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# DRC's Legal Alert Special on Humanitarian Demining of Agricultural Land Plots: Issue 118| August 2025

Ukraine heavily relies on its agricultural sector, which traditionally contributes around 10-11% of the country's Gross Domestic Product (GDP) and employs a significant portion of the population<sup>1</sup>, particularly in rural areas. Before the full-scale invasion, agriculture was the main source of income for 17.2% of the population. As a result of war, this sector is suffering increasing losses. The ongoing war and occupation of territories have had a devastating impact on this vital sector. Vast areas of arable land in the south and east have become inaccessible due to occupation or contamination with explosive ordnance (EO). This leads to substantial economic losses, disruption of food production, and long-term environmental degradation.<sup>2</sup> The pollution and destruction of fertile land severely undermines national food security and export potential.<sup>3</sup>

Considering existing budgetary restrictions, Ukraine tries to provide sufficient and effective support to agrarians. In this legal alert we provide an analysis of the remedies that are currently in place in order to support farmers and landowners.

## 1. Tax relief for landowners

On 6 May 2023, the Verkhovna Rada adopted Law №3050<sup>4</sup>, providing tax relief to farmers and landowners, whose land plots are mined, contaminated, occupied or within the area experiencing active hostilities.

The decision for the tax exemptions for payment of local taxes and fees are made by local administrations<sup>5</sup> regarding land plots that are unsuitable for use due to the potential threat of contamination by explosive ordnance.

The Law provides for the following privileges:

- Exemption from the minimum tax liability

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<sup>1</sup> For example, before the full scale invasion in 2020, 44.6% of the population were engaged in agriculture sector, link to the source: <https://www.slovoidilo.ua/2021/03/31/infografika/suspilstvo/pracyuyut-ta-skilky-otrymuyut-ukrayinczi-riznyx-sferax-zajnyatosti>

<sup>2</sup> Link to the source: <https://ukrainenaturenetwork.org/wp-content/uploads/2025/02/impact-on-soil-russian-war.pdf>

<sup>3</sup> Link to the source: <https://zakon.rada.gov.ua/laws/show/1163-2024-%D1%80#Text>

<sup>4</sup> Link to the source: <https://zakon.rada.gov.ua/laws/show/3050-IX#Text>

<sup>5</sup> i.e. village, town, city councils, military administrations and military-civilian administrations

The minimum tax liability is the amount of tax that owners or users of agricultural land must pay regardless of whether the land is used or generates income. In 2025, the minimum tax liability (MTL) is calculated based on an increased coefficient of 0.057<sup>6</sup>.

For example, if the Normative Monetary Value (NMV) of a land plot was UAH 14,000, the minimum tax liability accrued for 2025 would be calculated as follows:

$$\text{MTL} = \text{NMV} * \text{coefficient rate} = 14.000 \times 0.057 = \text{UAH 798 per hectare}^7$$

- Exemption from the single tax of the 4th group

Group 4 of the single tax is intended for agricultural producers with a share of production of at least 75%<sup>8</sup>. For group 4 taxpayers, the tax rate per 1 hectare of agricultural and/or water fund land depends on the category of land and its location.

The tax base for the group 4 Unified Tax Payers is the Normative Monetary Value (NMV) of 1 ha.

Thus, Unified tax for 1 hectare of land plot located, e.g. in Polissia area, would be:

$$\text{Unified Tax (annual)} = \text{NMV} * \text{Rate} = 14.000 * 0.95 = \text{UAH 13.300 per hectare}$$

- Exemption from land fee

The land fee is a part of the property tax that is set by the local council, as it is a local tax.

For example, Pidlosivska Hromada in Rivne oblast (the same Polissia area) established tax rate of 0.9 for legal entities who are engaged in commercial agricultural production<sup>9</sup>.

$$\text{Land Fee} = \text{NMV} * 0.9 = 14.000 * 0.9 = \text{UAH 12.600 per hectare}$$

Abovementioned tax privileges are applicable to land plots that are:

- Located in the territories experiencing active hostilities or occupied areas;
- Under conservation (i.e. where military engineering and/or fortifications are located);
- Where mines and other explosive ordnance have been found.

This means that the owners of land plots where explosive ordnance have been found or where the plots are located in the area experiencing active hostilities may no longer pay taxes for such plots.

