

Activities Related to Land Consolidation Characteristics in Georgia

Tea Dabrundashvili

National Agency of Public Registry of The Ministry of Justice

1. Introduction

The territory of Georgia covers 6950 thousand hectares, of which 3020 thousand hectares (44%) are agricultural land. The remaining area (57%) is covered by forests, urban settlements and other uses. 942 thousand hectares of state owned land were transferred into private ownership free of charge. 762 thousand hectares of privatized land were suitable for agricultural use, which amounts to about 25% of the country's total farmland. 2256 thousand hectares of agricultural land (75%) remained in state ownership, out of which 940 (31%) thousand hectares are currently leased.

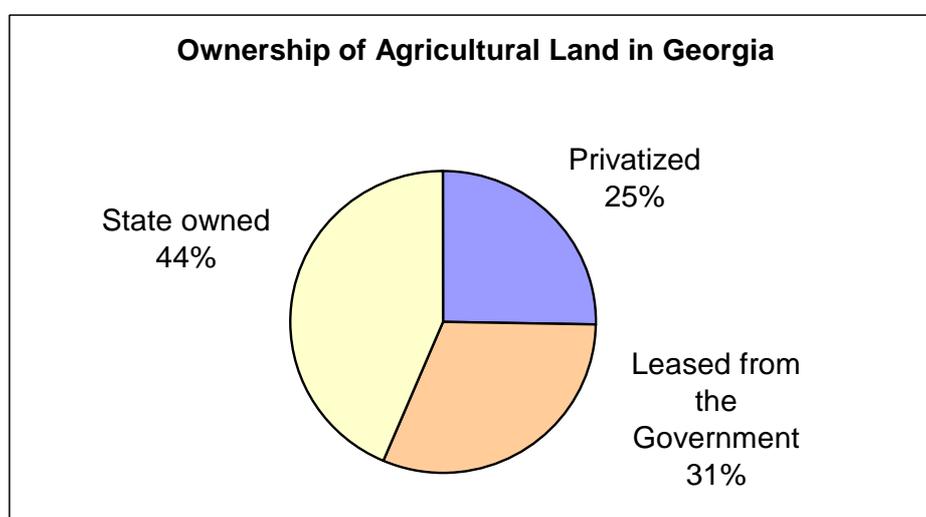
2. First Stage of Land Privatization

Starting in January 1992 the Georgian Government privatized approximately 25% of agricultural land, as an urgent measure in response to poverty and hunger. The land reform process was carried out according to three categories:

- Citizens who were directly involved in farming had the right to receive 1.25 hectares of land per household.
- People who lived in rural areas but were not involved in farming (working in education, culture, public health etc.) had the right to 0.75 hectares.
- People from urban areas had the right to 0.25 hectares.

The land that was owned by individuals (subsidiary household plots) prior to land distribution was counted as part of the 1.25 hectares. In some areas, especially in western Georgia, the available land in the vicinity of the settlements was not sufficient to cover the demand according to the above categories. Thus, in fact, many households received less than the specified 1.25 hectares.

Figure 1:



As a result of this massive transformation process 1,055,000 Georgian families - an estimated 4 million citizens - have become owners of small land parcels, with an average 0.9 hectares per household.

The land was allocated so that each family was given approximately 4 to 5 land parcels located in different areas. This has led to the fragmentation of privatized land throughout Georgia.

As a result land fragmentation occurred. This phenomenon in combination with unfavourable general conditions for agricultural development and economic investment, i.e. the unfavourable credit system, the land taxation system, the lack of a proper land valuation system, the land market situation and the devaluation of market prices for agricultural products, has thrown Georgia back to being a poor, subsistence oriented agricultural society. Furthermore, spatial planning and land management are poor. Decision-makers from both the public and private sectors are faced with limited possibilities and alternatives for the allocation of resources. This hampers the implementation of rural regional development policies, strategies, programs and projects aimed at improving rural livelihoods.

Consolidation and re-allotment of plots and parcels, together with the establishment of clear and transparent ownership rights, is a strategy to overcome the above problems and can eventually lead to increased food security and the alleviation of poverty. However, land consolidation in Georgia needs to go way beyond the re-allotment of plots and has to take into account other urgent needs in the development of rural areas, i.e. village melioration and infrastructure planning, for which spatial planning on a higher level may provide the framework.

Although the fact that 44% of land is in state ownership might at first glance indicate that land is available (see Figure 1), the actual situation is that the “valuable” land in the vicinity of villages is either privatized or leased, so that not much reserve land is available in the agriculturally important areas. It also needs to be remembered that over 60% of the country consists of mountainous regions, which is reflected in the large area designated as pasture.

