

Recent developments in land consolidation in Lithuania

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1. BACKGROUND

1.1. Land reform

After Lithuania regained its independence on 11 March 1990, the Basic Provisional Law was adopted; this law specified that the economic system of the country is based on the private ownership. The beginning of the present land reform in Lithuania dates back to 1991, when the main laws regulating this process – the Law on the Procedures and Conditions of the Restoration of the Rights of Ownership to the Existing Real Property and the Law on Land Reform - were adopted.

The basis of this land reform is restitution of land ownership rights. Ownership rights were supposed to be restored to land, forests, water bodies, residential houses and economic-commercial buildings to the former owners and their successors who owned this land until 1940 in three ways:

- in kind;
- in equivalent;
- compensation.

The deadline for submitting applications for restitution of land ownership rights was set for 31 December 2001. Documents proving land ownership and kinship rights had to be submitted until 31 December 2001.

Restitution of land ownership rights is at its final stage although the most difficult cases for settling the applications remain. According to the Government Programme, restitution of land ownership rights should be accomplished by 2008.

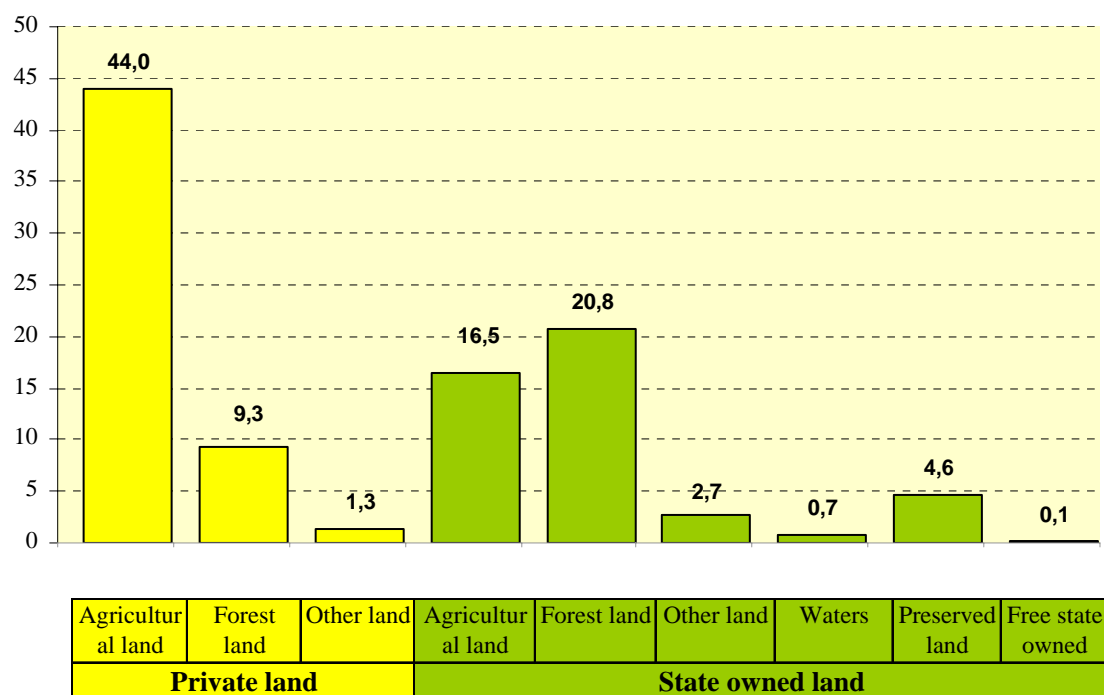
As of 1 May 2007, the total number of applications submitted for restitution of land ownership rights in rural areas was about 715 thousand to the total area of land amounting to 3.99 million hectares. Land ownership rights have been restored to 95.7 percent of land (3.82 million hectares). Thus land ownership rights have not been restored yet to 0.17 million hectares.

For the restitution of land ownership rights in cities 51.7 thousand applications were submitted for the area of 44 thousand ha of land. This process in cities is completed in 57.8 percent (25.5 thousand ha).