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<sup>6</sup> In 2024 MTL was calculated based on coefficient 0.05. Amendments were adopted according to the Law №4015, link to the source: <https://zakon.rada.gov.ua/laws/show/4015-20#Text>

<sup>7</sup> The amount of the MTL determined in accordance with subparagraphs 381.1.1 and 381.1.2 of paragraph 381.1 of Article 381 of the Tax Code cannot be less than UAH 700 per 1 hectare, Link to the source: <https://tax.gov.ua/nove-pro-podatki--novini-/856165.html>

<sup>8</sup> Reduction of the share to 50% is possible if in the previous (reporting) year more than 30% of the land was located in the occupied territory or in the area experiencing active hostilities, link to the source: <https://zakon.rada.gov.ua/laws/show/3050-20#Text>

<sup>9</sup> Link to the source: <https://tax.gov.ua/zakonodavstvo/podatki-ta-zbori/stavki-mistsevih-podatkov-ta-zboriv/rivnenska-oblast/zvedena-informatsiya-2025/>

Provided samples of calculations justify that tax relief greatly facilitates the financial burden on farmers and allows them to focus on restoring their farms.

#### Military levy

At the same time, the landowners did not get tax relief from military levy, rate for single tax payers of groups 4 is 10% of the minimum salary established as of 1 January of the reporting year per calendar month. So in 2025, the monthly advance payment is UAH 800 per month and  $UAH\ 800 * 12 = UAH\ 9600$  annually. And the military levy is to be paid even if land plots are occupied.

## **2. State programme to compensate farmers for humanitarian land clearance**

Upon the tax relief, next significant state support began in March 2024 when the Cabinet of Ministers adopted Decree №284<sup>10</sup>, introducing Procedure on the use of budgetary funds for compensation of expenses for humanitarian demining of agricultural land plots.

The compensation for the costs of humanitarian demining of agricultural land can be granted to:

- legal entities or individual entrepreneurs (also known as “FOP”) who are producers of agricultural products on agricultural land plots owned and/or used by them;
- agricultural producers who are certified mine action operators.

The compensation is differentiated into two periods:

- compensation to agricultural producers for the humanitarian demining of agricultural land plots that were demined between 24 February 2022 and 15 April 2024;
- compensation to agricultural producers for humanitarian demining of agricultural land plots (after 15 April 2024).

For the services actually rendered by certified mine action operators for the demining of agricultural land plots in the period from 24 February 2022 to 15 April 2024, inclusive, compensation is provided in an amount not exceeding 80 per cent of such services. While the compensation of the cost of services for the demining of agricultural land plots from 15 April 2024 is provided in the amount of 100 per cent of the cost of such services.

The mechanism of compensation for the humanitarian demining of agricultural land plots serves as an effective form of state support for farmers, particularly in areas affected by hostilities. By covering the costs of demining, the government enables landowners to safely resume agricultural activities, restore food production, and protect lives and livelihoods in rural communities. This targeted assistance not only mitigates financial burdens on farmers but also contributes to national food security and rural economic recovery.

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<sup>10</sup> Link to the source: <https://zakon.rada.gov.ua/laws/show/284-2024-%D0%BF#Text>

## Roadmap for obtaining compensation for humanitarian demining of agricultural land plots

### Check:

- ☑ the land is located outside the area of active hostilities or occupied territories
- ☑ the land is suspected to be contaminated / contaminated according to the results of a non-technical survey
- ☑ the land is located outside the 20-kilometre zone from the border and the contact line
- ☑ the agricultural producer is not related to the mine action operators who will demine the land plot

### Compensation is not provided if:

- ☑ there are tax arrears
- ☑ the owner is in the process of bankruptcy, liquidation or termination of activities
- ☑ the ultimate owner is a citizen of the Russian Federation or a person who belongs or has belonged to terrorist organisations
- ☑ the owner is under sanctions of the National Security and Defence Council

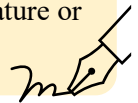
Submit an application for participation in the state programme of compensation for the cost of demining through the State Agrarian Register.



Create a personal account on the website of the State Agrarian Register (SAR) <https://www.dar.gov.ua/>



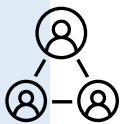
Sign the Application using Diia.Signature or Qualifies Electronic Signature.



Receive a decision on the approval of the application and open an escrow account in one of the state-owned banks.



