

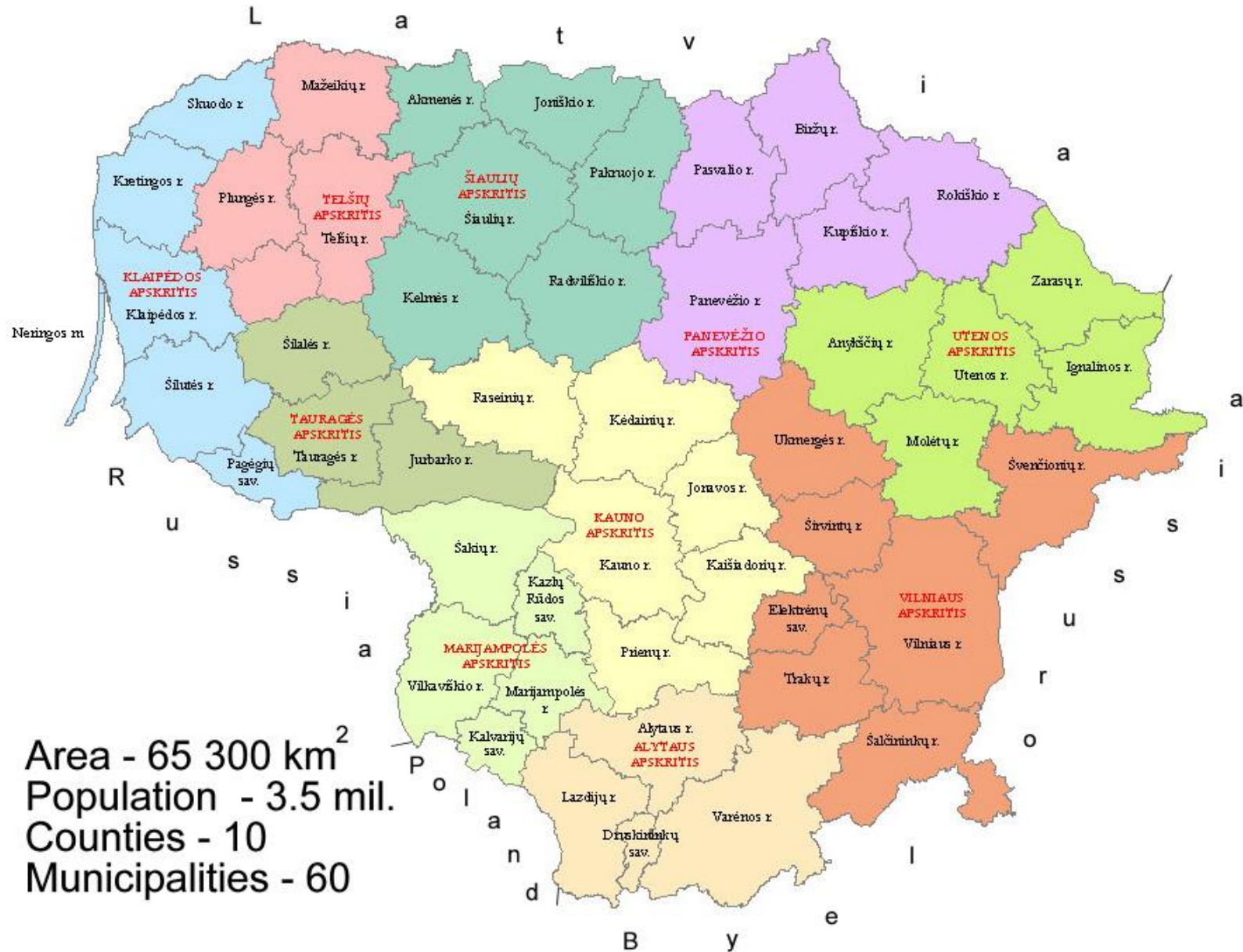


**PREPARATION
FOR LAND CONSOLIDATION
IN LITHUANIA**

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**Symposium on Modern Land Consolidation
Volvic (Clermont-Ferrand), France, September 10-11, 2004**

ADMINISTRATIVE STRUCTURE OF LITHUANIA



CONTENTS OF THE PRESENTATION

- **Land reform**
- **Agriculture and Rural Development**
- **Encumbrances for agriculture and rural development**
- **Main legislation regulating land consolidation**
- **Organisational structure**
- **Pilot projects on land consolidation**
- **Main legal provisions for land consolidation**

PRESENT LAND REFORM

- **Restitution of land ownership rights** started in 1991 with the purpose to completely rearrange land management system so that newly built land system would facilitate social and economic development of the country:
 - Land was restituted to the former owners and their successors in **three ways**:
 - **in kind**;
 - **in equivalent**;
 - **compensation**.
- **Sales and lease of the state owned land** is a part of the on-going land reform:
 - Agricultural land market became much more active recently:
 - **7,5 thousand natural persons submitted applications to buy over 65 thousand ha state owned agricultural land**;
 - **156 legal entities applied to buy 34 thousands of such a land**.

