



International Symposium by FAO, GTZ, FIG, ARGE Landentwicklung and TUM

Land Fragmentation and Land Consolidation in CEEC: A gate towards sustainable rural development in the new millennium

Documentation of Breakout Sessions

During the conference on land fragmentation and land consolidation in CEEC, several breakout sessions took place. They dealt with the following topics:

- Why and when does land fragmentation become a problem?
Alternatives to land consolidation
- The relevant framework for successful land consolidation,
- Technologies, procedures and legislation,
- Institutional setting and capacity building,
- People's participation and,
- Economic and financial issues.

Each group met twice during the conference. During the first meeting on Tuesday, a moderated discussion and brain storming took place. Participants were given topics and questions to be discussed. All major key words and topics identified during the plenary sessions which were said to be of relevance for land consolidation guidelines and further discussion during the breakout sessions had also been included. A second meeting took place on Thursday. During these sessions, all groups identified their key messages and formulated their main statements.

Group 1: Is land fragmentation always a problem? And land consolidation the (only) solution? What are alternative approaches to land consolidation.

Topics to be discussed:

- Positive and negative consequences of land fragmentation.
- Conditions under which land fragmentation becomes a problem that has to be tackled.
- Potentials and constraints of land consolidation in the concerned countries in economic, ecological, social, political, administrative and managerial terms (incl. methodology, procedures, costs, scope etc.).
- Alternative and / or complementary approaches to land consolidation, such as the mobilisation of land markets, land banking, land leasing and land consolidation procedures in addition to land consolidation.
- Why LC? Is it really first priority. LC as one pillar of regional rural development
- People are mainly interested in land and soil valuation (more than in LC).
- How to define priorities?
- Are there other instruments to react on land fragmentation than LC?

Participants:

Karl Kollmer, Dr. Diana Kopeva, Prof. Dr. Richard Hoisl, Prof. Dr. Theo Kötter, Prf. Joseph Salukvadze, A. van den Brink, Helge Osrud, Byurhan Abazov, Nevena Babeva, David Egiashvili

Moderator: Babette Wehrmann

Main statements of breakout group 1

1. L.C. is one tool for rural development. Depending on the specific conditions it can be (much) broader than pure re-allotment of parcels. With time and in space the definition can change reacting for changing frame conditions
2. As the application of LC has to be seen under the overall land policy, not only a clear vision in need for LC but also for rural development and land policy. These visions should reflect people's needs and desires.
3. Guidance for LC should be expressed in legal form (i.e. LC Act) and not in individual institutions.

Results of the first meeting, Tuesday 26th (Brain storming)

Is land fragmentation a problem? If so, to whom? Why? And under which conditions?

To whom?

- Commercial farmers
- Not to subsistence farmers – in the long run: it will as subsistence agriculture will decline
- Not to absentee land owners who want to keep the land as security
- Commercial investors

When does it become a problem?

- If land USE is fragmented too
- If many people are affected
- If rural infrastructure such as access roads are missing
- If parcels become too small (however there is no fixed minimum size)

Positive consequences of land fragmentation:

- Different soils
- Biodiversity

- Avoiding erosion
- Landscape protection and conservation of village shape
- Differentiated land use and protected landscape which favour rural tourism
- It is easier to change land use from agricultural to commercial or housing because one can proof that the land is not productive for agriculture

Negative consequences:

- Difficulties in selling and leasing
- Unused land
- Insecurity for land users because of many contracts with many different owners
- Certain technologies cannot be applied which leads to lower productivity

Land fragmentation is not only related to agricultural land!

Land Consolidation

Potential of land consolidation

- Enabling land markets
- Facilitating commercial farming which leads to an increase in harvests and exports and improves food security
- Ecological aspects: i.e. re-naturalisation of rivers etc.
- Balancing different land use
- Realising large rural infrastructure projects
- Facilitating investments (industry / recreation)

Constraints of land consolidation

- Peoples who do not want to participate because of:
 - Lack of trust in the State
 - Complexity of L.C.
 - Duration of L.C.
 - Lack of information
 - Uncertainty of land valuation
 - Lack of information

- Lack of skills to manage a consolidated farms

- Long time to benefit

- Lack of funds
- If existing plots are dedicated o different uses
- Capacity: Lack of skills, lack of people
- Technical standards are too high, procedures and technologies too sophisticated and therefore too expensive
- Lack of urban employment (if people do not get employment elsewhere they will not give up farming)
- Lack of land valuation shemes
- Lack of good models which show low cost quick solutions
- Household food security might be affected

Is land consolidation a priority?

- Yes, but...(see other priorities)
- Yes, if included in a broader rural development

If not: what has to have priority?

