

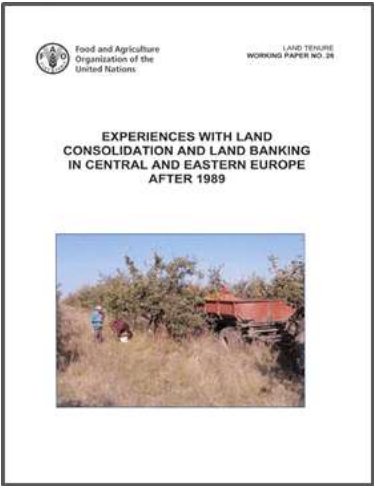
Experiences with land consolidation and land banking in Central and Eastern Europe after 1989



LANDNET Workshop

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Experiences with land consolidation and land banking in Central and Eastern Europe after 1989



Most countries in Central and Eastern Europe suffer from structural problems in agriculture
- land fragmentation and small farm sizes



Land fragmentation in Terbuf Municipality, Albania

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The 25 study countries in Central and Eastern Europe

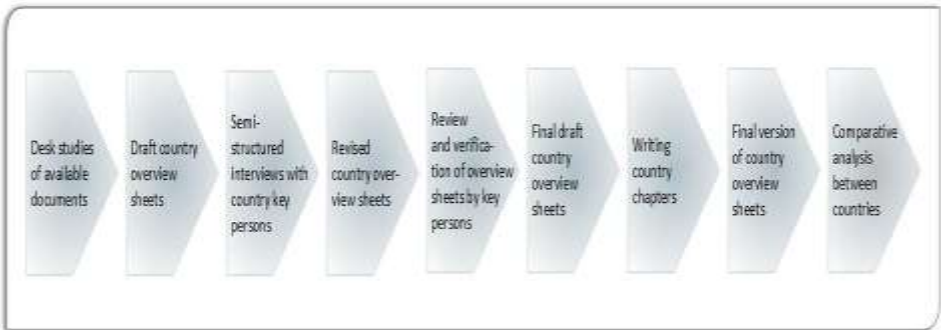


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Methodology and work process in study behind working paper:



**In total 29 semi-structured interviews with 41 country key persons
Follow up by more than 550 emails**

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Land reform approaches applied in CEE after 1989:



6 approaches identified:

Restitution:

- Restitution
- Withdrawal
- Compensation
- Privatization through sale

Distribution:

- In physical parcels
- In paper land shares

Historical justice versus equity in all CEE countries

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Current level of land fragmentation in CEE:

- Medium or highly fragmented land ownership in all countries except in Belarus, Ukraine and Russia.
- In Poland and ex Yugoslavia land ownership is not fragmented because of the recent land reform.
- Land use fragmentation is excessive in all 7 countries where state land was distributed in physical parcels.
- In Czech Rep. and Slovakia (restitution), ownership fragmentation and co-ownership is extreme but land use fragmentation low.
- 15 of 25 countries have high level of both ownership and land use fragmentation.



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Current level of ownership and land use fragmentation in Central and Eastern

Region	Country	Level of fragmentation of ownership in agricultural land	Level of fragmentation of land use in agricultural land
Baltic countries	Estonia	Medium	Medium
	Latvia	Medium	Medium
	Lithuania	Medium	Medium
Central European countries	Czech Republic	High	Low
	Slovakia	High	Low
	Hungary	High	Medium
	Poland	Medium-high	Medium-high
	Eastern Germany	Medium	Low-medium
Balkan countries except former Yugoslavia	Albania	High	High
	Romania	High	High
	Bulgaria	High	High
Former Yugoslavia countries	Slovenia	High	High
	Croatia	High	High
	Serbia	High	High
	Bosnia-Herzegovina	High	High
	Montenegro	High	High
	Macedonia	High	High
	Kosovo	High	High
Western CIS countries	Moldova	High	Medium-high
	Ukraine	Low-medium	Low
	Russian Federation	Low	Low
Trans-Caucasus countries	Belarus	Low	Low
	Armenia	High	High
	Georgia	High	High
	Azerbaijan	High	High

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The need to address the structural problems after land reform has been recognized:

- So far 20 of the 25 study countries have since the beginning of transition recognized the need to address the structural problems in agriculture (land fragmentation and small holding and farm sizes).
- Land management instruments such as land consolidation and land banking have been introduced.
- FAO has supported the process by providing policy guidelines, implementing field projects and organized 15 workshops between 2002 and 2014 (LANDNET).