Expect the auction to be announced in the “Prozorro” system and the contract to be signed with the winner. The auction is being conducted by the Humanitarian Demining Centre.



Wait for the demining to be completed and receive a certificate of transfer of responsibility for the cleared area or a letter of guarantee for the area released based on the results of a non-technical survey.



The landowner can start working on the cleared field. Meanwhile, the operator receives the cost of the demining work from a special account.



Positive features of the compensation mechanism:

1. Facilitated access through online application form for landowners.
2. Transparency of purchase of demining services. All tender data is open and accessible to the public. This prevents corruption and promotes fair competition.
3. Since compensation is provided to officially recognized land users, the mechanism encourages proper land documentation and formal ownership, improving legal certainty and long-term land governance.

### **3. Compensation of losses to landowners and land users**

But except of cost of humanitarian demining, the landowners might suffer additional losses, related to damage of land plots and degradation of soils that are related to the contamination of land with EO, as well as ongoing hostilities.

Long before the war, in 1993 the Cabinet of Ministers adopted Decree №284<sup>11</sup>, introducing the Procedure for determining and compensating losses to landowners and land users. The procedure envisaged the provision of compensation to landowners and land users for:

- losses caused by the seizure (purchase) of land plots;
- temporary occupancy of land plots, restrictions on its use;
- deterioration of the quality of soil cover and other characteristics of land plots;
- rendering of the land plots as unusable, and loss of income due to temporary non-use of land plots.

According to the Procedure, compensation is provided for:

- the cost of residential buildings, industrial and other buildings and structures, including construction in progress;
- the cost of fruit and berry and other perennial plantations;
- value of forest and tree and shrub plantations;
- the cost of water sources (wells, ponds, reservoirs, wells, etc.), irrigation and drainage systems, anti-erosion and mudflow structures;
- costs incurred or necessary to improve the quality of land during the period of use of the land plots, taking into account economic indicators, for unfinished agricultural production (ploughing, fertilisation, sowing, other types of work), for exploration and design work;
- other losses of land owners and land users, including tenants, including lost income, if they are justified<sup>12</sup>.

The amount of damage is determined by commissions established by Kyiv city, raion (military) administrations, and executive bodies of village, town and city councils in full in accordance with the real value of the property at the time of the damage.

But the biggest issue of getting such compensation is that according to the Procedure, losses are compensated to land owners and land users by legal entities and individuals who caused them.

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<sup>11</sup> Link to the source: <https://zakon.rada.gov.ua/laws/show/284-93-%D0%BF#Text>

<sup>12</sup> Unrecieved income is the income that a landowner, land user, including a lessee, could have received from a land plot and did not receive as a result of its withdrawal (redemption) or temporary occupancy, restriction of rights, deterioration of land quality or rendering it unsuitable for its intended use as a result of negative impact caused by the activities of enterprises, institutions, organisations and individuals

The practice of court cases against Russia is in place. One of the positively decided dispute was in 2024, the Economic Court of Chernihiv Oblast considered a case in which the agro-industrial company “Magnat” claimed compensation from the Russian Federation for significant losses due to the war, including damage to the elevator, loss of agricultural products, mining of fields and destruction of property.

Currently, a large number of court decisions have been passed in Ukraine recognizing the responsibility of the Russian Federation for damages caused by the war. These cases have been filed by both individuals and legal entities that have suffered serious economic losses as a result of the occupation, shelling, blocking of assets, or illegal seizure of property. All of these decisions are legally binding, however, none of them has been implemented yet. There is currently no mechanism to enforce such decisions.<sup>13</sup>

Despite the current absence of an effective international enforcement mechanism, applying for compensation for damaged land plots caused by war remains a necessary and strategic step. Such legal actions allow landowners to formally establish and document the fact of damage, calculate the extent of losses, and secure court decisions that serve as official recognition of Russia’s liability. Such judgments create a legal basis for future enforcement, whether through international reparations frameworks, asset seizure mechanisms, or diplomatic settlements.

#### **4. Application of Grievance Redress Mechanisms in Ukraine**

A Grievance Redress Mechanism (GRM) is a formal process set up often by a donor, development bank, humanitarian agency, or project implementer to allow individuals, communities, or organizations to raise concerns, complaints, or disputes about a project’s impact or the conduct of those implementing it, and to seek resolution in a fair and timely manner.<sup>14</sup> The GRMs can be both legal and non-judicial. They are free to use, and can be accessed confidentially. They can result in remedies such as compensation, project adjustments, improved safety measures, or formal apologies, depending on the case.