PROCESS OF LAND RESTITUTION

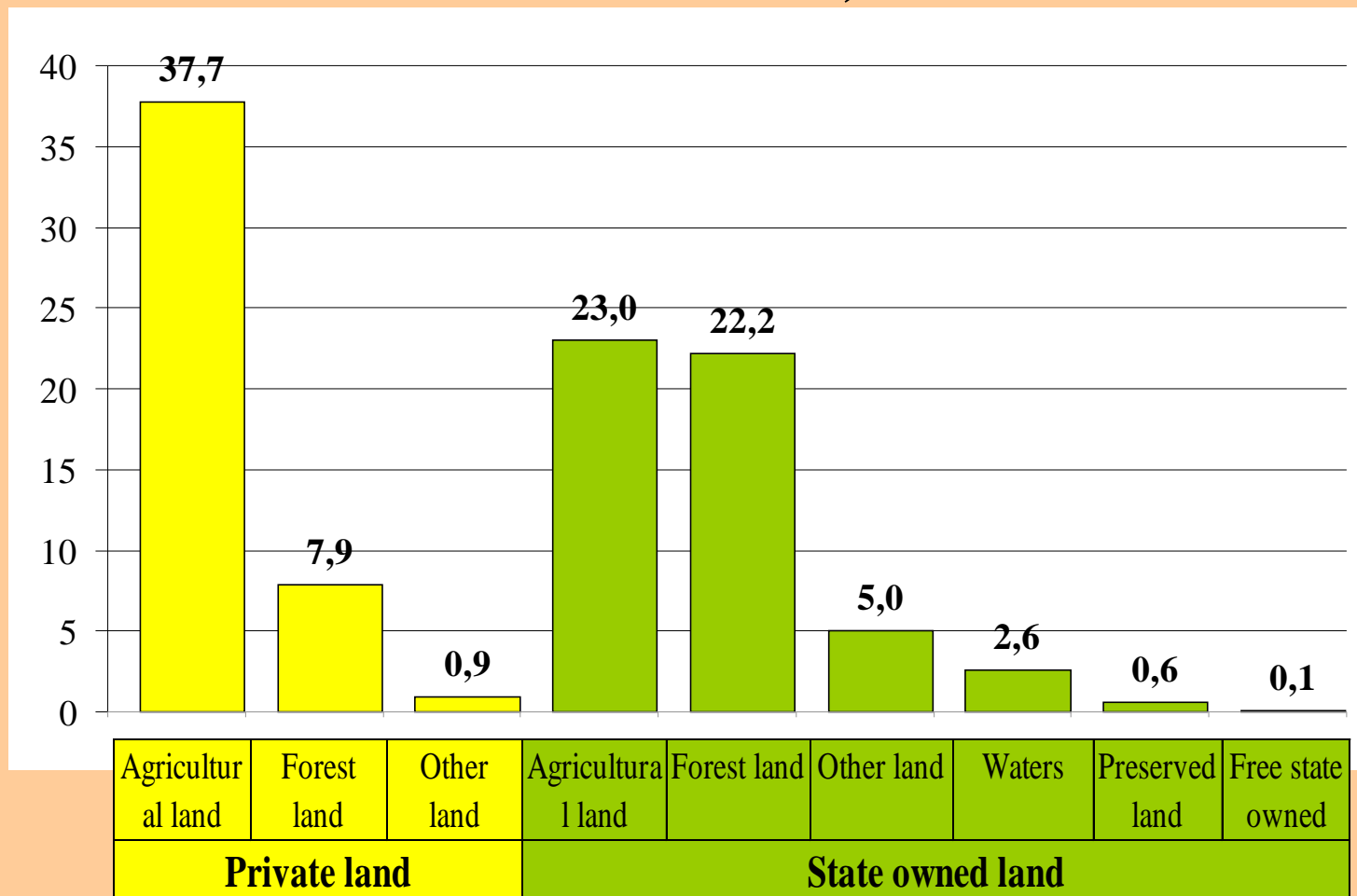
- analysis of the existing land use situation;**
- preparatory land management works;**
- preparation of the land reform land management plans;**
- publicity procedure and the approval of the plan;**
- surveying in the fields;**
- preparation of the legal documentation of ownership;**
- approval by the notary and registration in the State land register.**

