

# Land reform process in Ukraine

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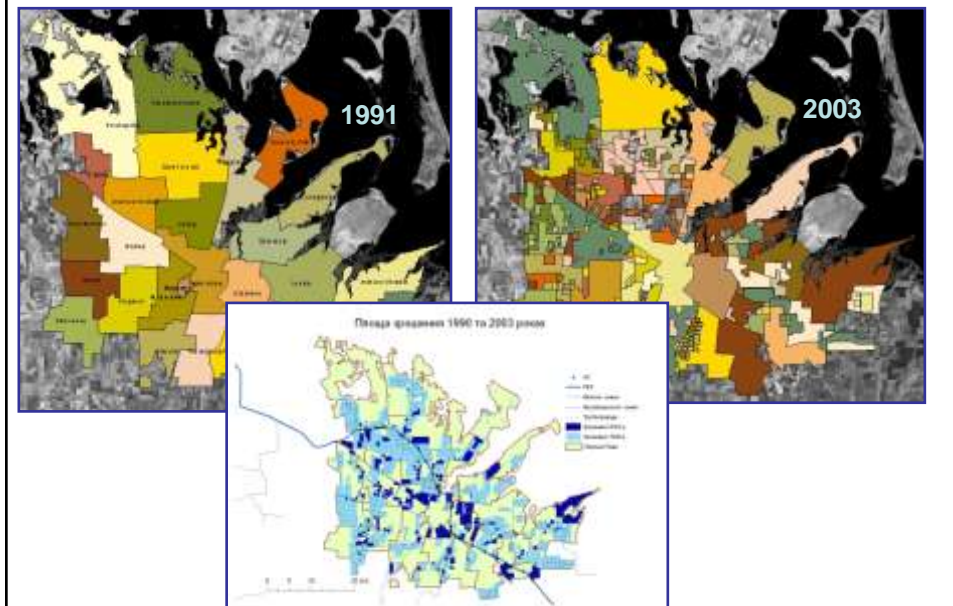
## Land resources

- Total land area - 60,4 mln ha ( 5,7 % of the territory of Europe)
- Agricultural lands - 41.8 million ha ( 70 % of the territory of Ukraine), arable lands - 32.4 mln ha
- One third of the World's reserves of black soil locates in Ukraine and consists in 54% of all Ukrainian lands
- From 47mln of population 27% of people is involved in agriculture

## Policy environment

- Ukraine is a post communistic country in transition with huge agrarian potential which need to be realized under new market conditions and land privatization
- It has more than 70 years experience on government land property rights and agriculture development within large scale collective and state farms
- From 1990 Ukrainian governments is focusing on transferring to market economy and integration to EU
- Policy and legislation are under development, land reform is not completed

## Changes in land use and irrigation performance Case study in Dzhankoy district in Crimea



### Outcomes of first stage of Land reform

- Majority of the lands are used by agricultural enterprises who lease the land
- These agricultural enterprises including huge agro holdings with area about 20,000-300,000 ha rent lands from owners on lease price on 3 % of land value that average is 30\$ per ha per year
- Land privatization was done without taking into account the water infrastructure and crop rotation. This resulted in deterioration of irrigation and drainage on- farm level and decreasing of soil fertility
- Mobility of lands was not legally arranged
- There is lack of modern cadastre and land registration system
- Land legislation is not complete
- On political reasons the Moratorium on agricultural land selling and buying was established and many times prolonged during last decade

## **2d Stage of Land reform was announced in 2010 by high level government officials and President**

The main goal is to open the Land market so that the land mobility will be stimulated. This will help to attract investments and credits in agriculture.

The following actions are foreseen.

- To stop of Moratorium at the end of 2011 that means that it permit to sell and buy agricultural lands
- To put into operation the Land registration and Land Cadastre system respectively on 1<sup>st</sup> January 2012 and 1st July 2012
- To introduce of transparent selling and buying non agricultural lands through the land auctions

The development of new Land laws are under fast development

- Draft law "On the State Land Cadastre" is sent to the Parliament of Ukraine
- Draft Law "On Land Market" is under discussion
- Draft Law "On Land consolidation" is ready to send to the Parliament

## **Current situation-challenges and risks**

### **CHALLENGES**

- To set up integral policy development process (RD, LWC, LF)
- To develop strategies + state programs for LWC
- To complete property rights registration (cadastre)
- To open agricultural land market

### **RISKS**

- Continuation of sectoral not coordinated actions
- Lack of financial provision for implementation
- Too slow and expensive procedure
- Prolonging of moratorium

## Current situation-challenges and risks

### CHALLENGES

- To gain knowledge for RD, LWC, LF from pilots, international experience
- To find a lever to start up the process (top-down+bottom-up)
- Institutional development for implementation of LWC and operation of LF

### RISKS

- Lack of technical assistance and knowledge dissemination capacities
- Resistance from decision-makers
- No motivation for institutional reform

## Regulation of Land market

Market will be regulated by government by establishing:

- Special authorities and agricultural land market infrastructure
- Special taxation to avoid short term reselling of lands to stop speculation
- The pre-emptive rights for buying of agriculture lands
- Qualification requirements to buyers of agricultural land parcels

## **Regulation of Land market**

- Prevention of speculation with agricultural land parcels by introduction of differentiated rates of state duty
- Prohibition of excessive concentration of agricultural land parcels in ownership of one person
- Restrictions for participation of foreign capital in acquisition of agricultural lands

## **Tasks for Land Consolidation Law**

- Prevention of land fragmentation after opening of land market
- Setting limitations of minimal size and configuration of land parcels
- Setting peculiarities of implementation of the pre-emptive rights of acquisition of agricultural land parcels
- Foreseeing special demands to circulation of ameliorative lands

## **Related international projects**

- G2G - LWC pilots in Volyn region (2007-2009)
- G2G - Harmonization of RD Policy to European standards (2009 - 2010)
- G2G - LWC Strategy development (2011 - 2012)
- WB project (loan) for Rural Titling (2004 - 2012)
- TACIS on performance of obligations of Ukraine related to WTO (RD component) (2009-2010)
- MAP RD projects "New village community" (5 pilots) - financed by the Ukrainian government (2010 - 2011)

## **Proposals for cooperation with FAO and LandNet**

- To learn from the international experiences and have advices through the network and participation in the workshops and international projects
- To look for international support for implementation of the pilot projects taken into account experience of the other countries
- To invite LandNet for new workshop in Ukraine on the topic - Public Private partnership in LWC projects "How to make it happened? "

*Thank you for your attention!*

