

How did 5 million hectares disappear? Secret land privatisation in Ukraine

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On 6 November, Prime Minister Denys Shmyhal, announced during the presentation of the results of the economic audit of Ukraine that 5 million hectares of agricultural land had disappeared from state ownership. He thus confirmed the words of the head of the State Service of Ukraine for Geodesy, Cartography and Cadastre (also named, the State Cadastral Service, SCS), Roman Leshchenko, who announced in a series of interviews at the end of October that most of the state's agricultural land had been illegally privatised. According to the SCS's calculations, since the transfer of approx. 4 million hectares of land to local governments as a result of the decentralisation reform in 2018–2020, the state currently owns only 750 thousand hectares of agricultural land instead of the declared 6.4 million hectares. The missing land, more than 5 million hectares (over 50,000 km², 8% of the country's territory), according to Leshchenko, has been illegally privatised as a result of a process that was underway for over a decade and involved the transfer of small plots of up to two hectares to private owners. The SCS has provided the prosecution authorities with documents on violations in over 300 cases and has announced that legislative procedures will be developed to make sure that the state regains the illegally acquired land.

Commentary

- The SCS is in charge of land registration (including agricultural land) and until recently was known as one of the most corrupt institutions in Ukraine. Leshchenko, who became the head of this institution in June this year, launched an audit of the registration system and an agricultural land inventory control. A number of gross violations have been revealed during the inspection. For example, it turned out that uncontrolled access to the register was granted to third parties who could make any modifications to it, e.g. change the intended use of the plot. Currently, full control over the register has been restored, and work on the preparation of an aerial map of the entire country has been announced. This will facilitate the monitoring of land use as intended.
- As part of the so-called free-of-charge privatisation envisaged under the Land Code of 2001 (the law regulating the ownership of agricultural land), theoretically, every citizen of Ukraine has the right to obtain six plots of land classified for various uses. Thus one may obtain land with a total area of approximately 6 hectares this way. In practice, the process of granting the land was completely non-transparent and depended on the decisions of the SCS officials at the central level and in its regional branches. Moreover, the lack of a functioning system to verify the beneficiaries of the Land Code meant that

one person could purchase many plots of land, and the illegal practice of transferring land to front owners flourished. For example, according to Leshchenko's estimates, 80,000 hectares of land in the Vinnytsia Oblast went to the members of five interrelated families. Also, plots of land with a good location were privatised, e.g. around Kyiv or in the coastal belt of the Odessa Oblast, and then their intended use was changed from agricultural to construction. This also applied to areas rich in natural resources (e.g. gas, titanium ores or amber). In 2013–2020, 700,000 hectares were allegedly granted to citizens this way, which is confirmed in the documentation (although abuses were seen in thousands of cases), while the register lacks information on over 5 million hectares privatised before 2013. Until the paper documents from that period are digitised, it will not be possible to say who took ownership of this land.

- The head of the SCS did not mention any names. He only claimed that it had been controlled by the 'Donetsk group' and, after 2014, by the 'Vinnytsia group'. This can be understood as an accusation against former president Viktor Yanukovich (from Donetsk) and Petro Poroshenko and former prime minister Volodymyr Groysman (related to Vinnytsia). In addition to members of the central government, representatives of regional elites in individual oblasts were also involved in this illegal scheme.
- 5 million hectares is an area slightly larger than the territory of Slovakia. Therefore, it may come as a surprise that the information from Leshchenko has not provoked any major political storm. This may indicate that most members of the Ukrainian political establishment were involved in this illegal land privatisation scheme, including representatives of most opposition parties (in particular, European Solidarity and the Opposition Platform – For Life). Given the inefficiency and degree of corruption of the local justice system, there can be serious doubts as to whether those involved in the illegal privatisation will be held accountable. It is also not known how the state will try to regain the privatised land. Leshchenko proposes that the High Anti-Corruption Court of Ukraine should adopt a shortened procedure to examine these cases. However, since there would potentially be a large number of these cases, this would mean the complete paralysis of this authority.