

# Agricultural Land Share Project

## Monthly Report

### July 2000

#### Success Story:

The "Baseline Survey for the Situation of Farm Restructuring on July 1, 2000" is an example of fruitful cooperation between the ALSP project and the Ministry of Agrarian Policy (MAP). It shows how, with limited resources, the ALSP project can leverage the capacities of the Ministry at local levels to achieve effects on a nation-wide scale. The Baseline Survey results are urgently required by MAP to find out what must yet be done to complete the privatization of land and property on all farms of Ukraine, on the principle that "what gets measured, gets done".

The Baseline Survey was launched by a Ministerial Instruction on July 5 and data gathering by MAP oblast and raion staff was largely completed during July. ALSP conceived the survey, developed the survey form, field-tested it in 3 raions of Sumy oblast, and printed 14,000 copies of the survey form and instructions in July. MAP reviewed and approved the survey form and issued the instruction to all of its oblast and raion personnel to implement the survey. The ALSP Kyiv office, in a seminar on July 10-11, trained the coordinators of its field offices in 18 oblasts to train MAP field personnel in implementing the survey. ALSP developed the computer program for processing the survey results, and on July 28 trained over 40 computer specialists from all of its field offices and from MAP offices in 24 oblasts of Ukraine to use this program. Four MAP Specialists from Kyiv raion used the ALSP computer facilities on August 1 to complete the analysis of their survey results.

#### 1. Overview

During July close cooperation with the Ministry of Agricultural Policy (MAP) was achieved in initiating and completing a national baseline survey of farm restructuring results. A "Street Pamphlet" on protecting the rights of landowners was published and mass distribution to grass roots village level land rights activists was initiated by the NGO Land Owners Association. ALSP continued its cooperation with the USAID funded Ukraine Market Reform Educational Project (UMREP) by participating in Land Reform Press Clubs in several oblasts. Selection of demonstration farms for completion of property sharing was completed in all but one oblast. The training program to transform current agricultural accounts into the western-based National Accounting Standards was kicked off in Lugansk and Cherkassy oblasts. The Farm Management and Business Development Unit in Lviv continued developing the honey based products marketing program and held a cross borders 4-H Youth Club Congress with invited Polish Clubs. Starting from a zero base this year 16 new clubs had been organized in Lviv by July involving more than 150 farm and rural youth.

The status of ALSP funding as of June 30, 2000, was:

Funds obligated:	\$18,185,947
Invoiced through 6/30/00	16,509,886
Social Tax set aside	749,205
Funds remaining	926,856

#### 2. Legal and Economic Section Activities

Kulinich, Nikonenko and Ischenko, Demyanenko, Chapko and Kansurov contributed to the completion of Methodological Recommendations on "*Settlement of Property and Land Relations in Private Entities Created in the Process of CAE Restructuring*".

All Legal and Economic Section staff participated in the two day ALSP subcontractor team coordinator in-service training session held July 10-11. The workshop provided oblasts and the Kyiv office the opportunity to review oblast and national developments in farm restructuring and land titling carried out under the Presidential Decree. Initial plans were made to hold new farm leader training sessions for private farmers and farm specialists wanting to lease land and property to start new farms and training on completing the national farm restructuring baseline survey was provided.

Kulinich was appointed a member of the Verkhovna Rada (VR) Working Group on the preparation of an amended version of the Land Code to be submitted for second reading when the VR reconvenes in early September and attended two meetings of the working group.

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Kulinich is preparing a consultative paper on land rights abuses under the Presidential Decree to be submitted to Nina Karpachova VR human rights representative who is preparing a report on the subject to the Verkhovna Rada deputies.

Ishchenko is working closely with Volodymyr Ananiev, President of the Land Owners Association (LOA), an NGO affiliated with Rukh political factions. This organization is taking an activist approach to identification of property and land rights abuses resulting from farm restructuring under the Presidential Decree and bringing test cases to the court system. In this process Ischenko is providing legal advice to support land and property owners claims.

Accounting Specialists Kantsurov and Parygin conducted a three-day training workshop for ALSP subcontractor accountants and auditors in conversion of current agricultural accounts into western based National Accounting Standards (July 5-7. This seminar was held to test the training materials and to prepare subcontractor oblast accountant for the upcoming series of accounting seminars.

Asmon, Kulinich, Demyanenko, Chapko and Nikonenko participated in several meetings of the Presidential Secretariat Taskforce on preparation of a farm debt restructuring strategy.

