

## **Land Consolidation in Armenia: Progress Made**

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### **1. Current situation**

The privatization of land in Armenia, which started in 1991, was based on principles of social justice and incorporated both qualitative parameters and types of land. The process transformed approximately 900 collective and state farms into about 337,906 peasant farms. The average size of the newly formed farms is about 1.2-1.4 hectares, which is fragmented into 2-4 parcels and the distances between parcels sometimes exceed 10 to 15 kilometres. Such small and fragmented land parcels are rather social than production factor for villagers.

The privatization process was implemented very rapidly and brought benefits to Armenia, but today such small and fragmented land parcels are impediments to rural development. They do not give an opportunity for farmers to increase land use efficiency, develop the agricultural sector and accordingly they are a serious obstacle for rapid development of agricultural land market in Armenia.

### **2. Land consolidation pilot project in Armenia**

#### **2.1 General**

In response to the problems described above, the State Committee of Real Property Cadastre of the Government of the Republic of Armenia, with the support of the Food and Agriculture Organization of the United Nations, initiated a land consolidation pilot project. The project duration is 24 months and will conclude in November 2006. It introduces land consolidation on a voluntary basis. The planned outputs of the project are:

***At the national level:***

1. Land consolidation concept paper and strategy.

***At the field level:*** Practical experience in land consolidation is being gained through field activities in Nor-Erztnka community of Kotayk marz (county), which include:

2. Assessment of needs and public awareness campaign.
3. Elaboration of community area development plan (land use scheme).
4. Practical implementation of land consolidation by using community-owned land.
5. Training and capacity building on land consolidation process.

#### **2.2 Implementing activities and outputs**

***For elaboration of land consolidation strategy in Armenia there were:***

1. Implemented detailed baseline analysis and survey of macroeconomic situation, land use, social conditions, structure of land use and economic situation in agriculture,

environmental conditions, legislative and legal grounds of land use, existing potentials and impediments of land consolidation in Armenia.

2. The draft of a land consolidation concept paper based on analysis and experience gained in the project was developed as well, which contain proposals aimed to solve the below mentioned tasks:
  - Legal regulation of land consolidation process.
  - Introduction of mechanisms to stimulate the participation of land owners in the land consolidation process.
  - Enhancement of mechanisms and approaches for land consolidation by taking into account the different characteristics of regions.
  - Definition and subdivision of activities and competences of land consolidation implementing and managing institutions.
  - Planning of effective land use (area development planning) by promoting land consolidation.
  - Increase of capacity building and public awareness.
  - Improvement of agricultural land market valuation mechanisms.
  - Development of community land management mechanisms, which will promote land consolidation.
  
3. The land consolidation strategy, which is planned to be completed by 30 September 2006, will contain not only legal (drafts of law, government decrees, amendments in legislation) but also institutional, and organizational and projects proposals.

***For assessment of needs and increase in public awareness:***

- Explanatory works, interviews, discussions, etc with all available land owners were organized,
- The results of interviews were analyzed and summarized,
- In the pilot area 5 workshops with participation of land owners, representative of state agencies, county and community administration were organized, aimed to present and discuss the assessed needs, area development plan, principles of land consolidation, etc.

***The area development plan of the pilot community*** has been elaborated with taking into account:

- The local conditions, characteristics and development trends,
- The assessed needs,
- The opinions and comments of land owners, representatives of related state ministries, agencies, county and community administration, etc.
- The area development plan contains proposals such as:
  - Changes of land use (i.e. from grazing to orchards, etc)
  - Extension of inhabited areas,
  - Development of forest lines
  - Anti erosion activities
  - Development of areas for agro industry, summerhouses etc.

The area development plan (land use scheme) is planned to be approved by the Government (According to Armenian legislation) in September 2006.

***For improving the capacity to implement land consolidation there were organized trainings and seminars for:***

- Landowners in the pilot communities.
- Representatives of state, local, private and non-government organizations that can play a role in land consolidation activities.
- Students and trainers from educational institutions.

***Practical implementation of land consolidation.***

Based on the willingness of land owners the land consolidation is being implemented via:

- consolidation of a land owner's fragmented (3-4) parcels located in different areas into one farm;
- enlargement of small (not effective) land parcels of farms.

***Preparatory works of land consolidation:***

- Maps showing the soil quality, existing land use and ownership categories and a map of wishes which reflects the parcels of land owners who want to participate in land consolidation have been produced.
- Based on analyses of land purchase and sale transactions, qualitative parameters, discussions with land owners the area of the community has been divided into five different value zones, for which the average values and coefficients were calculated. All land parcels have been numerated by land owners. Value zones and identification numbers of land owners have been digitalized as well.