Besides that, since only registered rights can be officially sold, leased or used as collateral, the Law on Land Registration is the most important basis for measures related to land consolidation procedures as long as no separate legal act on land consolidation is available.

On the basis of the all above mentioned a number of efforts have been successfully implemented with regard to the registration of land and the land cadastre. Subsequently a number of donor funded projects have made progress with aerial photography, mapping, cadastre software, database development and registration of land titles, thus contributing to more secure land tenure in Georgia. The achievements of these projects as well as the established legal framework have created a sound base for further activities with regard to improved land management. In addition there is a need felt on the side of the Georgian Government to take action in this direction. However, a strategy for further implementation and an outline of the required steps in direction to Land Consolidation as well as the clear responsibilities still needed.

3. Pilot Projects as current supportive activities to Land Consolidation

a) *KfW Project*

The KfW project is mainly focusing on Cadastral maps, Land use / vegetation cover, relief, soil sustainability, landscape development. Creating Soil Atlas the project's Land Consolidation Component (LCC) considers backup the Georgian government to facilitate preparatory pre-conditions for Land Consolidation. The main goals of the LCC represent *supportive activities* to land consolidation and its rational use as well as facilitation to land market development throughout establishment of data base for the soil quality assessment (Soil atlases), agricultural land information accumulation, digitalization of information and access to information, printing out of digital valuation maps. The project task was also to focus on informing local governments and population about risks on soil and landscape degradation as well as about needs for protection, maintenance and development of natural resources due to provide stable land/soil development and support to effective land use.

b) *IRDC*

Besides the Governmental and donor attempts for Land Consolidation supportive activities has been provided by such a NGO as International Regional Development Center (IRDC). The overall objective of the IRDC was to facilitate improvement of economic situation in rural area of the conflict area (compactly populated by the IDPs) through the comprehensive approach on the pilot territory. In this regard as a supportive measure to Land Consolidation are considered community mobilization, improved infrastructure, assistance to farmers in preparation of business development plans, granted technical and material support.

The IRDC pilot project assisted farmers to expand their farms and to stimulate consolidation process through a good public awareness. The latter was provided with a focus on enhanced benefits of farmer's cooperation, parcel exchange for larger plot farming, leasing due to have economically more effective and viable farming and therefore facilitate access to credit.

The IRDC experience showed there were problems farmers facing in the process of consolidation: 1) most of them owned land taxes accumulated for years and 2) transactions were rather difficult to register and make it legal;

4. Second Stage of Land Privatization

The land reform process has already arrived at the second phase of privatization of the remaining state owned land, what could be deemed as a better basis in terms of supportive activities for Land Consolidation.

In consideration of the already mentioned results caused by the first phase of privatization/land distribution, need were for elaboration of tentative legal framework due to avoid fragmentation and provide economically effective and viable land plots for farming.

The recently passed law (July 8, 2005) on privatization of agricultural land existing in state ownership seeks not to increase the fragmentation and makes easy for farmers payment as well as registration procedures. It is significant to outline some particular aspects in this direction:

- Addressing the issue of the minimum parcel size it stipulates to “Select land areas for privatization and dividing them into land parcels of optimal size (parcels of no less than 3 hectares. This restriction does not apply if the area of the land parcel is naturally smaller than 3 hectares)”
- During privatization of leased land through direct sale, the purchase price equals ten times the annual base rate of the agricultural land tax (which is very low price approx. US\$150-200 per ha)
- Lessee can pay the purchase amount at once or in installments, in course of 9 years.

However, some constrains in this process still occur, namely, tax department requires to be met all previous tax debts before registration. Due to regulate and simplify this obstacle a new decree is under elaboration.

The role of the National Agency of Public Registry to support the progressive and smooth operation of Land Consolidation pre-conditions is significant. According to the *Article 8* on Survey and Depiction of Land Parcels formulates: “Survey, depiction and preparation of cadastre maps for non-leased privatization land parcels are implemented by local self-governance agencies using the information existing in respective territorial services of National Agency of Public Registry. Respective territorial services of National Agency of Public Registry provide accessibility to their information.

Besides the above mentioned, the procedures for the registration of the privatized land are significantly simplified.

5. Conclusion

The pilot activities facilitated detection of some constrains in the process of supportive activities for Land Consolidation. Consideration of the experience on the local level makes available the good basis for identification and well formulation of the key conditions for land consolidation procedures to be spread countrywide in the future.