A draft agenda was prepared for holding farm management training for existing private farmers and potential leaders of restructured farms to be held in association with the completion of property sharing activities on farms restructured under the Presidential Decree.

### **3. Monitoring Activities**

The MAP initiated the baseline survey of farm restructuring completed under the Presidential Decree in July. Under the leadership of Itil Asmon fourteen thousand questionnaires were designed and printed by the ALSP. They were sent to all raions by the MAP under the signature of the Minister, Ivan Kyrylenko. MAP Raion staff were responsible for completing and summarizing the survey forms and ALSP subcontractor staff are responsible for training the MAP personnel. During the month, Asmon, supported by Fursov and Podanchuk prepared a comprehensive computer assisted survey summarization program and follow up procedures. ALSP and MAP field staff from 24 of the 25 Ukrainian oblasts attended a one-day national training course held on July 28 to learn how to apply the programs and procedures. ALSP subcontractor teams are making their computer capacity available for use by MAP oblast staff assigned to the monitoring program. They also provide formal and informal training in completing the baseline survey.

This work, which is being coordinated through MAP is proceeding well in most ALSP supported oblasts. Baseline survey data collection was completed in July in four oblasts (Lugansk, Poltava, Lviv, and Rivne). Seven oblasts are expected to complete data collection by the first week of August (Chernihiv, Odessa, Kirovograd, Ternopil, Khmelnytsky, Kharkiv and Sumy). Data collection has been started in Cherkassy, Zhytomyr, Vinnitsa, Kherson, Ivano-Frankivsk and Mykolayiv. Delays in Mykolayev, Kherson and Ivan-Frankivsk are due to limited oblast administration support. Kyiv Oblast MAP staff used ALSP computing facilities to complete the processing of all Kyiv oblast survey forms.

During August, the pilot computer supported restructuring monitoring program will be tested in Sumy oblast for full implementation beginning in September. Asmon, supported by Fursov, Podanchuk and Pavlov are developing the computer algorithms and implementation procedures in close association with relevant MAP staff.

### **4. Training of GOU Oblast and Raion Farm Restructuring Personnel and Farm Restructuring**

The four-day training of oblast and raion officials by the ALSP subcontracting firms in basic restructuring procedures is now complete in all oblasts except Vinnitsa and Odessa. Several oblast and raion one-day orientation seminars also remain in Chernihiv. These oblasts all experienced startup delays and expect to complete all initial training in August. During the reporting period 13 one-day orientation and 14 four-day basic training programs were held. Training workshops and consultations in completing property sharing, and legal aspects on selected demonstration farms were conducted with MAP raion staff in most oblasts including Sumy, Kharkiv, Lugansk, Cherkassy, Ternopil, Khmelnytsky, Lviv, Rivne, Kirovograd, and Poltava. This work will expand in August and subsequent months. Lack of oblast and raion administration support is constraining the process in Kherson, Mykolayiv, Odessa and Ivano-Frankivsk. With completion of orientation and basic training in Vinnitsa, Chernihiv and Zhytomyr Oblasts, these oblasts are expected to provide direct field support to demonstration farm restructuring beginning in August.

In addition to work with demonstration farms most oblasts, including Lviv, Poltava, Sumy, Ternopil, Rivne, Cherkassy, Lugansk, Kirovograd, Mykolayiv, Khmelnytsky, Ivano-Frankivsk, and Kharkiv also conducted property and land sharing seminars for farm managers, accountants and economists in targeted raions in their oblasts.

Kantsurov and Parygin started a cycle of three-day training sessions on transforming the current farm accounts to the western-based National Accounting Standards (NAS). This training is held in the oblast centers. The target population includes oblast and raion accounting specialists that will be guiding the conversion process on the farms. The workshops are designed for 30 participants and include some farm level accountants. The first two oblasts completed in July were Lugansk and Cherkassy. Rivne, Kherson, Ivano-Frankivsk and Sumy are targeted for August. As shown in Attachment B to this report all major monthly training targets were met or exceeded.

The demonstration farm selection process is substantially complete with the exception of Odessa where Oblast Administrative support is still being developed. In total, 1296 farms have been selected for further demonstration work in 325 oblasts. The target of four farms per oblast has been reached on average. A complete summary of demonstration farms selected by oblast is contained in Attachment A.

The ALSP has renewed a contract with selected members of the former Dnipropetrovsk team. Orientation and basic training will be initiated in this oblast in August and demonstration farms selected.