1.2. Land consolidation pilot projects

Though the restitution of land ownership rights was not finished, it became evident already around the year 2000 that the agricultural structures in Lithuania are small and scattered. According to the state land cadastre, average area of registered land parcel used for agricultural activities makes 3,3 ha, average size of land parcel belonging to one owner makes 6,3 ha, average area of private household plot – 0,8 ha. Average size of the farm – 12,3 ha, while the majority of the farms is in the group below 5 ha.

**Distribution of Land according to the Ownership Forms
(in percent)**



This was the precondition to look for the new instruments of future land management in Lithuania.

As in many countries, land consolidation was seen as a relevant instrument to test, therefore with the assistance of Danish colleagues the **first land consolidation pilot project** was started in September 2000. The main goal of this pilot action was to introduce the Danish way of implementing land consolidation and to perform this in Lithuania with the main objective to improve agricultural structures, and also to support the relevant legal basis drafting process. The project area was 392 ha with 79 landowners and 46 ha of free state owned agricultural land. This pilot project which ended in December 2001 was organised on the voluntary principle, so only 19 landowners have participated and they exchanged 86 ha of land.

The **second pilot project** started in October 2002 and was finished in December 2003. This project was titled “Land consolidation – a tool for sustainable land development” and project partners were the same as in the first project. Though this second project was more complex and it aimed not only to test land consolidation as a tool for improvement of agricultural structures, but also as a tool for territorial planning in order to achieve different goals of rural development, as well as to test how land consolidation could be used for public infrastructure projects. Therefore 3 different project areas were chosen and wider range of relevant institutions, possible actors of land consolidation were involved. This pilot project aimed at testing land consolidation as participatory and integrated tool for the development of rural areas.

It is necessary to mention that these pilot actions were carried without existing legislation for land consolidation, e.g. in line with the land reform. This made the pilot actions more complicated, but on the other hand there was a good possibility to introduce opportunities of land consolidation to various interest groups (politicians, decision-makers, local governments, rural communities, individual landowners) to start public awareness of this process that was new to Lithuania.

2. Legal basis for land consolidation

The **Law on Land** adopted on **January 27th, 2004** is the primary general law on the regulation of ownership, management and use of land in the Republic of Lithuania. This law contains the main institutes of land legislation:

- private land ownership right;
- state land ownership right;
- common land ownership right;
- land servitudes and other restrictions of ownership rights;
- land transactions;
- certain types of land use right;
- state regulation of land relations;
- state land management process;
- responsibility for violations of land rights;
- investigation of land disputes.

The **9th Chapter** of this law sets main provisions for land consolidation in Lithuania. According to the law, **land consolidation is defined** as *a complex readjustment of land parcels when their boundaries and location are changed according to a land consolidation plan prepared for a certain territory, with an aim to enlarge land parcels, to form rational land holdings of farms and to improve their structure, to establish necessary infrastructure and to implement other goals and tasks of the agricultural and rural development as well as environment protection policy.*

Certain **main provisions regarding land consolidation** are enacted in the law:

