

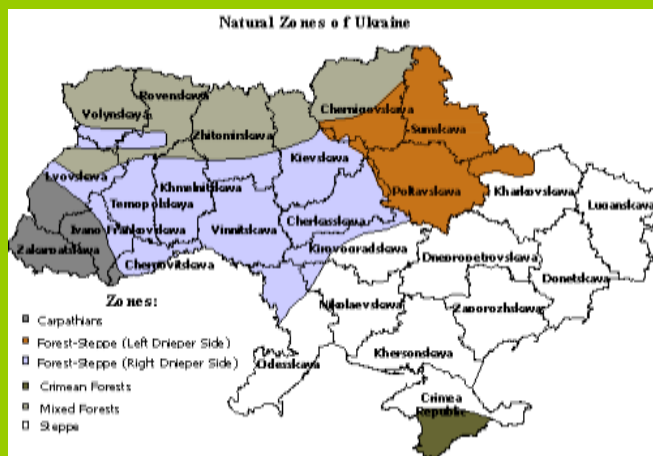


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NATURAL AND CLIMATIC ZONES OF UKRAINE

Territory of Ukraine is divided into three main natural and climate zones – Marshy woodlands (Polissia), Forest-steppe (Lisostep) and Steppe (Step)



MARSHY WOODLANDS zone occupies the northern part of Ukraine, the total is 11.35 million ha and characterized by lowlands relief, continental climate with warm and humid summers and mild winters, Turfy – podzolic soils (75%), woodiness (30%), haymaking – 1.2 million ha and the pasture (0.7 million ha). This is main zone for grain production (rye, oats, and buckwheat), technical crops, flax, hop, sugar beets and potato as well as the processing of flax, meat and dairy produce.



FOREST-STEPPE zone is located in central part of Ukraine and its area is 20.2 million ha and is mainly flat with temperate continental climate, woodiness is insignificant (about 12%), topsoil is quite diverse with an intermittence of podzolic soils and typical black soils. Agricultural lands occupy 70% of the territory including 66% of ploughed lands. The structure of sown areas: winter wheat – more than 30%, corn – 10%, about 8% - barley and pulse crops, more than 10% is devoted to sugar beet and sunflower. Also here is popular meat, dairy production and pig production.



STEPPE zone includes the entire southern and eastern parts of Ukraine with mainly flat relief (24 million ha) and characterized temperate-continental climate with hot summers and cold winters. 90% of Forest-steppe occupies black earth. This is the zone of maximum plough for Ukraine and about 48% of Ukraine's ploughed land rest on this steppe.



RURAL POPULATION OF UKRAINE

Total population - 47 million

- urban - 32 million (68%)
- rural - 15 million (32%)

Average density - 80 people per sq. km.

Structure of rural population:

- under working age - 21%;
- over working age - 29%.

Gender structure of population:

- women – 54%
- men – 46%

Rural population is mostly engaged in:

- agriculture, forestry and fishery - more than 55%;
- education and healthcare - 15%;
- extraction and processing industries - 11%;
- stock trade - 6%;
- hired – 76%;
- self-employed - 20%.



DEVELOPMENT OF LAND RELATIONS

- What we have in Ukraine during last year? First of all active politicization of community during president and parliament elections had influence on activity of Government.
- For solving of problems including this which we have discussed in Prague Workshop now Ukraine is looking for a pilot project to develop the Land Consolidation program and to organize a study to establish its State Land Hypothetical Bank.

