

Decree:

N 475 of 14th August, 1997

“On Progress in Implementation and Intensification of Land and Agrarian Reform”

The Government of the Kyrgyz Republic notes, that the reformation of the economy's agrarian sector is being carried out since 1991, providing for granting complete economic independence to the rural producers, denationalization and privatization of the State property.

To facilitate the formation of market relations in agricultural sector, the Government of the Kyrgyz Republic liberated prices for all kinds of agricultural products; the State Order is cancelled, the customs duty is abolished.

The development of market relations, creation of competitive environment, personal interest as well as State support, had an appropriate effect on the increase in production of peasant and private farms. Changes in public consciousness of the peasants, specialists and managers of all levels, regarding the methods of production and the form of property, took place. At present more than 80% of agricultural produce is produced at the peasant farms, private farms and individual farms.

Presidential Decrees issued in proper time, played an exceptionally important role in peasants' rights and interests protection.

The extension of the duration of the right to use landholdings to 99 years for the land entitlement holders has consolidated the confidence of peasant and private farms. During this period they can exchange, lease out, buy or sell the land entitlements and pledge holdings. The established rural credit co-operatives and their associations are acting in many regions as consolidating and integrating bodies of peasant and private farms for the solution of their vital and production problems.

The outcome of the reform carried out was that at 1st January 1997, 399 of the 516 former Kolkhozes, Sovkhozes and other agricultural enterprises or over 77% have been reformed. On their base 31078 peasant and private farms were established with the average agricultural area of 1,159,100 ha, including 511,700 ha of the arable land; 639 agricultural co-operatives with the average area of 104,600 ha; 61 joint stock companies with 11,200 ha of land. Along with the workers of the reorganized farms, many urban citizens, unemployed intelligentsia (engineers, teachers, doctors), soldiers discharged from service, became the farmers as well.

704,000 Land Entitlements (Certificates), which is 87,6%, are issued. The property shares are identified by 91,4%. Only 147,500 Land Entitlements (Certificates) of the total number issued, conform with the established standard.

In the new economic and legal environment the works are being carried out by the Ministry of Agriculture and Water Resources with the help of the local experts, Kyrgyz Agrarian Academy Staff, with the participation of TACIS Projects, the Swiss Government ("Helvetas" and "Caritas"), the German Government ("GTZ"), EC to establish agricultural extension and advisory services for farmers, members of peasant farms and villagers on the Land and Agrarian Reform issues, services, cropping process, sale markets, and forms and ways of establishing the new production units.

However, at the initial stage of Land and Agrarian Reform the appropriate difficulties had been faced. The faster growth of prices on material and technical resources consumed by agriculture, price parity, high interest rates and short repayment term of bank loans, unsystematic privatization in the agrarian sector and other negative factors did not allow to realize potentialities of the newly established peasant and private farms, reform agricultural enterprises and the agrarian sector service sphere. The annual requirement for agricultural works implementation was not less than KS 2 billion. The Republic did not have such funds. These circumstances, and not the agrarian reformation factor, became the main reason of the negative trends development in the agricultural sector. As a result, the decline took place in animal produce and crop production.

The highest decline rates were encountered in 1992-1994. Since 1995, as a result of the measures taken, the process of stabilization began. In 1996 as compared with 1995, for the first time the production in the agricultural sector rised for 13%.

In the oblasts and rayons of the Republic the issues of the market infrastructure establishment are not solved at a proper level; there is a lack of clear co-ordination in material and technical resources supply to the rural producers, high quality seed, pedigree livestock, in provision of information on market prices, marketing, accounting and management.

Technical, chemical and zooveterinary service enterprises established in the Republic are small in numbers, low-powered, there is lack of competition, and they could not fully meet the requirements of the rural producers. The renewability of the agricultural machinery and spare parts is very low. As a result, more and more machinery is taken out of operation. For the reason of capital assets shortage, the load per one combine in the current year exceeded 200 ha of grain crops.

In the rayons no conditions are created for the proper functioning of Water Users' Associations, capable to provide repair and maintenance of irrigation facilities at the field and community levels.

In accordance with the State statistical reports, 88,500 ha of the arable land remained unused in the Republic in 1997, and 116,600 ha of the land lay fallow. The breaches of the legislation of the Kyrgyz Republic are widely practiced in respect of unauthorised allotment and seizure of agricultural and arable land for non-agricultural needs.

Because of financial difficulties under the conditions of transition to market relations, the State plant selection and animal breeding system turned to be in an extremely difficult situation. This resulted in a real threat to the gene pool of the agricultural animals, created by many generations of scientists. The seed farms of the Republic have reduced their operation and require reorganization with the use of the land held by the Agricultural Land Re-allotment Fund attached to the Ministry of Agriculture and Water Resources, for seed production on lease terms.