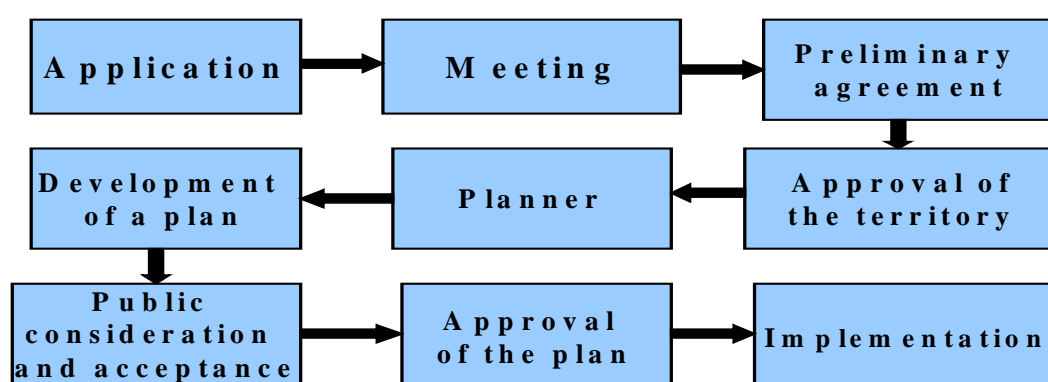
- County Governor is responsible for the development of a land consolidation plan;
- Landowners shall file the applications to develop the land consolidation plan to the County Governor. Having established that at least 5 landowners wish to develop a plan in the same location and the area that is envisaged for land consolidation plan is no less than 100 hectares, the County Governor shall organise a meeting of owners of the land in this location;
- County Governor also selects the free state owned land parcels that should be included into the land consolidation planning procedure. These land parcels, as well as the private land parcels participating in the land consolidation planning process will participate on the exchange basis;
- The meeting provides grounds on the need to develop a land consolidation plan and specifies a preliminary area for a land consolidation plan;
- Land owners within a period of 1 month after the meeting shall conclude a preliminary contract of land consolidation where according to it they are committed

within 3 months after the approval of the plan to conclude a main contract of land consolidation;

- The executor of the land consolidation plan is being selected by the County Governor through the public tender procedure.

The Law on land foresees that land consolidation projects are part of special territorial planning documents which means that the general rules of territorial planning should be respected in the land consolidation process.

Land consolidation procedure



Detail provisions on the development of land consolidation plans are approved by the **Governmental Resolution No 697 of the 27th of June, 2005 on Approval of the Rules on Development and Implementation of Land Consolidation Plans.**

3. First land consolidation projects

The **first 14 land consolidations projects** in Lithuania according to the relevant legislation started in October 2005 in 4 counties where the restitution of land ownership rights was almost finished. According to the legislation, land consolidation project could be initiated by the landowners. This was the principle with the first land consolidation projects, though a lot depends on the activeness of land managers in the counties. Therefore we can say that in practice the first projects started on the initiative of the landowners, but with the active participation of land management administrations (on awareness basis). These projects could be treated as a big innovation in land management in Lithuania, even more that it includes a new process of absorption of EU funds for this activity.

In general, following steps and dates could be mentioned in relation to the development process of first land consolidation projects:

- | | |
|----------------|--|
| October 2005: | first applications by the landowners submitted; |
| November 2005: | preliminary boundaries of LC project area defined; |
| December 2005: | first meeting with the land owners organised; |
| January 2006: | preliminary Land Consolidation agreement signed; |
| January 2006: | boundaries of LC project area approved; |
| April 2006: | applications for EU funding submitted; |

August 2006: financial support allocated;
 December 2006: planners through the tender procedure selected;
 January – June 2007: development of LC plan and land valuation.

N o	District	Cadastral area	Area of land consolidation project (ha)	Number of participating land owners	Area of the free state owned land (ha)
<i>I. Telsiai county</i>					
1.	Telsiai	Degaiciai	670	44	5
2.		Luoke	338	20	14
3.	Mazeikiai	Zidikai	655	50	17
4.		Seda, Serksnenai	362	29	50
5.	Plunge	Sateikiai	145	15	30
<i>II. Marijampole county</i>					
6.	Šakiai	Griskabudis	482	74	3
7.	Vilkaviskis	Gizai, Keturvalakiai	607	34	4
8.		Gizai	199	8	-
9.	Marijampole	Patasine	181	24	-
<i>III. Taurage county</i>					
10	Jurbarkas	Jurbarkas	208	14	-
11	Taurage	Zigaiciai	133	12	1
<i>IV. Panevezys county</i>					
12	Kupiskis	Juodpenai	397	19	13
13		Adomyne	270	18	52
14	Pasvalys	Ustukiai	192	22	4
			4838	38	4 %

The main expectations of participants of these projects identified in the applications were:

- enlarged farm holdings and improved land tenures;
- shortened distances to the cultivated land parcels;
- identified areas where the land improvement is necessary;
- improved local road network.