STATE OF LAND RESTITUTION

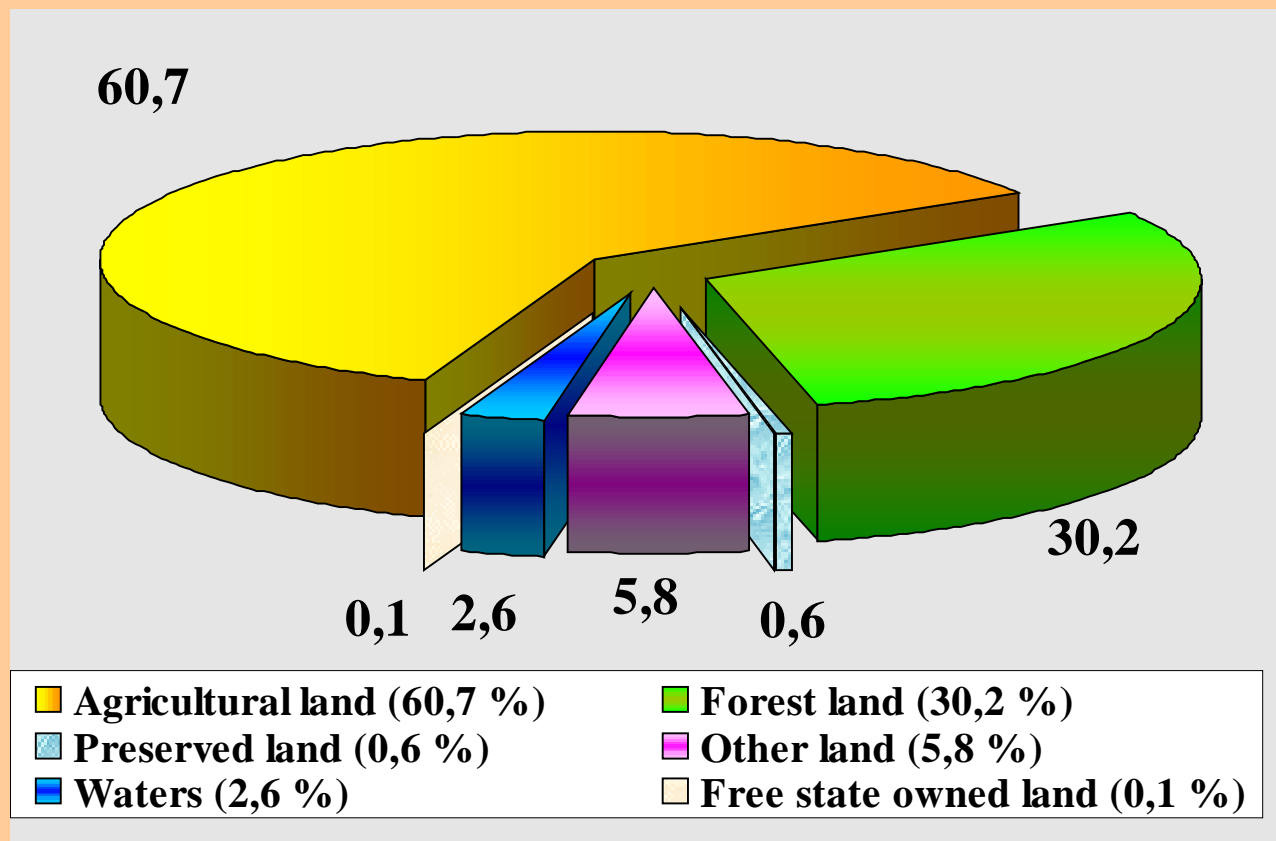
(For the 1st of August, 2004)

- **Total number of applications** submitted for restitution of land ownership rights - **749,9 thousand** to the **area of 4,2 million hectares**;
- **Land ownership rights have been restored to 89,5 percent** of land (**3,8 million hectares**);
- Land ownership rights have **not been restored** yet to **0,4 million hectares**;
- Deadline for submitting applications has expired at the end of 2001;
- Deadline for submitting documents proving land ownership and kinship has expired at the end of 2003.

DISTRIBUTION OF LAND ACCORDING TO THE OWNERSHIP FORMS FOR THE 1ST OF JANUARY, 2004 (IN PERCENT)



DISTRIBUTION OF LAND STOCK ACCORDING TO THE MAIN PURPOSE OF LAND USE FOR THE 1ST OF JANUARY, 2004 (IN PERCENT)



RESIDENTS, EMPLOYMENT, EDUCATION, INCOME

- **1/3 of the population live in rural areas;**
- **the share of employees engaged in agriculture is 17,2 percent of total number;**
- **every fifth villager has a speciality of any level (262,8 thousand people in rural areas);**
- **income of rural inhabitants is lower than the income of urban ones:**
 - **in urban areas, household work income made 71 percent of all disposable income, in rural areas 63 percent;**
 - **social benefits in urban areas were received by 21 percent of households and in rural areas by 32 percent.**

FARM STRUCTURE

- **Three types of farms can be distinguished:**
 - farmers' farms;
 - individual (family) farms;
 - agricultural companies;
- **Natural entities:**
 - 255,4 thousand agricultural holdings with the area of 2,34 million ha (average 9,1 ha);
- **Legal entities:**
 - 531 agricultural holdings with the area of 280,4 million ha (average 528,1 ha).