For the further intensification of Land and Agrarian Reform it is necessary to consolidate, improve the legislative basis of the reform, being carried out, and establish the land market for the purpose of increase in labour productivity and competitiveness of the business entities. It is also necessary to introduce the market crediting system for the rural producers.

With the purpose of further extending and improvement of the land-legal relationship under the reform of the agrarian sector, the Government of the Kyrgyz Republic decree:

1. The Ministry of Agriculture and Water Resources of the Kyrgyz Republic, the Ministry of Finance of the Kyrgyz Republic, the State Agency on Land Management and Land Resources under the Government of the Kyrgyz Republic, the Kyrgyz Agrarian Academy, the local State Administration to guarantee the solution of the most important tasks in 1997-1998 on the following directions:

- the completion before January 1st 1998 the process of the landholdings allotment in kind to the rural producers according to the Certificates to a share of land and a share of property issued and observation of voluntariness principle during the choice of the management forms;

- the establishment before January 1st 1998 the legislative-legal basis, necessary for formation of the Land Entitlements market and the market crediting system;

- the introduction of the effective mechanism for formation of the food resources market, based on economic encouragement of the domestic rural producers, and development of the market infrastructure on the basis of expansion of the firm retailing and wholesale base, creation of the trade-purchasing firms, commodity exchanges, market services, leasing companies, managed by rural producers;

- the stimulation of the co-operation and integration development of all business entities on production, trade, sale of agricultural products in the local and world markets;

- the organization and co-ordination of work of the advisory-information services and market information systems, providing the rural producers with the necessary information on technology for production of agricultural produce, market prices, accounting, marketing and management;

- the establishment of Crop Seed Producers and Pedigree Animal Breeders' Associations for operational management of seed production and pedigree animal breeding;

- the establishment of Water Users' Associations in all places with the subsequent transfer of the ownership to the field and community levels irrigation funds to these Associations;

- wide application of landholdings lease as one of the basic forms of farming;

- rising the responsibilities of managers and specialists for effective carrying out of Land and Agrarian Reform and introduction of the market relations in agriculture.

2. The Ministry of Agriculture and Water Resources of the Kyrgyz Republic, the State Agency on Land Management and Land Resources under the Government of the Kyrgyz Republic:

- to improve the land-water legal relationship and intensify the State control of effective and objective use of the agricultural designation land;

- to complete before September 1st 1997 the preparation of the normative-standard legal documents on use of land of the Agricultural Land Re-allotment Fund under the Ministry of Agriculture and Water Resources of the Kyrgyz Republic.

3. The Ministry for Environmental Protection of the Kyrgyz Republic and the local State Administrations to take measures on environmental protection and ecological safety of the agricultural production and processing branches.

4. The Ministry of Agriculture and Water Resources of the Kyrgyz Republic together with the Ministry of Finance of the Kyrgyz Republic, other interested Ministries, Administrative Institutions to work out the mechanism for post-privatization support of the rural producers.

5. The Ministry of Agriculture and Water Resources of the Kyrgyz Republic, the Kyrgyz Agrarian Academy, local Administrations to research before November 1st 1997 the state of the State seed farms and breeding farms and, in case of need, reform them, taking into account the real requirements of the region for seed and pedigree material.

6. The State Agency on Land Management and Land Resources under the Government of the Kyrgyz Republic together with the State Administrations to make replacement of the temporary Certificates to right to use a share of land by the Certificates of the established standard for account of local budget.

7. With the purpose of organization of the operational primary record-keeping and analysis of the Land and Agrarian Reform progress and intensification, the local Administrations to consider the possibility of keeping the leading specialist unit in "ayil akmattu" for account of local budget.

8. The Ministry of Agriculture and Water Resources of the Kyrgyz Republic, the Kyrgyz Agrarian Academy, the local State Administrations together with the managers of the foreign projects, operating in Agriculture, and the representatives of peasant and private farms' Associations to establish the National Advisory-Service Council under the Ministry of Agriculture and Water Resources of the Kyrgyz Republic and find source of finance.

9. The Kyrgyz Agrarian Academy together with the Ministry of Agriculture and Water Resources of the Kyrgyz Republic and the State Agency on Land Management and Land Resources under the Government of the Kyrgyz Republic to develop and approve the specialists training program, corresponding to the market conditions.

10. To make the Vice-Prime-Minister of the Kyrgyz Republic mr. Abdymomunov responsible for the control over implementation of the present Decree.