## 5. Public Education and Outreach

Kulinich, Demyanenko, Rusetska and Shvetsova completed the final copy of the brochure on "Land Reform in Ukraine – Questions and Answers" to be published in August in conjunction with the USAID funded Ukraine Market Reform Education Project (UMREP).

Shvetsova published three articles about implementation of land reform in Ukraine (in Propozitsia, Legal Bulletin of Ukraine and Market News Kurier) and responded to 56 telephone questions and 12 written responses to public questions on land reform.

Demyanenko participated in UMREP sponsored Press Clubs in Kirovograd and Mykolayiv and published an article, "Agricultural Reform: Immediate Results and Nearest Prospects" in the magazine "Economic Reforms Today"

ALSP printing during July included:

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|---|---------------|
| • Street pamphlet on protecting rights of land owners | 300,000       |
| • Farm restructuring baseline survey and instructions | 14,000 (each) |

ALSP publications distributed during July included:

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|--|---------|
| • Street pamphlet on protecting rights of land owners              | 299,000 |
| • How-To Manuals and Legal Annexes:                                | 2,160   |
| • Methodological Recommendations on Property Sharing:              | 645     |
| • Methodological Recommendations on Debt Financing:                | 325     |
| • Methodological Recommendations on Property Use:                  | 6,355   |
| • Methodological Recommendations on National Accounting Standards: | 496     |
| • ALSP Technical Restructuring and Production Bulletin Series:     | 10      |
| • Property and land rights brochures                               | 9,505   |
| • Property and land rights posters                                 | 400     |

All but 1,000 of the Land Rights "street pamphlets" were distributed to the LOA in support of their land owners rights campaign. These pamphlets, along with blank forms for requesting land titles, are being distributed to holders of land share certificates in almost all villages and settlements across Ukraine. By the end of July, pamphlets and blank land title application forms had been distributed in about half of the targeted villages and settlements.

## **6. Farm Management and Business Development Unit, Lviv**

ALSP cooperation with subcontractor Agency of Agribusiness and Marketing Development (AAMD) includes 4-H club youth development, sweet corn varietal farm trials, development of honey production, processing and product marketing and varietal testing of green and feed peas.

A major five-day 4-H Club Congress was held in Lviv from July 22 through 25. More than 70 members were in attendance including the Polish National 4-H Club leader and more than 20 representatives and seven volunteer leaders from Polish Clubs. The Polish State Extension Service supports the Polish 4-H Club movement and the national program leader has been providing continuing valuable organizational and technical support assistance to the Lviv Clubs. Currently, 18 clubs have been organized with AAMD/ALSP support. Six more clubs are to be organized in August.

AAMD staff continued intensive work with the honey and honey products marketing program. Business plans for development of honey based baby food products which have been developed at the Odessa Food Institute were prepared for "Soloky" firm. The cross border exchange meeting of more than 50 Polish bee keepers was organized and completed. Seminars on technical aspects of honey production and marketing were presented by Ukrainian and Polish delegates. Fritsch and Rusetska visited Lviv on July 25 and participated in the 4-H Club Congress and honey products marketing seminar.

Monitoring of sweet corn trials continued during July. A field day on "growing new vegetable varieties on open ground" was held on two farms with more than 40 persons in attendance and two demonstrations on preparing corn for processing were held. Arrangements are complete for bring a farmer to farmer volunteer Roger Hubrigste to Lviv the end of August to consult with growers and processors on processing techniques and equipment upgrades.

## **7. Personnel Actions**

None

## **8. Unresolved Issues**

- Inefficient implementation of MAP restructuring at oblast levels and the continued delay in formation of Raion level Centers for Restructuring are hindering full MAP cooperation in completing the farm restructuring process.

## **9. Future Plans**

- Publish 12,000 copies of the Methodological Recommendations on Settlement of Land and Property Relations.
- Publish, through UMREP, 10,000 copies of the revised version of Land Reforms Questions and Answers.
- Continue the oblast level NAS accounting training cycle holding workshops in Rivne, Kherson, Ivan-Frankivsk and Sumy
- Complete raion level orientation and basic training in Chernihiv, Zhytomyr and Odessa.
- Start orientation and basic training and demonstration farm selection in Dnipropetrovsk.
- Complete summarization and analysis of all restructuring baseline surveys.
- Initiate expertise training at oblast and raion levels in completing property sharing and debt restructuring based on the Methodological Recommendations on Settlement of Land and Property Relations.
- Finalize computer supported farm restructuring monitoring system in Sumy Oblast and train staff in preparation for full implementation beginning in September.
- Complete distribution of Street Pamphlet on landowners rights across Ukraine.
- Expand the land and property owner's legal rights support program.
- Complete analytical comparison of the draft Land Codes with the Civil Code in preparation for finalizing a compromise Land Code in September.