***Used mechanisms and principles of land consolidation:***

In land consolidation process the existence of community land was very important. In Armenia the second phase of land reforms has been started. In almost all communities, the state land has been transferred to the communities' ownership for future disposal. Community land is very useful for the exchange with private land parcels. The alienation of community land creates good opportunities for enlarging the sizes of land parcels.

In general the land consolidation activities included the implementation of the following steps:

- negotiations with land owners,
- valuation of land parcels involved in land consolidation,
- use of community land in consolidation process
- notary verification and state registration of agreements

From January 2006 the activities on negotiations with each land owner and signing of preliminary agreements have been started. At this moment from 250 available landowners approximately 100 have signed land consolidation preliminary agreements. The notary verification and registration activities started from March; more than 20 land consolidation transactions have already been registered. The deadline for negotiations is the 1st of July and the notary verification and registration activities will be continued until the end of September.

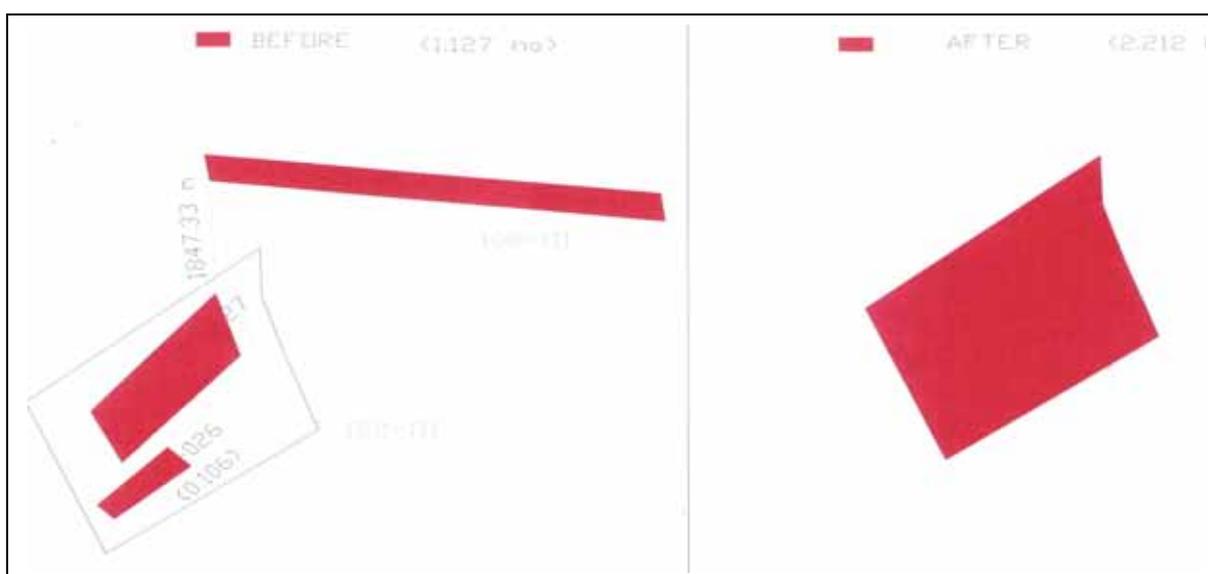
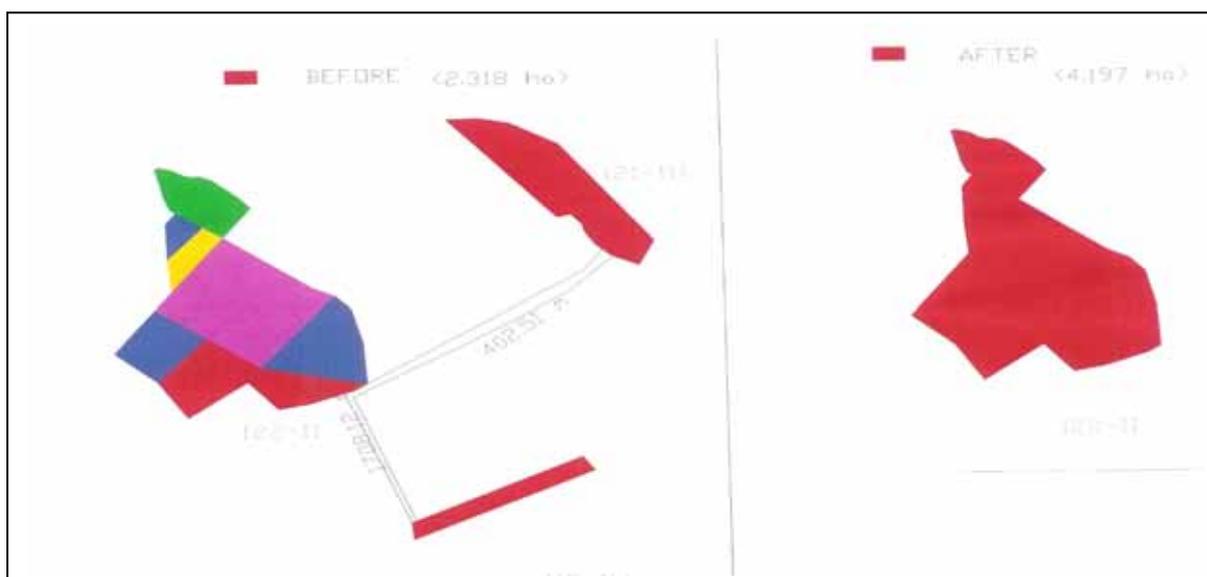
The mechanisms used for land consolidation implementation include:

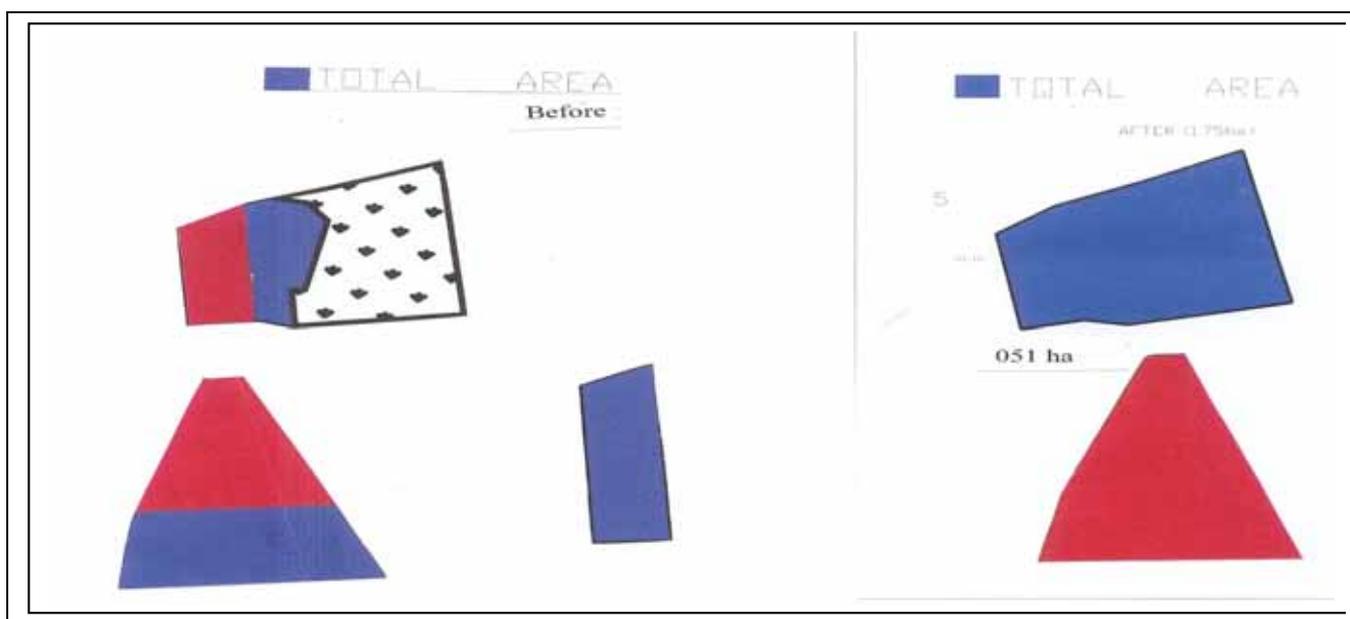
- Exchange of land parcels between land owners,
- Purchase, sell and donation between land owners,
- Exchange of private land with community land,
- Purchase of community land bordering the private land

- Lease of community land bordering private land

All land consolidation transactions are free from notary verification and state registration costs. According to the amendments in the Law on state duties the land consolidation transactions are free from state duties for notary verification and cadastral registration and fees for notary verification and cadastral registration services are covered from the project budget.

### Examples of land consolidation transaction in Armenia





The experience of the project shows that it is necessary to not simply adopt foreign models of land consolidation, but instead to improve and adapt them for use with the local conditions and characteristics of Armenia. The project has provided a base for the development of local solutions and Armenia is now ready to prepare for the implementation of land consolidation on a larger scale.