THE MAIN OBJECTIVES IN AGRICULTURE AND RURAL DEVELOPMENT

- **To create:**
 - **competitive agriculture oriented towards the EU market and food storage as well as marketing development;**
 - **possibilities to verify economic activity in rural areas;**
 - **possibilities for agricultural producers to undertake additional economic activity, cherishing biological variety, landscape and environment;**
- **To increase citizens' income;**
- **To improve living standard in rural areas;**
- **To implement environmental requirements.**

SUPPORT FOR AGRICULTURE AND RURAL DEVELOPMENT (1)

- **Support of the EAGGF Guarantee section:**
 - according to the **Lithuanian Rural Development Plan (RDP) of 2004-2006;**
- **Support of the EAGGF Guidance section:**
 - according to the **Lithuanian single Programming Document (SPD) of 2004-2006, IV priority “Rural development and fishery”.**

SUPPORT FOR AGRICULTURE AND RURAL DEVELOPMENT (2)

- **Following measures will be financed under the RDP:**
 - **Agro environment;**
 - **Afforestation of agricultural land;**
 - **Less Favoured Areas;**
 - **Early retirement from agriculture;**
 - **Support to semi-subsistence farms;**
 - **Support to meeting EU standards;**
 - **Technical assistance.**

SUPPORT FOR AGRICULTURE AND RURAL DEVELOPMENT (3)

- **Following measures will be financed under the SPD:**
 - **Investments in agricultural holdings;**
 - **Young farmers setting-up;**
 - **Improving processing and marketing of agricultural products;**
 - **Promoting the adaptation of rural areas**
(sub-measures: Agricultural water management; Land reparacelling; Advisory services to the farms; Diversification of agriculture and economic activities; Stimulation of rural tourism and crafts);
 - **Forestry development;**
 - **Leader + type activities;**
 - **Training.**

ENCUMBRANCES FOR AGRICULTURE AND RURAL DEVELOPMENT

- **Poorly functioning agricultural market;**
- **Small farms;**
- **Not efficient enough agricultural production;**
- **Poorly developed engineering and social infrastructures;**
- **Unfavourable demographic situation;**
- **Insufficient education of the rural population;**
- **Lack of alternative activity;**
- **Low purchasing power of rural areas' citizens.**

LAND FRAGMENTATION

- **According to the State Land Cadastre:**
 - av. area of the land parcel used for agricultural activities - 4,7 ha;
 - av. area of a land parcel belonging to one owner - 6,3 ha;
 - av. area of the private household plot - 0,8 ha;
- **According to the *Agricultural Census* data from 2003:**
 - av. size of the farm is 9,1 ha;
 - av. size in the group of the smallest farms (up to 3 ha) - 2,2 ha;
 - av. size of medium size farms (10-50 ha) - 18,5 ha;
- **Majority of the farms - up to 10 ha;**
- **Large farms (100 ha and more) - 0,7 per cent of total (av. size - 483 ha).**

RESTRICTIONS FOR ACQUISITION OF AGRICULTURAL LAND TO FOREIGNERS

- From the date of EU accession **foreigners are allowed to buy non-agricultural land** in Lithuania;
- **Transitional period of 7 years** from the EU accession is introduced for selling the agricultural land to the foreigners, **except:**
 - **foreign citizens** who have been legally resident and active in farming in Lithuania for at least 3 years continuously;
 - **foreign legal persons** that have established their representative offices or branches in Lithuania (these companies will be treated as the Lithuanian legal entities - allowed to buy agricultural land if during the recent 2 years their income from farming activities make not less than 50 per cent).

MAIN LEGISLATION

REGULATING LAND CONSOLIDATION(1)