- Hold a technical seminar on farm restructuring and land title issuance with the Strategic Planning Department of the Ministry of Agricultural Policy.
- Form six new 4-H Clubs in Lviv Oblast.

**Summary Information On Farm Selection In Raions For Restructuring By  
Raion Teams**

as of July 31, 2000

Oblast	Total # of Raions	of the total – # of raions where farm identification started	of raions started – # of raions where farm identification completed	# of farms selected	average # of farms selected per raion – counting raions where the process started and/or completed ("e"/"c")	# of raions where farm selection has not started ("b"-"c")
a	b	c	d	d	f	f
Chemigiv	22	22	22	88	4.0	0
Cherkassy	20	20	20	80	4.0	0
Ivano-Frankivsk*	14	14	11	41	2.9	0
Kharkiv*	27	26	26	104	4.0	1
Kherson*	18	17	17	70	4.1	1
Khmelnitsky*	20	20	19	78	3.9	0
Kirovograd	21	21	21	84	4.0	0
Lugansk*	18	18	14	68	3.8	0
Lviv*	20	20	20	63	3.2	0
Mykolayiv	19	19	19	80	4.2	0
Odessa	26	5	5	20	4.0	21
Poltava*	25	24	24	103	4.3	1
Rivne	16	16	16	72	4.5	0
Sumy	18	18	18	72	4.0	0
Ternopil	17	17	17	85	5.0	0
Vinnytsya	27	25	25	94	3.8	2
Zhytomyr	23	23	23	94	4.1	0
<b>TOTALS</b>	<b>351</b>	<b>325</b>	<b>317</b>	<b>1296</b>	<b>4.0</b>	<b>26</b>

\* – Ivano-Frankivsk Oblast: in three Raions all farms were restructured under ALSP project;

-- Kharkiv Oblast: Krasnograd Raion has refused to identify farms;

-- Kherson Oblast: Skadovsk and Kakhovka Raion are not providing information; in one of the other Raions almost all farms were restructured earlier;

-- Khmelnitsky Oblast: One of the Raions have all farms restructured;

-- Poltava Oblast: Novi-Sanzhary Raion is not providing information.

-- Lugansk Oblast: In 4 Raions, either almost all farms were ALSP-restructured, or farm leaders are willing to property-share independently

TRAINING & CONSULTING CONDUCTED BY ALSP OBLAST TEAMS							
OBLAST:	All Oblasts	MONTH:	July		DATE OF REPORT:	7.31.2000	
No.	TYPE OF TRAINING	CURRENT MONTH			SINCE 4/1/2000		
		PLANNED	REALIZED	% REALIZED	PLANNED	REALIZED	% REALIZED
1.	Information/orientation seminars at raion and oblast level:						
1.a	Number of seminars	16	13	81	90	90	100
1.b	Length of seminars, hours/days						
1.c	Total number of trainees	1231	1241	101	6744	7835	116
2.	Regional basic training (30-32 hours) for raion & oblast restructuring officials:						
2.a	Number of seminars completed	12	14	117	57	58	102
2.b	Length of seminars, hours/days						
2.c	Total number of trainees	381	437	115	1728	1799	104
3.	Expertise training in ACCOUNTING:						
3.a	Number of seminars	2	2	100	2	4	200
3.b	Length of seminars, hours/days						
3.c	Total number of trainees	45	45	100	45	113	251
4.	Expertise training in PROPERTY SHARING						
4.a	Number of seminars	5	4	80	5	9	180
4.b	Length of seminars, hours/days						
4.c	Total number of trainees	130	100	77	130	446	343
5.	Expertise training - LEGAL						
5.a	Number of seminars	2	2	100	2	4	200
5.b	Length of seminars, hours/days						
5.c	Total number of trainees	111	111	100	111	209	188
6.	Expertise training -Monitoring						
6.a	Number of seminars	7	8	114	7	8	114
6.b	Length of seminars, hours/days						
6.c	Total number of trainees	355	385	108	355	385	108
7.	Other training						
7.a	Number of seminars	9	11	122	37	64	173
7.b	Length of seminars, hours/days						
7.c	Total number of trainees	817	984	120	3156	4315	137