the occupied territories of Azerbaijan.
- The Co-Chairs urge the parties to accelerate negotiations toward a political settlement in order, in particular, to address the problem of the settlers and to avoid changes in the demographic structure of the region, which would make more difficult any future efforts to achieve a negotiated settlement.
- In view of the extensive preparation that would be required before the return of refugees and internally displaced persons could be possible in the framework of a negotiated resolution of the conflict, the Co-Chairs recommend that the relevant international agencies reevaluate the needs and funding assessments in the region, in particular, for the purpose of resettlement.
- In order to ensure the preservation of the cultural heritage and sacred sites, including, in particular, cemeteries, of the affected regions, the Co-Chairs urge the parties to allow for direct contacts between the interested communities.
- The Co-Chairs also urge the sides to develop practical measures to build trust and confidence between the parties and the communities and work with their publics to prepare the groundwork for a peaceful settlement.
- Taking into account the implications of the situation for the future settlement of the Nagorno-Karabakh conflict, the Co-Chairs reserve the option of further
investigation and consideration of this issue for the benefit of the Minsk peace process, including fulfillment of this letter's recommendations.

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Ambassador Bernard Fassier
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