4. Financing

Financing of the first land consolidation projects was provided according to the Lithuanian single Programming Document (SPD) of **2004-2006** (support from EAGGF Guidance section), under the IV priority “Rural development and fishery”, measure 4 “Promoting the adaptation of rural areas”, sub-measure “Land re-parcelling”.

A budget of 2,2 million EUR was foreseen for land consolidation projects as the public projects that are normally 100 percent financed from the EU (75 percent) and national budget (25 percent). Because of the delay with the preparatory works in terms of the process, as well as administrative rules for budgeting, applications submitted and support allocated made only 0,76 million EUR (34 percent of the budget available).

Financing of the next round of land consolidation projects is foreseen according to the Lithuanian Rural Development Programme for **2007 2013**, measure 8 “Improvement of Rural infrastructure”, sub-measure “Land consolidation”. Total support foreseen is 16,16 million EUR, financed from the EU (75 percent) and national budget (25 percent), and with maximum support per project of 400 000 EUR). It is expected that by 2013 the average size of farm in Lithuania will become 20 ha, there will be consolidated 108 thousand ha of land in the minimum number of land consolidation projects (40 projects) with an average size of the project area being 600 ha.

Beneficiaries of this support could be institutions, responsible for organisation of land consolidation projects. Eligible expenditure foreseen:

- Preparatory proceedings for land consolidation;
- Preparation of land valuation plan for land consolidation;
- Design of land consolidation projects;
- Public consideration and approval;
- Implementation of land consolidation project (including preparation of land consolidation agreement and legal registration of land parcels); Publicity measures;
- General expenditure (up to 10 percent of total eligible expenditure).

For the coming EU financial period any contribution from the landowners is not foreseen in the land consolidation projects, though there could be a need to contribute to the final implementation of the land consolidation plan, e.g. construction of roads, maintenance of drainage systems, etc. Contribution could be available from the other Rural Development Programme measures, other EU funds, as well as from private means.

5. Nearest future of land consolidation

During the recent years Lithuania is active in international cooperation. Last year we have finished a short term (6 month) project “Methodological guidance to impact assessment in land consolidation process” which was carried out together with the Governmental Agency for Land and Water Management (DLG), Netherlands. At the moment we participate in two big international projects:

- FARLAND: “Future Approaches to Land Development” (June 2005 – December 2007);
- FAO TCP “Support to the preparation of an operational land consolidation system in Lithuania” (January 2006 – October 2007).

These projects are very valuable and important for Lithuania in order to prepare for large scale land consolidation. Through exchange of experience with numerous international experts, the circle of Lithuanian land consolidation experts also grows. At the same time in accordance with the Governmental Programme a **National Land Consolidation Strategy** is being prepared. The **overall objective** of this strategy is to create the assumptions and foresee the measures for successful land consolidation so as to ensure the rational use of land in rural residential areas and allow complex solving of the needs of the state, public and individuals. **Specific objectives** are:

- to ensure the relation of land consolidation with the rural and regional development;
- to create conditions for optimisation of the land consolidation process.

In the framework of the Strategy, a public awareness programme is being prepared, and also guidance for education and training regarding land consolidation is being developed.

The Strategy is at its final stage of development and in the nearest future will be circulated to the relevant governmental and non-governmental institutions for their comments. After that in the autumn of 2007 it will be submitted to the Government. Upon approval of the Strategy, certain changes in the existing legislation for land consolidation (regulating the process itself, its coordination with the other development processes, including the administrative and institutional issues) should be introduced. We expect that the second round of land consolidation projects in Lithuania should be started according to the improved legislation and it should be more efficient, flexible that every participating landowner, as well as the other institutions involved should be convinced with the benefits of land consolidation. The beginning of land consolidation is a very sensitive issue in Lithuania, where people just recently became private landowners and look to the newly suggested developments a little bit reserved.