

Land Banking in Lithuania

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Background and history of land banking in Lithuania



- Land reform is unfinished, but it is estimated that about **500 thousand ha of free state-owned land** will remain;
- **The need for establishment of the LF is widely recognised;**
- Establishment of the LF is a **sensitive political issue.**

Directions of Government Programme

- The new **Government Programme (linked to Land Fund);**
 - 409: establish State Land Fund incl. transfer of functions of counties
 - 434: re-assessment of land restitution
 - 435: terminate land restitution
 - 441: revitalise land management
 - 436: reconsider legal acts on land management
 - 443: programme for abandoned land
 - 445: change institutional basis to abolish common proprietorship of the same land lot
 - 515: prepare legal basis for implementation of public infrastructure related to land consolidation

National land consolidation strategy

- Prepared by FAO TCP project „Support to the preparation of an operational land consolidation system in Lithuania“ team (January 2006 – June 2007) with the support of INTERREG III C programme project FARLAND: „Future Approaches to Land Development“ (June 2005 – December 2007);
- approved by the Governmental Resolution No 81 of the 23rd of January, 2008
- **Overall objective:**
 - 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:**
 - To ensure the relation of land consolidation with the rural and regional development;
 - To create conditions for optimisation of the land consolidation process.

Implementation of the National land consolidation strategy: actions for 2008 – 2013

(linked to Land Fund)

- **a study on the development of the Land Fund** should be prepared until 2009;
- Land Fund should be established until 2012.

Study on the development of the Land Fund

- **Lithuanian Land Fund Study** - “Evaluation Study on the Impact of the Land Fund on the Activity “Land Consolidation” under the Measure “Infrastructure Related to the Development and Adaptation of Agriculture and Forestry” of the Rural Development Programme of Lithuania for 2007-2013” **prepared** at the end of 2009 by Van Hall Larenstein (part of Wageningen UR), University of Applied Sciences.

Study on the development of the Land Fund (1)


- **Several scenarios** of the Land Fund were elaborated:
 - **Model 1:** Integration of the Land Fund in an existing state institution (National Land Service)
 - **Model 2:** Integration of the Land Fund in an existing state enterprise (State Land Survey Institute)
 - **Model 3:** Integration of Land Fund tasks in municipalities

Study on the development of the Land Fund (2)

- Referring to the evaluation results two models fulfill sufficiently the criteria. These are:
 - **Model 1:** Integration of the Land Fund into the **National Land Service**
 - **Model 2:** Integration of the Land Fund into the **State Land Survey Institute**
- Model 3 in the opinion of the team, has too many disadvantages. In comparison with the
 - other models, it faces problems with efficiency and transparency and in most other
 - criteria this model scores equal or lower than the other models.

Study on the development of the Land Fund (3)

- There is a possibility to take a look in our (National Land service under the Ministry of Agriculture) internet site <http://www.nzt.lt> at a English version of study report on Lithuanian Land Fund.



The approach/system applied in Lithuania

- **Chosen Model 2: Integration of the Land Fund into the State Enterprise State Land Survey Institute**

State Enterprise

- State Enterprise:
 - belongs to the State by the rights of ownership;
 - manages, uses and disposes state property assigned to it or acquired by it on the basis of the right of trust.
- Ministry of Agriculture implements its ownership rights in the State Enterprise State Land Survey Institute and State Enterprise State Land Fund

Law on Land amendment

- Prepared amendment of governmental resolution to change State Enterprise title from **State Land Survey Institute** to **State Land Fund**
- New proposals of draft laws in our parliament (Seimas) regarding to a transfer land management functions from county governors to NLS, and an establishment of State Land Fund;
- Parliament approved – 2010-05-21;
- President put veto – 2010-06-09;
- Parliament accepted veto – 2010-06-18.

Achievements and problems



Trustee of state land (1)

- According to Law on Land amendment from 1st July 2010:
 - Trustees of state land will be:
 - **National Land Service** of the free state land;
 - **State Land Fund** of the free state land parcels involved in territory of land consolidation project or by State Land Fund (in a name of state) purchased land parcels from private persons for the implementation of State Land Fund functions related to improvement and reduction of abandoned land.

Trustee of state land (2)

- National Land Service decides which free state land parcels should be involved in land consolidation project and only then takes a decision to transfer state trust rights of these parcels from National Land Service to State Land Fund

Present tasks of State Land Survey Institute

- Involved in operational tasks related to:
 - - Land management and land reform: 53%
 - - Land cadastre and geodesy: 15%
 - - Cartography and GIS data bases: 5%
 - - Soil valuation and real estate valuation: 7%
 - - Territorial planning, environmental protection and landscape planning: 15%
 - - Cadastre of 'melioration', land expropriation and others: 5%

All activities (except the Cadastre of melioration) are carried out on commercial basis in open competition with market forces.

Functions of State Land Fund related to land consolidation

- State Land Fund is responsible for the development of a land consolidation project;
- Landowners shall file the applications to develop the land consolidation plan to the State Land Fund. 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 project is no less than 100 hectares, the State Land Fund shall organise a meeting of owners of the land in this location;
- The meeting provides grounds on the need to develop a land consolidation project and specifies a preliminary area for a land consolidation project.

Other functions of State Land Fund

- Collection of data on land fund conditions, execution of monitoring land resources;
- Conducting of land information system;
- Implementation of measures related to improvement shape of land parcels and reduction of abandoned land;
- Pursuing auctions for selling or renting free state land.

Problems (1)

- **Measure 8 “Improvement of rural infrastructure”**
- **Beneficiary:** institution, responsible for organisation of LC projects;
- **Eligible expenditure:**
 - 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.

(preliminary budget of 16,16 million EUR)

Problems (2)

- State enterprise State Land Fund is responsible for the development of land consolidation project so:
 - State Land Fund can't participate in implementation of land consolidation project as planner or estimator of land valuation plan.
- According to Rural Development Programme 2007-2013 financial support is not available for administration of land consolidation projects;
- State Land Fund gets new tasks (organising the land fund, abandoned land management measures, land consolidation) but will not get any financial support from the state budget as it is not foreseen to support state enterprises;

Problems (3)

- Integration of Land Fund tasks will require an overall reorganization, a new legal basis and reformulation of the statutes;
- Structure of State Land Fund should be extended to all counties;
- The existing staff should be reorient or changed as it lacks of capacity on performing public administration functions:
 - administration of land consolidation projects;
 - guiding of land fund instruments;
 - implementation of abandoned land management measures.

The bottlenecks and problems experienced and the lessons learnt and recommendations out of this



The bottlenecks and problems experienced

- Decision to choose Model 2 (to integrate State Land Fund in to State Enterprise) was made under the influence of politicians;
- There is no any extra finances for implementation new tasks;
- There is no capacity to start developing land consolidation projects straight after 1st of July.

The lessons learnt and recommendations out of this

- Right chosen time (reorganization of land administration system) for establishment of land fund;
- Lack of time for preparation for implementation new tasks – Law on Land amendment was approved only on 18th of June.

