

FAO's Experiences with Land Consolidation in Central and Eastern Europe

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1. Introduction

Land consolidation was one of the first areas of tenure reform in which FAO was involved. Efforts in the early 1950s were directed towards modernizing the agricultural structure in Western Europe after the Second World War. More recently, the focus has shifted to Central and Eastern European countries following their transition from centrally planned economies. Despite differences in the transition paths of the various countries, they share a common characteristic of large numbers of small and fragmented farms which are not competitive with the farms of Western Europe. But problems in rural areas go far beyond those of the agricultural sector. Rural conditions in many transition countries continue to deteriorate, resulting in a growing inequality between rural and urban areas.

The transition from centrally planned economies is largely completed but countries are having to address another major transition, that of substantial demographic changes. One prediction for Croatia is that the population will decline by 5.1 percent between 2000 and 2020, and that by 2010, the 11-18 year age group will have decreased by 24 percent¹. In almost all countries, rural-to-urban migration and migration to other countries are reducing the population in rural areas. Rural populations are also getting older, indicating that the rural labour force will continue to decline. This depopulation of rural areas during the future decades will have a significant impact on the use, control and ownership of agricultural land.

The European experience shows that land consolidation can be an important tool to increase agricultural competitiveness, improve rural conditions and manage demographic changes. Farmers can become more competitive when they can decrease fragmentation and increase the size of their farms, and rural communities can benefit when consolidation projects include components to improve local infrastructure and the environment. At the national level, land consolidation can help to develop the agricultural and other sectors that comprise the rural economy, and to improve rural conditions by balancing the interests of agriculture, transportation, environment, recreation, cultural heritage and tourism. Land consolidation can be applied differently in different situations, but regardless of the context, it can be used to introduce participatory and integrated cross-sector approaches into rural development.

FAO, with its partners, has implemented a multi-year programme to assist countries to use land consolidation as a tool for agricultural and rural development. This programme comprises three interrelated components: technical publications that provide guidance on land consolidation; projects that allow countries to gain practical experience; and regional workshops that provide countries with an opportunity to learn from the experiences of others.

2. Developing a national strategy for land consolidation

Land consolidation can be an effective tool in agricultural and rural development, but to be effective, a tool must be properly used. Like any tool, land consolidation will not automatically produce beneficial results: examples can be found where projects resulted in no improvements and even caused harm. To avoid such problems, FAO has recommended that countries develop a strategy for introducing and using land consolidation.

¹ Education Sector Development Plan 2005-2010, Ministry of Science, Education and Sports. 2005.

While it is important to learn from the experiences of others, each country should develop its own solutions that address its particular needs and constraints. Preparing a strategy helps a country to think about how the problems can be solved.

FAO projects assisted Armenia, Lithuania and Serbia to prepare national land consolidation strategies. An important aspect of each project was that the strategy was prepared by the country and not by foreigners. Ideally, a strategy should be drafted by government but a common constraint is that the people who should prepare the strategy are too busy with other work. The projects provided funding for 4 national consultants for each country to overcome this constraint. At the same time, the projects had to avoid introducing a new problem, i.e. the consultants going off to work independently and submitting a report only at the end of their contracts. In each project, staff of the relevant government agency worked closely and regularly with the national consultants to ensure that the work met the needs of government. The national consultants were encouraged to work together as a team to address the problems in an integrated way, rather than having each national expert prepare a separate report. This approach requires government staff and the national consultants to work closely together as a team. Team work is not easy because of it places demands on people's time but the time spent debating and discussing ideas greatly strengthened the strategies. The projects also provided for the participation of international consultants and FAO staff. They provided international experience, acted as a sounding board, and gave advice, but deliberately did not drive the process of defining the content of the strategies.

One lesson from the projects is that preparation of a robust strategy takes time: the strategies took about 16 months or even longer, depending on the review period. The preparation of each strategy went through three drafts, with a final version being prepared after the final review by the required government ministries. A good strategy is based on thinking, and good thoughts require time.

The strategies are presented in a forward-looking way, setting out the vision (what is wanted); the current situation (where the country is now); and the recommendations (what is needed to make the vision a reality). Such a format cannot be drafted at the start of the process: some research must be done first. The countries placed emphasis differently according to their own situations but all in one way or another addressed the following issues:

- Analysis of the current situation in the context of land consolidation.
Economic and social aspects; Environmental aspects; Legal and organizational aspects; Policy aspects (relationship to strategies and plans for agricultural and rural development, water development, forestry development, tourism development, poverty reduction, EU RDP (Lithuania), EU integration and accession (Serbia)), SWOT analysis.
- Statement of principles, goals, objectives and outcomes of land consolidation.
Principles and goals of the strategy; Overall and specific objectives; Beneficiaries; Expected outputs and results; Approaches to land consolidation. Armenia and Lithuania defined land consolidation to be voluntary. Because compulsory land consolidation had been used in Yugoslavia, Serbia defined voluntary and compulsory approaches, with the idea that the particular circumstances of a community would determine the choice of the approach to be used. All three countries identified the need for a land bank / land fund.
- Measures to implement the strategy.
Institutional and organizational (roles and responsibilities: central, regional and local governments, private sector); Legislation (amendments and new laws, regulations); Funding (EU, national (state), municipal, other programme and project funds); Increasing participation of landowners (incentives (access to credit, tax privileges, subsidized fees), public awareness); Capacity building (short and longer term courses); Linkages with land use regulation plans; Methodology to measure effectiveness of land consolidation.
- Criteria for evaluating the success of the implementation of the strategy.
Assessment methodology to measure the implementation.
- Action plan for implementing the strategy.
Plan identifying what will be done when and by whom.