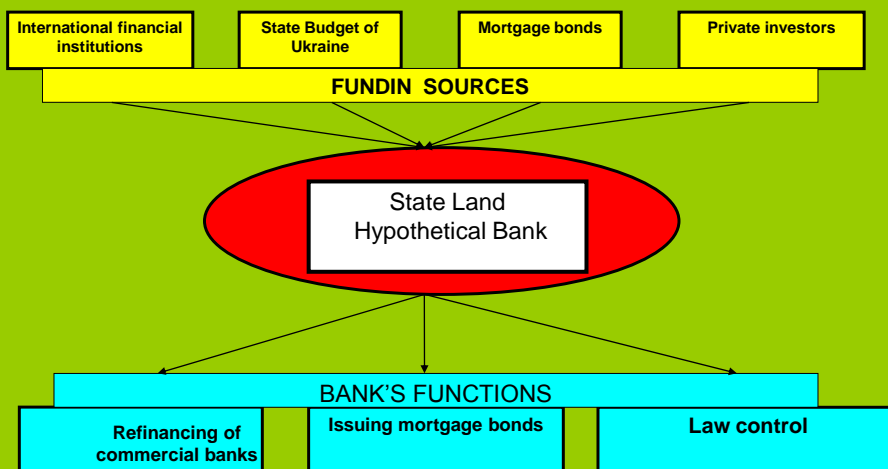
Land Code of Ukraine

- By the last statements of Land Code of Ukraine (2001) of the Cabinet of Ministers of Ukraine legal texts set by the Code, including the Law about State Land Hypothetical Bank should be worked out in six-month term.
- By this time the following laws were worked out and presented to the Verkhovna Rada of Ukraine:
 - **"About Land hypothetical bank"** (registration № 3139 from 19.03.99, by the depute of Ukraine Shmidt R.M.);
 - **"About Land hypothetical bank "** (registration № 5443 from 06.07.2000, by the deputies of Ukraine Shepa V.V., Marchenko O.A., Martynovskyi V.P., Borzyh O.I.);
 - **"About State Land hypothetical bank"** (registration № 3566 from 30.05.2003, by the deputies of Ukraine I.Tomych, M. Gladii, M. Melnyk, M. Polianych);
 - **"About State Land hypothetical bank"** (registration № 3566-1 from 11.06.2004, by the depute of Ukraine Voiush V.D.).

State Land Hypothetical Bank

- The Ministry of Agricultural Policy of Ukraine (2008) worked out the scheme of the State Land Hypothetical Bank.
- It took the statement of the Law of Ukraine “**About State Land Hypothetical Bank**” - *draft copy* (registration № 3566 from 30.05.2003) as a basis developing

Scheme of established and functions of the State Land Hypothetical Bank



The tasks of State Land Hypothetical Bank

- **Creating** of long-term mortgage lending system (15-20 years) of agricultural producers for technical and technological re-equipment of agriculture;
- **Formation** of competitiveness of agricultural sector;
- **Rural** territories development.

Functions of State Land Hypothetical Bank

- **Refinancing** of commercial banks which give credits on a hypothetical of land;
- **Control** of obeying the laws for the mortgage lending;
- **Issuing** mortgage bonds;
- **Other** activity due to the current legislation.

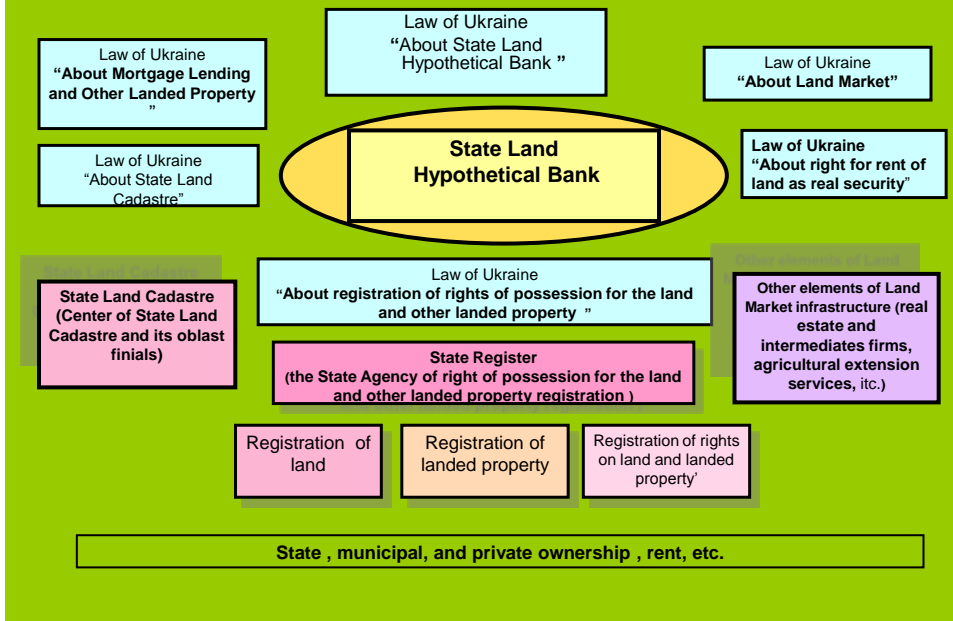
State Land Hypothetical Bank statute sources

- **The State** Budget of Ukraine;
- **International** financial institutions (World Bank, European Bank of Reconstruction and Development, other financial institutions);
- **Mortgage** bonds of State Land Hypothetical Bank;
- **Private** investments.