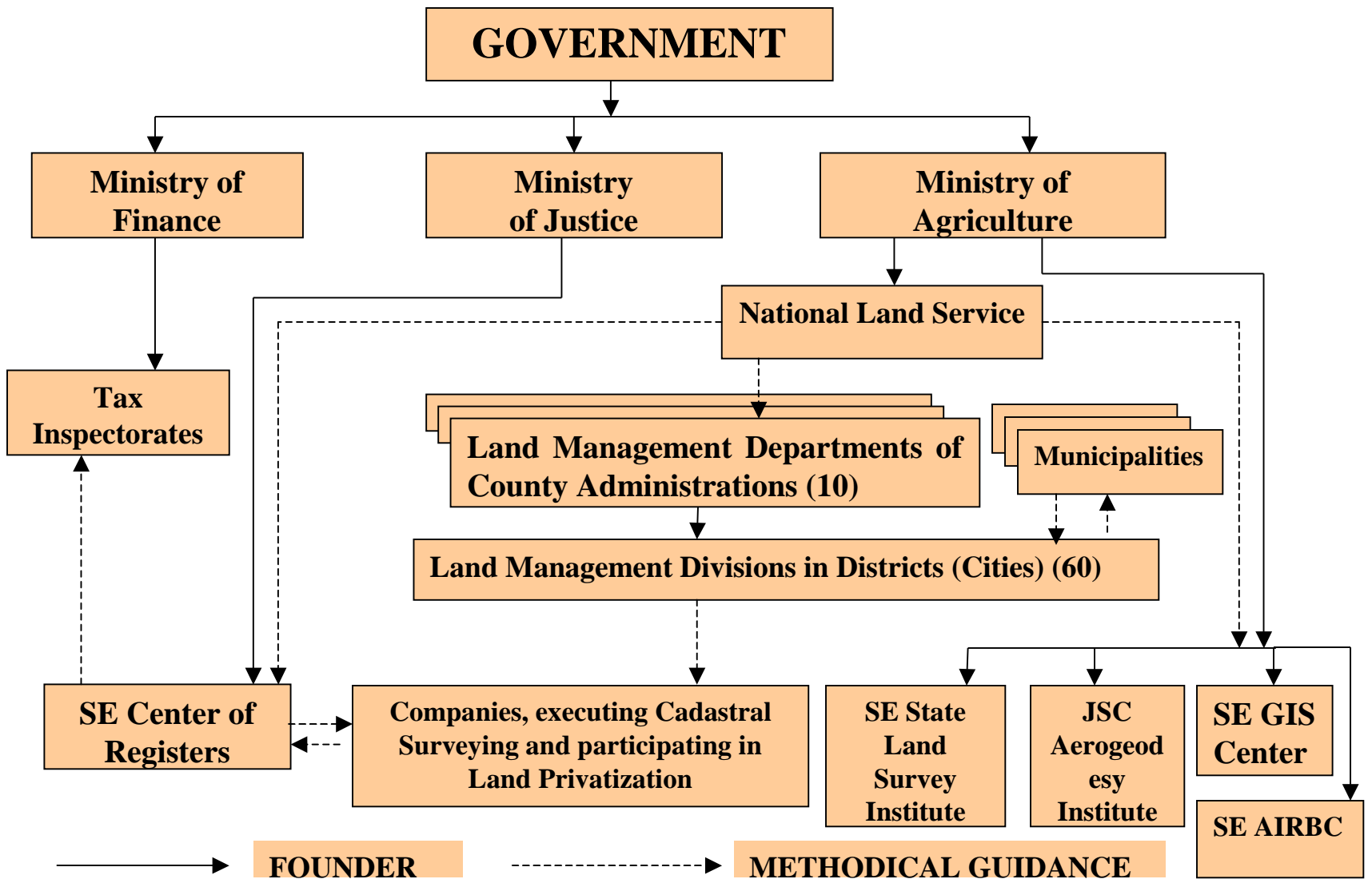
- **Constitution of the Republic of Lithuania** - sets main provisions regarding the protection of ownership and stipulates the inviolability of ownership:
 - *"Ownership is inviolable. Law protects ownership rights. Ownership can be taken for public needs only following the procedure prescribed by laws and must be justly compensated"*;
- **Civil Code** - regulates all civil legal relations, including relations regarding real property;
- **Constitutional Law on Article 47 of the Constitution of the Republic of Lithuania** - sets the main provisions for acquisition of land in the Republic of Lithuania by its citizens, legal entities and the foreigners or foreign legal entities;