##### **Who can apply for the remedies via GRMs:**

- **Individuals** directly affected by a project or program.
- **Communities or groups** whose collective rights, resources, or well-being are impacted.
- **Workers** engaged on donor-funded projects who face unsafe conditions, unpaid wages, or other violations.
- **Civil society organizations or representatives** acting on behalf of affected people (with consent).

##### **What are the cases that can be subject to the remedies via GRMs:**

- Negative environmental or social impacts (pollution, loss of land, displacement, damage to livelihoods).
- Non-compliance with donor’s environmental, social, or human rights standards.
- Unsafe labour practices, discrimination, or gender-based violence linked to project activities.
- Corruption, misuse of funds, or other breaches of project rules and standards.

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<sup>13</sup> Link to the source: <https://fact-news.com.ua/chomu-rishennya-ukrainskih-sudiv-u-spravah-proti-rf-zalishayutsya-yuridichno-virnimi-ale-faktichno-bezsilimi>

<sup>14</sup> Link to the source: <https://www.somo.nl/hrgm/what-are-grievance-mechanisms/>

**GRMs are applicable:**

- When an issue is directly connected to a project, program, or activity funded or implemented by the donor/agency.
- When prior attempts to resolve the matter locally or directly with implementers have failed—or when local resolution is unsafe or impossible.
- When the complaint falls within the donor’s mandate and the scope of their safeguard, ethics, or operational policies.

Despite Ukraine’s comprehensive legislative framework on mine action and the formal possibility for affected individuals or entities to seek remedies through court procedures, the direct implementation of such rights can often be inaccessible due to budgetary constraints. In this context, it would be highly beneficial to enhance public awareness of the GRMs provided by donor organizations and development banks, as these can serve as alternative measure for addressing violations, and obtaining remedies. This approach could help bridge the gap between legal rights and their realization, improving protection and outcomes for affected communities.

In Ukraine, the awareness of the GRMs is especially critical within humanitarian demining programmes due to the exceptionally high risks involved. The presence of EO poses ongoing threats to civilian safety, livelihoods, and infrastructure. In this case the GRMs might ensures that affected individuals and communities can promptly report hazards, non-compliance, or damage caused by demining operations, as well as to provide a remedy in case when national mechanisms appear ineffective.

Both the World Bank and the European Bank for Reconstruction and Development (EBRD) are indirectly involved to the projects related to the demining if agricultural land plots in Ukraine. For example, the World Bank provides broader infrastructure, reconstruction, and recovery support through mechanisms like the Ukraine Relief, Recovery, Reconstruction, and Reform Trust Fund (URTF)<sup>15</sup>. While the EBRD in 2023–2024 expanded its funding to support equipment manufacturers focused on demining agricultural land. This initiative was aimed at accelerating the recovery of territory affected by conflict by modernizing and scaling up clearance capabilities.<sup>16</sup>

Both banks have their own Grievance Redress mechanisms:

- The Grievance Redress Service (GRS) of the World Bank allows individuals or communities affected by World Bank–supported projects to file complaints about adverse impacts.<sup>17</sup>
- The European Bank for Reconstruction and Development maintains the Project Complaint Mechanism (PCM) for environmental, social, and disclosure-related grievances at the project level.<sup>18</sup>

In Ukraine, Grievance Redress Mechanisms remain relatively underutilized and not widely known among affected communities, despite their potential as an effective tool for addressing concerns and obtaining remedies in

<sup>15</sup> Link to the source: <https://www.worldbank.org/en/country/ukraine/brief/world-bank-group-donor-financing-mechanisms-for-supporting-ukraine>

<sup>16</sup> Link to the source: <https://me.gov.ua/News/Detail?lang=uk-UA&id=5b263ecb-bba4-4822-935a-689dabf9120e&title=BrrZbilshitFinansovu>

<sup>17</sup> Link to the source: <https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>

<sup>18</sup> Link to the source: <https://www.ebrd.com/home/news-and-events/news/2010/project-complaint-mechanism.html>

humanitarian demining programmes. Lack of awareness of these formal complaint channels limits ability of affected individuals and legal entities to report issues such as safety risks, environmental damage, or inadequate project implementation, decreasing the effectiveness and safety of HDP efforts in Ukraine.

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