One approach for Croatia could be to start with analysis papers of the current situation. This could be followed by a "framework paper" that identifies the issues that should be addressed in the strategy; such a

paper can help with framing the thinking before writing the strategy paper. A third output would be the strategy paper itself. This process might be more effective than going directly from the writing the analysis papers to writing the strategy paper.

3. Building capacity: moving from pilot projects to a long-term programme

Previous experiences with reforms to land tenure and land administration (e.g. introduction of land registration and cadastre systems) show that problems arise when major new legislation is introduced without the benefit of practical experience. Those new laws usually do not work as well as expected. As a result, FAO recommends that countries take an incremental approach and introduce land consolidation in phases.

A first step is the introduction of pilot projects. A pilot project in a community may serve a number of objectives, for example:

- To design and test approaches that can be used in a long-term programme;
- To identify issues that must be addressed (some problems will be uncovered only when the pilot project is underway);
- To allow people to get experience with practical aspects of land consolidation;
- To have the community serve as a successful model for others.

A successful pilot requires strong collaboration between all the parties: the Ministry, the local municipality and community where the pilot is located, and the team of national consultants.

The pilot projects are a learning experience. Learning the lessons requires a commitment to spend time analyzing the results of the pilot. The lessons provide practical guidance regarding the problems to be addressed in the national strategy and the subsequent changes to the legal and organizational framework. It is important to learn the lessons well in order to avoid mistakes when preparing new legislation. The Armenian and Serbian pilots were conducted in parallel with the preparation of the national strategies, and the experiences on the ground were fed into the work on the strategies. In Lithuania, the preparation of the strategy benefited from the experience of projects co-funded by the EU as well as the pilots conducted earlier.

A pilot project thus lays the foundation for a long-term programme of land consolidation. Such programmes require stable funding and the EU has provided a common framework for co-funding the land consolidation activities of its members, initially with the European Agricultural Guidance and Guarantee Fund (EAGGF) for 2000-06, and now with the European Agricultural Fund for Rural Development (EAFRD) for 2007-13.

Countries can move relatively rapidly from initial land consolidation activities to a full programme. In 2002, the Czech Republic was one of the few countries to use SAPARD funding for land consolidation. This experience of using EU structural funds helped the country to become an early user of EAGGF when it joined the EU. In preparation for EAFRD, the Czech Republic conducted a number of conferences across the country in 2005-06 to familiarise the agricultural public with the new programme. The consultation showed that comprehensive land consolidation was one of the most preferred measures. The need for land consolidation was also reflected in the country's National Strategic Rural Development Plan for 2007-13. Land consolidation is included in the Czech Republic's Rural Development Programme for 2007-13 within Axis I, priority I.1. (Modernization, innovation and quality), measure I.1.4 (land consolidation). An amount of €28.3 million is set aside annually²

Lithuania also moved rapidly to a fully-fledged programme. Lithuania's first experiences with land consolidation came through two pilot projects supported by Denmark (2000-01; and 2002-03). In 2004, a new law on land was adopted, and this law sets out the provisions for land consolidation. Lithuania had not applied for SAPARD funding for land consolidation, but upon accession to the EU it took the opportunity to include land consolidation in its Single Programming Document of 2005-06. This allowed Lithuania to obtain co-funding from EAGGF for 14 projects. The first applications were received from landowners in October 2005. Lithuania submitted applications for EU funding in April 2006 and funding support was allocated a few months later. The land consolidation planners for the projects were selected, and the projects started in early 2007. The experiences of these projects will be analysed before proceeding with the land

² Jiri Trnka and Jana Pivcova. "The situation of land management and reparation in the Czech Republic". 2005 FAO Prague Regional Workshop on Land Consolidation; Jana Pivcova. "Land consolidation in the Czech Republic and support from EU Funds in 2007-13". 2007 FAO Prague Regional Workshop on Land Consolidation.

consolidation activities identified in Lithuania's Rural Development Programme for 2007-13. The financing through EAFRD for more projects is foreseen in measure I.8 (Improvement of rural infrastructure), sub-measure "land consolidation". The total support identified is €16.16 million.³

The experiences of the Czech Republic and Lithuania show that it is possible to make rapid progress in developing a long-term programme if people in a country identify opportunities at an early stage, and ensure that the necessary steps are taken to launch the programme. Conditions in Croatia are favourable for establishing a long-term programme. Croatia is now building a good foundation with the pilot project supported by Sweden. As a candidate country, Croatia can benefit from IPA, and particularly its rural development component (IPARD) which allows for EAFRD-like pilot projects and LEADER-like activities. Upon accession to the EU, Croatia will be eligible for co-funding from EAFRD.

It can be possible for Croatia to follow the examples of the Czech Republic and Lithuania. To do so will require a vision of how land consolidation should be used as a tool of rural development and a commitment to action, allowing that vision to be transformed into reality. An early step should be to spend time and effort on a thorough and thoughtful analysis of the pilot project in order to minimize mistakes when preparing new legislation, procedures and organizational structures.

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³ Vilma Daugaliene. "Preparation for land consolidation in Lithuania". 2005 FAO Prague Regional Workshop on Land Consolidation; Vilma Daugaliene. "Recent developments in land consolidation in Lithuania". 2007 FAO Prague Regional Workshop on Land Consolidation.