

Government of the Kyrgyz Republic

Resolution

Government House, Bishkek

582 dated October 6, 1997

On the state of the rent collection for use of the lands of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic

The Government of the Kyrgyz Republic informs that in accordance with the Decree of the President of the Kyrgyz Republic dated November 3, 1995 " On measures for further development and governmental support of the land and agrarian reforms in the Kyrgyz Republic" and the Resolution of the Government of the Kyrgyz Republic # 240 dated May 27, 1997 " On transfer of the lands of the National Land Stock to the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic" the Agricultural Lands Redistribution Reserve covering the territory of 371247 hectares, including 312041 hectares of arable lands, of these including 184004 hectares of irrigated lands, 11434 hectares of perennial plantings and 47772 hectares of haying lands, has been formed.

At present 279.3 thousand hectares (75.2%) of the Agricultural Lands Redistribution Reserve are rented out to the collective farms, 25.3 thousand hectares (6.8 per cent) to small dairy farms, 38.0 thousand hectares (10.3 per cent) to seed production and cattle breeding farms. In addition to that in accordance with the Resolution of the Government of the Kyrgyz Republic # 240 dated May 27, 1996 " On transfer of the lands of the National Land Stock to the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic " 13.9 thousand hectares (3.7 per cent) has been allocated for expanding rural settlements, and for the individuals, who worked and lived outside the farm but came to the territory of the farm for permanent residence before July 1, 1996, - in the amount of average farm share - 14.7 thousand hectares (4.0 per cent).

At the same time it was discovered in the course of the revision that due to the absence of the single mechanism for renting out the lands of the Agricultural Lands Redistribution Reserve the levels of the rent in the regions of the Republic fluctuate from 500 to 2000 and more soms for one hectare of the irrigated land. For example in the farms of the Osh oblast the rent is from 500 to 1500 som, in Chu oblast - from 500 to 2000 som, in Issyk-Kul oblast - from 300 to 1000 som, in Jalal-Abad oblast - from 500 to 1500 som, in Talas oblast - from 300 to 1000 som and in Naryn oblast - from 200 to 600 som for one hectare of the irrigated land.

In accordance with the Land Code of the Kyrgyz Republic the rent must not exceed the rate of the land tax, and in the Law of the Kyrgyz Republic " On lease and lease relations" the amounts of rent are established by agreement of the parties. It should be noted that due to formation of diversified economy and expansion of the economic independence of the farmers

the new group of rural businessmen has been emerged, and those businessmen may and want rent the land even for higher price.

For this purpose the Resolution of the Government of the Kyrgyz Republic #262 dated May 2, 1997 " On the draft of the Law of the Kyrgyz Republic " On changes and amendments to be made in the Land Code of the Kyrgyz Republic" has been enacted, and in that Resolution for the purpose of more rational use of lands, including the use of lands on competitive basis, it is suggested to change the second sentence of Article 40 of the Land Code of the Kyrgyz Republic providing cancellation of the rent limitations and making the rent the subject of agreement between the lessor and the leaseholder.

It was discovered that in all the oblasts (regions) the procedure for rent payment and use of the received funds has not been established, and that circumstance contributes to disorderly use of the lands of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic.

In Issyk-Kul oblast the rent in 1995-1996 in accordance with Article 40 of the Land Code of the Kyrgyz Republic did not exceed the established rates of the land tax. But in 1997 it was permitted under the agreement between the parties, - the lessor and the leaseholder, to establish the rent for use of the lands of the Agricultural Lands Redistribution Reserve on the basis of a full payment of the rate of the land tax with additional payment to the lessor from 10 to 20 per cent of the yield.

The lands of the Reserve in the rayons of Chu oblast are not separated as separate land plots, their borders are not fixed, the land management documentation is not prepared, and the purposeful use of these land plots has not been put in order.

In Iskrensk ayil okmotu (local administration) from 630 hectares of the lands of Agricultural Lands Redistribution Reserve 523 hectares were given to " Ala-Too" seed production farm and 40 hectares were allocated to " Chui" farm in accordance with the resolution of the Chui-Tokmok rayon state administration. At the same time no agreement has been concluded with the land users, and the rent has not been received for the period from 1995 to 1997.