The size of statute fund and part of state in State Land Hypothetical Bank

- **The size** of statute fund is defined by the shares holder and can't be lower than mentioned by the National Bank of Ukraine;
- **The part** of the State in the statute fund of State Land hypothetical bank can't be lower than 51 per cent of the statute fund.

The legislation scheme of formation of land market and its effective functioning



What we have today

- ***By this time the following laws were worked out and presented to the Verkhovna Rada of Ukraine:***
 - **"About Land Market"** (registration № 2143 from 28.02.2008, by the Cabinet of Ministers of Ukraine);
 - **"About Lands Market"** (registration № 2143-1 from 03.04.2008, by the deputies of Ukraine Sulkovskyi P.G., Bevzenko V.F., Sigal I. I., Tereshchuk S.M., Tkach R.V., Tymoshenko M.M.);
 - **"About Lands Market"** (registration № 2143-2 from 21.04.2008, by the deputy of Ukraine Zaiets I.O.).
- ***On June, 17 2008 The Committee of Verkhovna Rada of Ukraine in agricultural policy and land relations passed the project of the law of deputies of Ukraine Sulkovskyi P.G., Bevzenko V.F., Sigal I. I., Tereshchuk S.M., Tkach R.V., Tymoshenko M.M.***

Center of State Land Cadastre

- The State Committee of Land Resources cooperates with the **Center of State Land Cadastre**, created in order to **establish the computer-based system** for state land cadastre of Ukraine and **system of land registration**.
- **Structure** subdivisions of this Center operate at regional and district levels.
- The project of **Law** of Ukraine '**About State Land Cadastre**', worked-out by the State Committee of land resources of Ukraine, is being on the approval by Cabinet of Ministry. This Law was passed by Verkhovna Rada of Ukraine in 2006 but **was returned by the President of Ukraine for the further revision**.

PROBLEMS & PROPOSITIONS

- By this time:
 - **there is no unique Register** of right of possession for the land and other landed property in Ukraine.
 - **there is no state institution** for this Register including the right of possession for the land and other landed property which is in state, municipal and private ownership, rent, etc.
- **Proposition** is to establish the State Agency of right of possession for the land and other landed property registration, that would be one of the most important elements of land market infrastructure.
- **The project** of Law of Ukraine '**About registration of rights of possession for the land and other landed property**' is being revised by Verkhovna Rada since 1999.
- **Passing** this law allows creating **single system of rights** of possession for the land and other landed property registration, keeps owners rights recognition and protection, and improves the development of market relations in the country.

Mortgage Lending

- The Law of Ukraine 'About Mortgage Lending'(2003) subscribes the peculiarities of land real estate. It began to work on January 1, 2004. There is determine a particularly of land mortgage there.
 - At the first it was established that a [plot of land is estate \(point 1\)](#).
- This Law made some changes in point 133 of Land Code of Ukraine in such redaction as: “ [Only Banks can have agricultural land as real security](#)”.
- Due to the fact that land market formation gives agricultural producers the opportunity [to take long-term credits](#) on the security of land and Land Code of Ukraine (2001) other landed property, the laws 'About land as real security' and 'About right for rent of land as real security' should be work-out and passed.

Perspectives

- Of course, land market can't function properly without such important elements of its infrastructure as: *real estate and intermediate firms, agricultural extension services which provide all kind of informational support.*

CREDIT PORTFOLIO of Ukraine

- On the opinion of the Ukrainian and foreign experts the value
 - of 32 ml ha of agricultural lands in Ukraine is about 60-70 billion euro.

It is a huge 'credit portfolio' of future Land Hypothetical Bank.

Even with

- 70-percent mortgage lending
 - the long-term 10-year credit resource would cost 42-49 billion euro
- or 32-38 billion UAH annually.

Thank you for attention !