MAIN LEGISLATION

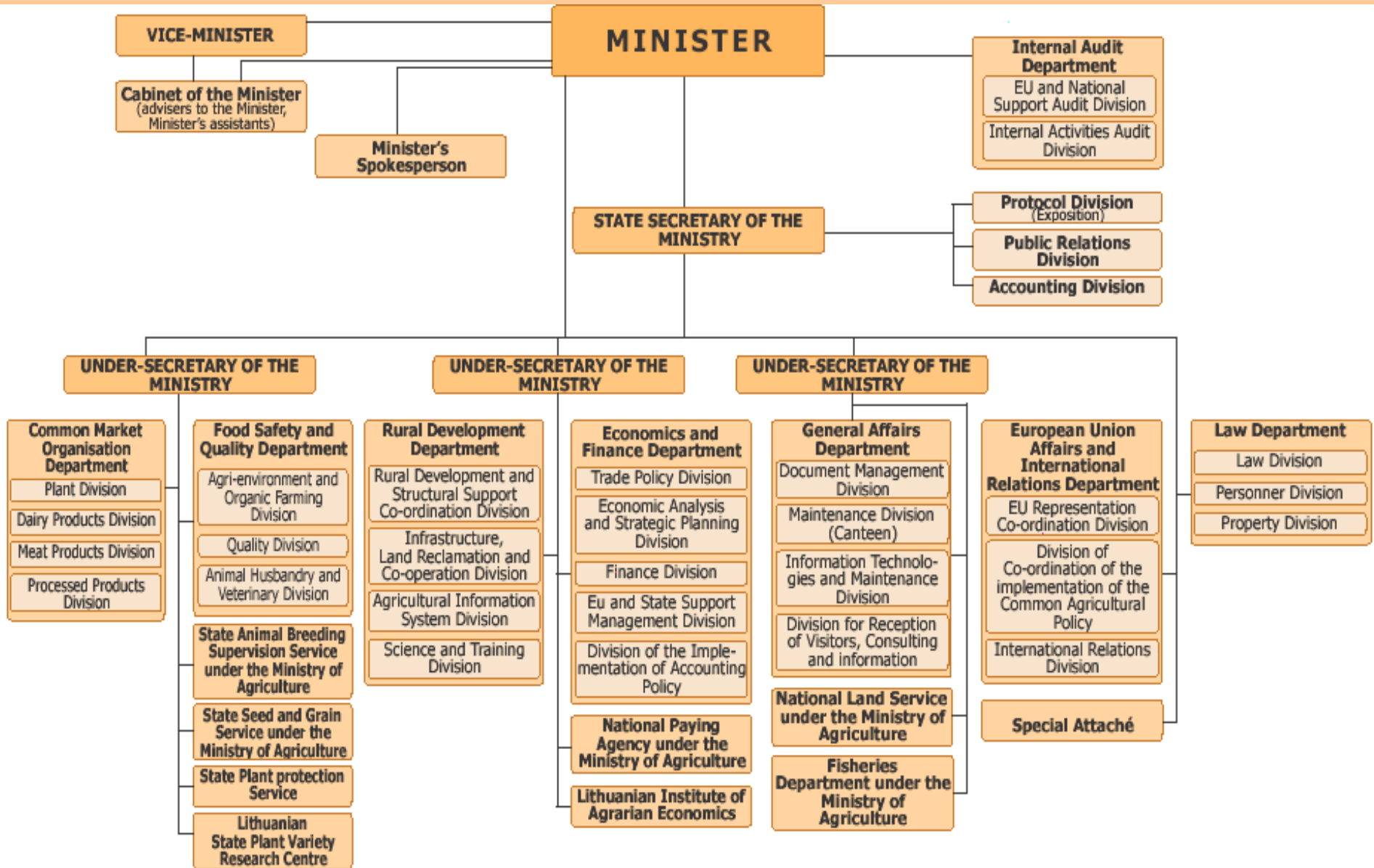
REGULATING LAND CONSOLIDATION (2)

- **Law on Land** - the main law regulating relations of land ownership, possession and use as well as land management and administration in the Republic of Lithuania;
- **Law on Land Reform** - this law lays down the procedure for land reform based on restitution of land ownership rights and land privatisation;
- **Provisional Law on Acquisition of Agricultural Land** - lays down the requirements for acquisition of state, municipal and private agricultural land by means of sale, exchange or other ways; also foresees support for the acquisition of agricultural land.

ORGANISATIONAL STRUCTURE OF LAND MANAGEMENT AND ADMINISTRATION



ORGANISATIONAL STRUCTURE OF THE MINISTRY OF AGRICULTURE



PREPARATION FOR LAND CONSOLIDATION

- **Danish - Lithuanian Land Consolidation Pilot Project
in Dotnuva, Kedainiai District
(September 2000 - December 2001)**
- **Danish - Lithuanian Land Consolidation Pilot Project :
"Land Consolidation - a Tool for Sustainable Rural
Development"
(October 2002 - December 2003)**

FIRST PILOT PROJECT

- The **main goal** - to introduce the Danish way of implementing land consolidation through improving the agricultural structures
- To support the legal basis drafting process for future land consolidation in Lithuania

- **Results:**
 - in the area of 392 hectares 19 landowners have participated in the project;
 - 86 hectares of land have changed the owner

- **In general:** many land parcels have improved their shape and location and therefore the land value have increased

SECOND PILOT PROJECT

- Carried out in **three pilot project areas**
Ukmerge, Marijampole and Kedainiai districts
- **Immediate objectives** of the project were:
 - to develop land consolidation as a necessary tool for integrated rural development;
 - to spread the experiences with land consolidation and to advice in building up of institutional set-up;
 - to continue interaction with the preparation of legal basis for land consolidation;
 - to support in building up the Lithuanian land consolidation model.

LAND OWNERS SIGNING THE LAND CONSOLIDATION AGREEMENT



Signing of land consolidation agreements in the Puskelniai area, August 2003.