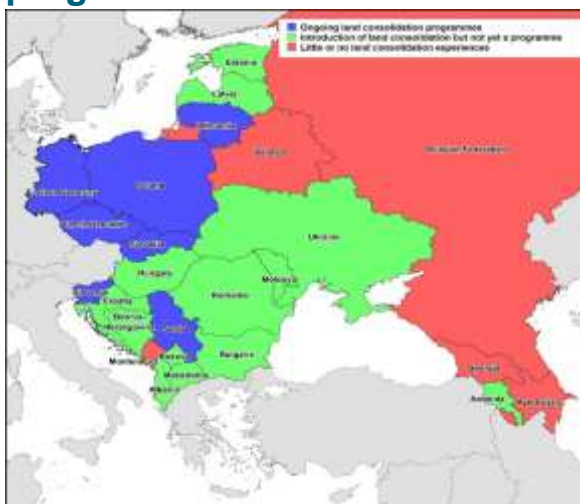


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Status of development of land consolidation programmes in Central and Eastern Europe:



- 7 countries with ongoing land consolidation programmes
- In 13 countries land consolidation introduced but not yet a programme
- 5 countries with little or no land consolidation experience

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Minimum requirements for having a land consolidation programme:

1. Land consolidation embedded in the overall land policy of the country
2. A legal framework for land consolidation has been adopted
3. A public lead agency for land consolidation has been established
4. Secured funding on an annual basis
5. Technical and administrative capacity developed



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Land consolidation approaches in the 7 programme countries:



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Land consolidation programme countries (1/2):

Driving factors behind introduction of land consolidation fall in two sub-categories:

- Wish to address structural problems and increase productivity (land use) in Poland, Slovenia, Lithuania and Serbia.
- Focus on land ownership and building up of land administration systems in Czech Republic, Slovakia and partly Eastern Germany but also the wish to establish land management tool for local rural development (Plan of Common Facilities).



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Land consolidation programme countries (2/2):

- The EU member countries fund land consolidation programmes through the Rural Development Programmes.
- EU accession has turned land consolidation instruments more friendly towards nature and environment.
- The potential to facilitate structural development (purchase of additional land) is not reached in compulsory land consolidation projects.



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CEE countries with land consolidation experience but not yet a programme:

- Driving factors behind introduction of land consolidation has mainly been wish to address land fragmentation and improve productivity.
- More than 50 international technical assistance projects on land consolidation in CEE since early 1990s.
- Focus is shifting from support to pilots to preparation for programmes.
- The road from the first land consolidation pilot to an operational programme is often not straight forward.



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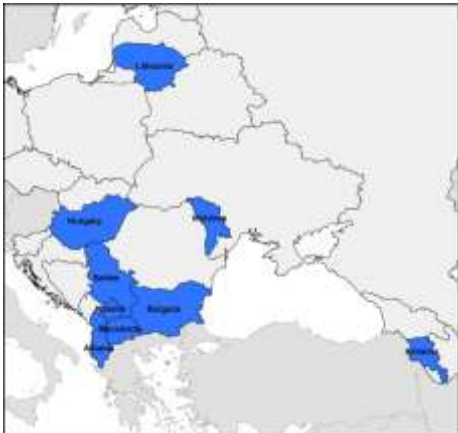
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Donor funded international technical assistance has funded land consolidation pilots and developed national land consolidation strategies:



Pilots implemented (15 countries)



Strategies developed (9 countries) 15

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Five more CEE countries are coming close to having operational land consolidation programmes (status December 2014):

	Land consolidation embedded in country land policy	Legal framework for land consolidation adopted	Lead agency for land consolidation established	Technical and administrative capacity to implement land consolidation projects and manage programme	Secured funding at least 2-3 years ahead
Latvia		(✓)	✓		
Bulgaria	✓	✓	✓	✓	
FYR Macedonia	✓	✓	✓		
Croatia		(✓)	✓		(✓)
Kosovo	✓	✓	✓		✓

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Five more CEE countries are coming close to having operational land consolidation programmes (status December 2014):

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Land banking has so far largely failed in CEE (1/2):

- None of the seven programme countries have established land banks in support of their land consolidation instruments.
- Most countries in the region have plenty of “free” state agricultural land after land reform (in Lithuania 400,000 ha).
- Failure in overall land policy and lack of coordination between land consolidation agencies and agencies managing state agricultural land.

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Land banking has so far largely failed in CEE (2/2):

- Land consolidation projects, especially those with a voluntary approach, are often hampered by low land mobility in CEE.
- Need for policy guidelines and practical experiences in a CEE context with combination of land banking and land consolidation.



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Thank you very much!

Land Tenure Working Paper 26 can be downloaded from: <http://www.fao.org/3/a-i4352e.pdf>



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