In all the checked ayil okmotu (local administrations) of Jalal-Abad oblast the fundamental financial rules have not been observed, the rayon financial section did not approve the estimate of expenditures, the expenditures were not grounded.

The rayon state administrations of Jalal-Abad oblast paid no attention to rent payment, limiting their activity by agricultural lands distribution. The expenditures reports have not been asked in all the farms of the oblast. For example in Kyzyl-Tuus ayil okmotu of Suzak rayon the car was acquired for the price of 66450 som, for its repair, purchase of fuel and maintenance 26000 som was spent, the total amount of unreasonable expenditures made 265084 som, and for the whole year 1995 - 115679 som. The similar situation was in other ayil okmotu (local administrations) of Jalal-Abad oblast (region).

In Talas oblast (region) more than half of the lands of Agricultural Lands Redistribution Reserve are used mainly by collective farms without proper use for the State, because the received small rents were used mainly in the interests and for the needs of the rayon administrations and ayil okmotu instead of going to the local budget.

The rent in all the rayons of Naryn oblast (region) except the Kochkor rayon at the rate of the land tax came in the form of agricultural production which was sold at markets and the sale proceeds were used for purchase of seeds, spare parts, fuel or were used as land tax payment and payment to the Social Fund under the Government of the Kyrgyz Republic.

In Osh oblast in 1996 for lease of 56627 hectares of the lands of Agricultural Lands Redistribution Reserve the rent in the amount of 17.2 million som was received by the local budget. In Liailiak and Alai rayons the rent exceeds the land tax by correspondingly 261.4 and 247.0 som, and in Kara-Sui and Aravan rayons it is less than the land tax by correspondingly 401.5 and 321.5 som for one hectare of the irrigated land.

In order to remove the violations in calculation and payment of the rents, in regulation of the use of the land plots of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic the Government of the Kyrgyz Republic hereby decrees:

1. Pay attention to poor work of the oblast and rayon state administrations in provision of the effective and purposeful use of the lands of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic which were given on lease to the farmers in 1996 and 1997, as well as for purposeful use of the received rents.

2. Establish that seed production and cattle breeding farms, dairy farms having not less than 10 milk cows using the lands of Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic shall be free from rent and shall pay only the land tax.

3. The Ministry of agriculture and water economy of the Kyrgyz Republic, the local state administrations shall:

- inform the landusers about the conditions and mechanisms for renting out the lands of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic in accordance with the Temporary Regulation on renting out the lands to the users of the land plots of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic approved by the Resolution of the Government of the Kyrgyz Republic # 480 dated August 20, 1997;
- collect in accordance with the established procedure from the leaseholders according to the lease agreements the rent for use of the lands of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic in 1997 and transfer the received funds in full volume to the local budgets.

4. The State Agency for land maintenance and land reserves under the Government of the Kyrgyz Republic, the Ministry of agriculture and water economy of the Kyrgyz Republic jointly with the local state administrations shall within two months establish the borders of the lands of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic in respect of ayil okmotu (local administrations) and prepare the necessary land maintenance documentation.

5. The Ministry of agriculture and water economy of the Kyrgyz Republic shall provide control over the effective and purposeful use of the lands of the Agricultural Lands

Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic allocated to the seed production and cattle breeding farms, as well as for the formation of dairy farms. In case of discovery of improper and non-effective use the land plots shall be subject for taking and use in accordance with the established procedure with the consent of the Government of the Kyrgyz Republic.

6. The State agency for land maintenance and land reserves under the Government of the Kyrgyz Republic shall provide control over the qualitative use of the lands of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic.

7. Impose on the heads of the oblast and rayon state administrations, the leaders of the Ministry of agriculture and water economy of the Kyrgyz Republic the responsibility for use of the lands of the Agricultural Lands Redistribution Reserve under the Ministry of agriculture and water economy of the Kyrgyz Republic and timely receipt of the rent for these land plots.

8. The Ministry of agriculture and water economy of the Kyrgyz Republic and the heads of the oblast state administrations shall report on execution of this Resolution to the Government of the Kyrgyz Republic by the 1st of March of 1998.

9. The control over the execution of this Resolution shall be imposed on K.A. Abdimomunov, Vice-Prime-minister of the Kyrgyz Republic and on J.A. Akeneev, Minister of agriculture and water economy of the Kyrgyz Republic.

Prime-minister

A. Jumagulov