MAIN RESULTS OF THE SECOND PILOT PROJECT

Akademija Land Consolidation Project:

- 21 landowners participated;
- 122 ha changed owner;
- the project aimed to improve local agricultural structures;
- the project aimed to privatise the State owned land.

Pabaiskas Land Consolidation Project:

- 32 landowners participated;
- 82 ha changed owner;
- State afforestation project should be implemented as a result of the LC project and should support private initiatives for Rural Tourism;
- the project aimed to privatise the State owned land.

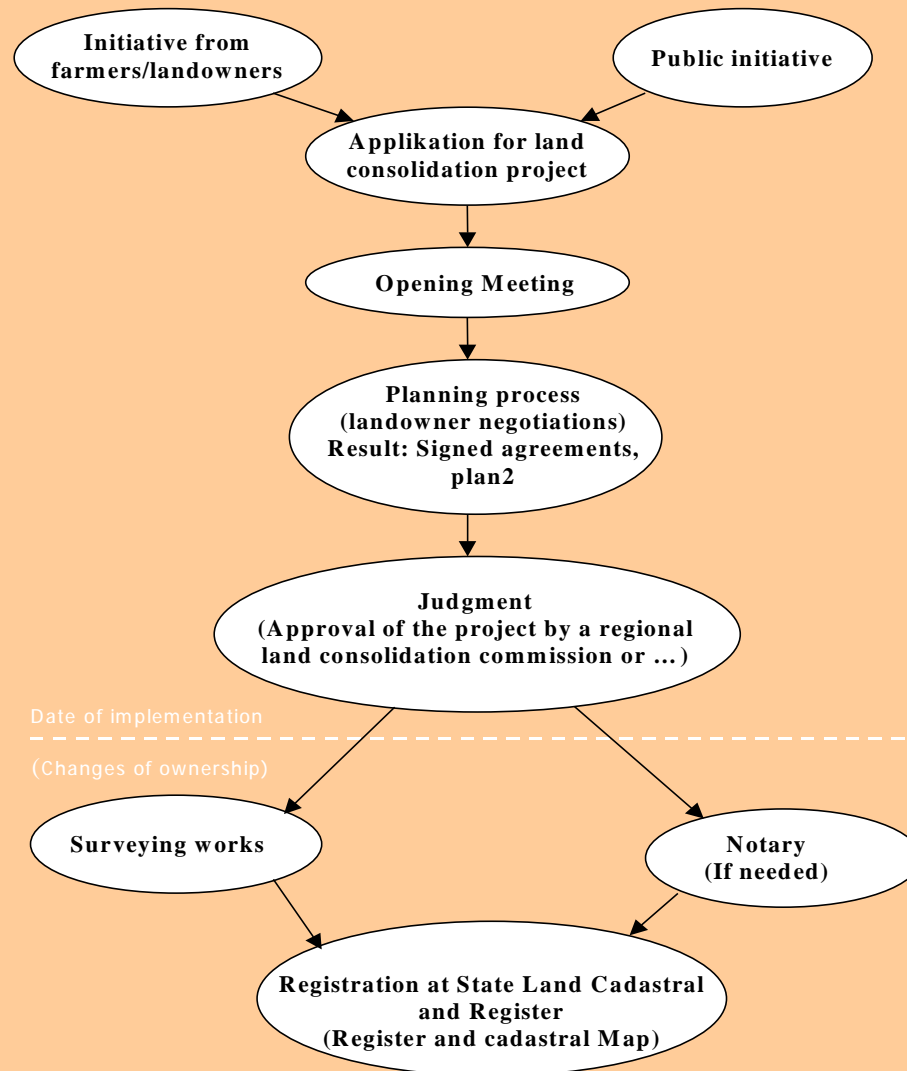
Puskelniai Land Consolidation Project:

- 10 landowners participated;
- 22 ha changed owner;
- the project aimed to improve local agricultural structures after construction of Via Baltica highway.

LAND PARCELS OF ONE OWNER BEFORE AND AFTER THE LAND CONSOLIDATION (Kedainiai District)



IDEAL FLOW OF A LAND CONSOLIDATION PLAN



LEGAL BASIS FOR LAND CONSOLIDATION

- Main provisions for Land Consolidation are set in the **Law on Land, adopted by Seimas on the 27th of January, 2004;**
- 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.*

MAIN PRINCIPLES FOR LAND CONSOLIDATION PLANS (1)

- **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;
- The meeting provides grounds on the need to develop a land consolidation plan and specifies a preliminary area for a land consolidation plan;

