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## **Some aspects of land market preparation and implementation in Ukraine**

Although land reform in Ukraine has gained the main goal of reforming: the liquidation of collective and state farms and state agricultural land property (the cession of land from state ownership to the private one), however, it was not accomplished, i.e. the full private agricultural land plots ownership and private land plots market instruments were not formed. Such circumstances hindered the comprehensive incorporation of these resources into the market turnover, separated society, blocked the agriculture and processing industry investment processes and demolished jobs and social infrastructure in rural areas.

Land relations in Ukraine are currently unbalanced, poorly regulated, legally controversial [1] (land relations are regulated by more than 10 laws) and unfavourable for land owners, small and medium-sized businesses (farming) and investors.

There is no coherence in the society in terms of the land reform accomplishment, land plots market launching and the reform implementation control. The state has no land plots market infrastructure, including the agricultural land plots.

The challenge of agricultural land use rationalization in Ukraine is getting more and more complicated. At the moment, it has various aspects, the most important of which are technological, economic, organizational and environmental. The land use level in Ukraine is so critical, that the further degradation of the agricultural land resources potential can cause disastrous consequences.

There is no scientific monitoring of the land reform and Policy Agenda on the land reform accomplishment.

With poorly defined competences of the government and local authorities, excessive regulation and lack of responsibility and outside control, the adoption of the Law on the agricultural land plots turnover will fail to launch the land market in Ukraine.

In addition, the current government estimation of the National Cadastral System completeness at 75% does not correspond to reality. According to the Law on the State Land Cadastre [2], land plots boundaries are not the only points of interest of the State Land Cadastre, but also land within the territory of administrative and territorial entities, State Border of Ukraine and land use restrictions.

Unfortunately, the State Land Cadastre has data concerning 70% of land plots only. About 5 million privately owned land plots are not presented in the State Land Cadastre. The comprehensive registration of the state and communal land has not been carried out since 2013. The State Land Cadastre has data concerning no more than 5% of inhabited areas boundaries. There is no data concerning the State Border of Ukraine. Land use restrictions as well as information on the monetary value are not systematically registered in the State Land Cadastre (the quantity of such restrictions registered in the State Land Cadastre is no more than 2%).

With the deficiency of the legally envisaged data in the State Land Cadastre, purchase and sale, exchange and pledge transactions can be unviable, causing the enormous number of legal actions and resulting in land plots turnover discreditation and investment climate deterioration.

To finish the land reform and unblock the agricultural land plots market turnover moratorium, a set of issues should be resolved including the adoption of the Law of Ukraine on the agricultural land plots turnover.

A set of issues hindering the incorporation of land resources into the full-fledged economic turnover of the state should be resolved.

There are four issues within the framework of the Policy Agenda:

## **1. Institutional**

## **2. Legislative and statutory**

## **3. Financial**

## **4. Organizational**

**1. Institutional.** Today, the standing of the State Service of Ukraine for Geodesy, Cartography and Cadastre does not allow it to shape the policy of the land reform fulfillment and shape land turnover legislation.

To finish the land reform, considering the need for coordination with the Ministry of Finance, Ministry of Economy, Ministry of the Regional Development, Ministry of Infrastructure and Ministry of Agriculture, the institution should be a part of the Government.

**2. Legislative and statutory.** The Land Code should be the only act in Ukraine regulating the land relations and shaping the rules of the land resources management, including the agricultural land plots turnover.

### **Main ideas of the new Code:**

1. Consolidation of all laws regulating the land relations, land management, cadaster, land evaluation, land fee, etc.

2. Giving up the principle of land distribution by categories and designated purpose and shifting to land distribution by the usage types, on the first level like the following:

- spatial basis;
- production means;
- natural and environmental;

And distribution into subtypes on the second level.

3. Clear determination of rights, authorities and responsibility of the Government, local authorities, businesses and individuals at the land relations regulation and land resources management.

4. Determination of requirements, rules, standards and regulations by the Land Management.

5. Land zoning by the land tenure types (subtypes), introduction of the territorial nature conservation and other land use limitations.

6. Providing the rural population with social rights and life-sustaining activities security by land owners and land tenants.

7. Land turnover regulation by the determination of the market substance (object + rights) and (non-state) land plots market instruments.

8. Land resources and land tenure management.

9. Land Cadastre is an integrated system incorporating a set of information about land plots which secures the right on them, guaranteed by the Government.

10. The sector informational system is an NSDI component [3].

11. Land resources management infrastructure (education, science, human resources, finance).

### **3. Financial**

3.1. During the final stage of the land reform (no more than 5 years), financing of full data entry to the State Land Cadastre in accordance to the legislation in effect at the expense of the land tax and rent payments in the amount of 30% a year should be envisaged. For reference: land use payments were estimated at about 14 milliard UAH in 2017.

3.2. Financial resources consolidation of various levels budgets and all the branches of economy for the comprehensive efforts on land inventory within the administrative territories.

### **4. Organizational**

1) The new Land Code of Ukraine development organization

2) Introduction of the new institution: the governmental body in the field of Land Relations.

3) Development of measures on the preparation to the introduction of the agricultural land plots turnover, the main of which are:

- full data entry to the State Land Cadastre in accordance to the legislation in effect;

- the introduction of the non-governmental market institutions (exchange houses, foundations) as a constituent of the land plots market (turnover) infrastructure, including the agricultural land plots;

- the development of requirements, rules, standards;
- updating of the cartographic base of the State Land Cadastre;
- completion of the cession of land outside the inhabited areas to the local territorial communities;
- land inventory with the following registration of state and communal land;
- land zoning by land tenure types (subtypes) by the restriction criteria;
- agricultural land monetary valuation taking into consideration the existing and possible restrictions related to the engineering and transport infrastructure, mineral resources extraction zones and interests of the state;
- formation of the positive public opinion concerning land turnover (land market) in the professional community, land owners, political parties, parliamentary fractions and groups;
- and its implementation management.

For the implementation and effective functioning of the land market in Ukraine, it is necessary to pay attention to the realization of programs and measures on the geospatial data infrastructure formation, and, using the experience of European countries, to carry out the land inventory, with the help of the academic community form a consolidated regulatory document consolidating legal and subordinate acts which regulate the land relations in Ukraine.

### References:

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