

Land consolidation and its nearest future in Lithuania

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1. LEGAL BASIS FOR LAND CONSOLIDATION

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.

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.

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.

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.**

2. FIRST LAND CONSOLIDATION PROJECTS

First 14 land consolidations projects in Lithuania with the average area of 300 ha and around 45 participating landowners according to the relevant legislation have 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 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 the EU funds allocated 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 the EU funding submitted;
August 2006:	financial support allocated;
December 2006:	planners through the tender procedure selected;
January – May 2007:	development of actual land use plans and land valuation plans;
May – December 2007:	development of LC plans;
January – May 2008:	state supervision procedure of LC projects;
January 2008:	6 LC projects approved by the County Governors;
May 2008:	8 LC projects approved by the County Governors;
May – June 2008:	LC agreements are being drafted.

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

- 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.

3. 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”. 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 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 (100 percent financed from the EU and national budget, maximum support per project – 400 000 EUR). It is expected that for the year 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 (average size of the project area – 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.

4. NEAREST FUTURE OF LAND CONSOLIDATION

In the recent years Lithuania was active in international cooperation. These projects were very valuable and important for Lithuania in order to prepare for future land consolidation.

In the year 2006 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.

In June of 2007 FAO TCP „Support to the preparation of an operational land consolidation system in Lithuania“ was finished, while INTERREG IIIC project FARLAND: „Future Approaches to Land Development“ has ended in December 2007.

During these projects numerous series of seminars, training courses were organised for different interest groups involved in land consolidation – starting with the politicians, employees of governmental institutions, planners, landowners and their associations. This raised awareness on land consolidation, also improved professional skills of planners and employees of administrations responsible for land

consolidation, as well as supported development of ongoing 14 land consolidation projects.

At the same time one of the most important legal acts for the future land consolidation in Lithuania was developed and approved by the Government in January 2008- **National Land Consolidation Strategy.**

Overall objective of this Strategy (it's foreseen for the period up to 20 years, but the intermediary revision will take place after 7 years, in 2015) 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 land consolidation process.

In order to start implementation of the Strategy, action plan **for the period of 2008 – 2013** was approved together with the Strategy. According to it, **following actions should be implemented:**

- existing legal provisions on land consolidation should be amended in order to make the instrument more simple and flexible for the achievement of general goals set in the definition of land consolidation (including simplification of land valuation procedure);
- institutional and administrative structures related to land consolidation should be reviewed and amended;
- new land consolidation projects should be initiated and implemented;
- administrative rules for financing of land consolidation projects from the EU budget should be developed;
- a study on the development of the Land Fund should be prepared;
- public awareness programme for land consolidation should be developed and implementation should start;
- demand of land consolidation specialists for improving their knowledge should be identified and training programmes should be elaborated;
- education courses should be launched.

5. LAND FUND

At the end of 2007 and international support to analyse the question of establishment of the Land Fund in Lithuania was provided and ended up with the written analytical report. This is really a very valuable analysis which will serve as the background document for a study on the establishment of the Land Fund (according to the Strategy).

It's necessary to underline that while land reform is not finished in Lithuania, it is difficult progress with the idea of establishment of the Land Fund, even though everybody recognises such a need. To add, this is also a very sensitive political issue which will not have a cleared view to the end of this year because of the elections to the Parliament in November 2008.

Three alternatives were analysed in the above mentioned report and two of them were suggested as the options for Lithuania:

- national;
- regional.

It's necessary also to mention that in the year 2009 certain changes in the overall land management are foreseen in terms of transferring more responsibilities to manage the land from counties (regions) to municipalities (self-governments). The practical results of this will also influence establishment of the Land Fund.

6. MONITORING, EVALUATION AND IMPACT ASSESSMENT OF LAND CONSOLIDATION

This issue was analysed in detail during the short-term (6-month) project "Methodological Guidance to Impact Assessment in Land Consolidation Process" between the Government Service for Land and Water Management (DLG) of the Netherlands and the National Land Service under the Ministry of Agriculture of the Republic of Lithuania in 2005 - 2006. **Main aims of the project were:**

- to develop a framework of procedures, methods and instruments regarding the environmental impact assessment in relation to land consolidation;
- to introduce a system for the performance of cost/benefit analysis regarding land reparcelling.

Environmental impact assessment starts with a screening procedure aiming at:

- identification whether the environmental impact assessment is obligatory for a particular proposed economic activity;
- assurance that environment protection issues are considered at the earliest stage of planning of the economic activity thus enabling to apply the integrated impact prevention measures instead of negative technical impact abating solutions.

The project has assessed general environmental impact caused by different economic activities. Both, positive and negative potential impacts have been described. In addition, a manual for planners has been prepared with a purpose to describe the procedures to be followed by land consolidation planners for the impact screening performance.

Cost/benefit analysis of land consolidation project can be a reliable tool for decision making regarding the project implementation and grounding of its financial resources. This project has intended to develop a relatively simple and accurate methodology for cost/benefit analysis and tools for its accomplishment.

Some farm models have been developed representing the range of farms within the project area with the same benefits from land consolidation. The models allow calculation on different levels:

- project level: using the average weighted data from all project area;
- farm level: using data on one farm.

Main factors of land consolidation considered in the calculation and its impact to benefits are:

- average weighted distance from a farm center to land parcels;
- improved shape of a parcel;
- increased size of a parcel;

- size of a household plot and percentage from total farm area.

Cost/benefit analysis can be a helpful tool in decision-making, especially in the future when land consolidation projects will become more complex and integrated what will call for a need to renew the calculation system.

These are the principles developed for Lithuania up to know, but not very widely and sufficiently applied yet. When the changes in the legislation will be developed in the nearest future (before the end of 2008), adoption of these principles will be also taken into consideration and simplified manuals for practitioners will be developed for the new land consolidation projects.