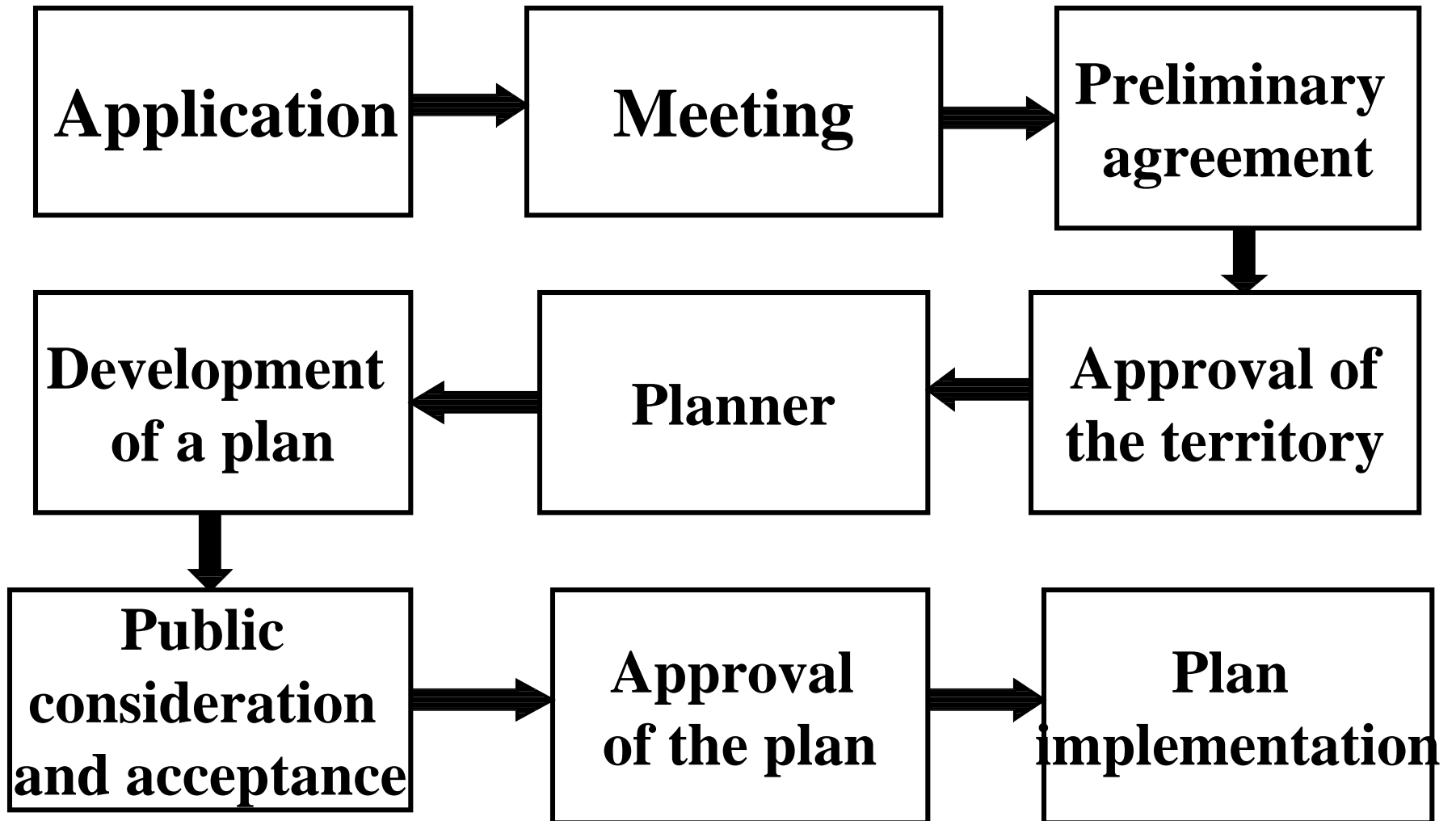
MAIN PRINCIPLES FOR LAND CONSOLIDATION PLANS (2)

- 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;
- Owners of the land parcels included in the area of land consolidation plan not later than within 3 months after the approval of the plan shall conclude a contract of land consolidation;

MAIN PRINCIPLES FOR LAND CONSOLIDATION PLANS (3)

- The executor of the land consolidation plan is being selected by the County Governor through the public tender procedure;
- The County Governor selects free state owned land parcels that will be included into the land consolidation planning procedure;
- Detail provisions on the development of land consolidation plans will be approved by the Government in the nearest future (**Governmental Resolution on Approval of the Rules on Development and Implementation of Land Consolidation Plans**).

LAND CONSOLIDATION PROCEDURE



NECESSARY PREPARATIONS FOR LARGE SCALE LAND CONSOLIDATION FROM 2005

- **Secondary legislation followed with the Practical guidelines;**
- **Administrative and institutional settings for land consolidation activities;**
- **Training and education programme;**
- **Further development of participatory planning approach;**
- **Development of interaction between land consolidation and rural development measures.**

**THANK YOU
FOR YOUR ATTENTION !**



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