

## The Far Eastern Hectare: From Granting to Developing

### KEY CONCLUSIONS

#### **The government improves the mechanisms for granting land lots**

“The federal information system is tried-and-true <...> It is the first experience in registering land lots in a new digital format from anywhere in Russia and the world. Seven thousand competent specialists work for this programme, work with the recipients of the Far Eastern Hectare; the average clearance time is 52 days. <...> This is a unique programme, 197 million hectares, 32% of the Far East is available for the Far Eastern Hectare. <...> To date, 51 thousand applications have already been submitted, authorities have approved the allocation of Far Eastern Hectare <...> over 200,000 requests for information and commentary <...> There are packages of 40 different model solutions: what to do and how to develop the Far Eastern Hectare,” Marina Dedyushko, Deputy Minister for the Development of the Russian Far East.

#### **The programme brings new settlements to the Far East**

“Documents have been prepared, and they are currently working on it at the regional legislature to create a new settlement in Korsakovsky district. There will be about 300 residents here, including 70 children,” Alexey Uspenskiy, Minister of Economic Development of Sakhalin Region.

### PROBLEMS

#### **Lack of engineering and social infrastructure**

“By law, we provide infrastructure to the territories, that can be located far enough from places of residence, cities. But there is no concept of that infrastructure <...> Unfortunately, we can’t spend money on that, we have to spend money on something with design specifications and estimates of conditions and standards <...> One of the proposals is to make those legal as an experiment, in order to allow budgetary funds,” Yury Chayka, First Deputy Chair of the Government of Khabarovsk Territory for Investment and Priority Projects.

#### **Scarce funds to create infrastructure**

“In spite of the fact that Sakhalin Region is one of the leaders in terms of budgetary funding in Russia, those expenses <...> they mount constantly. We want to raise the issue, so that the federal budget somehow helps us develop the conditions for comfortable living of our people,” Alexey Uspenskiy, Minister of Economic Development of Sakhalin Region.

## SOLUTIONS

### **Developing soft loan instruments**

“Supporting the Far East is a priority for us. There is a product developed specially for the Far Eastern Hectare: lending for working capital, payment of taxes, payment of salaries, participation in various tenders from 1 million up to 500 million roubles. <...> For the investment loan, we offer 8.9% for medium-sized businesses and 9.9% for small businesses,” Roman Kapinos, Deputy Chairman of the Board, SME Bank.

### **Assistance in rational use of land**

“In my opinion, the most important thing about the Far Eastern Hectare is that people obtain it with an understanding of what they want to do with it. If there is no understanding, there will be no result. And in turn, our task, both for the agency and for the authorities, is to make sure there are more people with such understanding,” Sergei Khovrat, General Director, Agency for the Development of Human Capital in the Far Eastern Federal District.

### **Government support for the regions develop allocated land lots**

“It is necessary to help the regions in developing the land lots, especially those that are granted on a collective application and form settlements <...> This year, 400 million roubles has been allocated from the budget in the form of consolidated subsidies. The two regions that presented the Far Eastern Hectare development projects were Sakha-Yakutia and Khabarovsk Territory. The Far East Development Ministry intends to continue working in this area and putting the resources together,” Marina Dedyushko, Deputy Minister for the Development of the Russian Far East.