- Financial instruments and institutions (functioning land markets; making credits available)
- Instruments to stop further fragmentation (changes in inheritance law)
- Income generating measures
- Efficient land registration systems
- Land banking

Alternatives to land consolidation

- Informal arrangements
- Leases
- Farmers association

Group 2: Relevant framework for successful land consolidation:

Topics to be discussed:

- Political will and its credibility as the elementary precondition.
- Political, legal, economic, financial, institutional, social and ecological aspects which are relevant for the reconstruction of the rural space and the agrarian structure in general and for land consolidation in particular.
- Activities that have to be done to put these conditions in place.
- LC can only be sustainable if there are changes in a) inheritance systems b) land reform.
- Strong or slow agricultural change, social change needs time.
- Importance of land use plan / regional development plan

Participants:

Vilma Daugaliene, Jiri Trnka, Armands Auzins, Alexandre Abreu Lima, Marioara Rusu, Zaklina Jurisic, Zdenka Berak, Christian Graefen, Tobias Leiber, Vakhtang Lejava, Agim Shehu, Sherif Lushaj, Prof. Dr. Rafael Crecente

Moderator: Fritz Rembold

Main statements of breakout group 2

1. LC process should be structured and driven by demand from the local level / rural communities.
2. Different pressure groups (NGOs, professional associations, farmers associations, associations of municipalities, academic sphere) should help local people to analyse the situation, to define the problems and to show alternatives.
3. National strategies on rural development have to emphasise prominently the utmost need for intensive co-operation and consents building between political, administrative and technical institutions responsible for LC.
4. Pilot projects, initiated by the responsible ministry, co-ordinated with the associations of Municipalities (e.g) are inevitable to demonstrate advantages of LC areas versus non-LC areas.
5. Financial benefits and positive social impacts by LC are the major arguments to convince decision makers and information should be prepared accordingly.
6. Countries in Transition should establish governmental / interministerial working groups at the regional level on the regular basis to achieve the following objectives:
 - Identify similarities and differences;
 - Raise the political awareness;
 - Use the synergy of joint actions;
 - Address the international community / EU;
 - Identify the common problems;
 - Define common goals;
 - Co-ordinate efforts

Results of first meeting, Tuesday 26th (Brain storming)

Political willingness			
Demonstration of Persisting problems (evidence, case studies)			Participatory group as pressure group
demonstrate social economic benefits	exploration+ exposure		farmer associations as pressure group
solutions for farmers and politicians	majors exposed -pressure by majors		Association of Municipalities
comparative analysis of LC in different countries	Majors to be exposed from east and west in conferences		NGO's professional associations
			create non-gov. "academies" on rural development
			EU pressure
			Donors
			Informal arrangement
		Strong and clear Institutional set-up	
Interest of Owners	education of people	financial resources	expertise
	Strategy for Rural development		
Strategy Policy Laws / by-laws			

Group 3: Technologies, procedures and legislation:

Topics to be discussed:

- Adequate and efficient technical and legal instruments as well as procedures that allow to increase the performance in land consolidation and to improve the agrarian structure.
- Start with simple LC.
- There is a strong focus on a) spatial fragmentation b) agricultural land - demand for broader scope
- How to reach 100% of rural population?
- How to define priorities?
- What should be first: initiative from above or experience from below. ↑↓
Simultaneous.
- Time frame.
- Copying western models? Finding individual approaches.
- Importance of village renewal?
- How to reduce costs? Through simplified measures. What else?
- Role of the private sector.

Participants:

Ninel Jasmine Sadjadi, Wolfgang Müller

Moderator: Dr. Michael Stumpf

Results of first meeting, Tuesday 26th (Brain storming)

Legislation	Procedure	Technology
Considering the political will “land policy” for different levels including municipality	Procedures should be as fast as possible. Therefore right institutional setting has to be chosen	Digital land register exists?
	Citizen participation	Use existing technology
Step by step with elaborating procedures	Making use of existing procedures	Unified technology
Taking into account existing laws	problems ← Simple → procedures	Not too expensive
Interministerial approach	Problems ← comprehensive → procedures	Equipment depends on where the work is done
-in accordance with other laws and degrees	PPP Private-Public Partnership	
Involving the NGOs to meet their demands	Top-down <u>and</u> bottom-up Various steps should be initiated parallely: interaction with farmers, political decision-making etc.	
Time shedule <ul style="list-style-type: none"> • Steps • Drafts • Political adjustment 	Preparatory phase	
Inheritance law should not support fragmentation	Tailor-made solutions for the country’s needs	
Pre-emption right for neighbours should be considered	Ownership clarified?	

Group 4: Institutional setting and capacity building:

Topics to be discussed:

- The role of the state, local governments, associations and the private sector. New partnership models.
- Co-operation and co-ordination within and between institutions.
- How to build the capacities for implementation.
- Qualification of experts.
- The role of the State in land markets.
- Qualification in planning, mediation.... Tailor-made education.
- Institutional setting: administration, private institutions, courts....?
- Role of farmers association.
- What type of professionals do we need?
- Supporting farmers during the LC process to enable them to successfully manage a farm afterwards.

Participants:

Dr. Geza Koszegi, Dr. Gabor Remetey, Sarkis Tovmasyan, Hayk Sahakyan, Karl Aage Eskildsen, Einhard Schmidt-Kallert, Dr.-Ing. Andreas Drees

Moderator: Reinhold Thomas Bäuerle

Main statements of breakout group 4

1. National government + local gov't and land owners / users are considered as the main player in LC. As many operational tasks as possible shall be outsourced to private service providers.
2. Existing training institutions should be involved in capacity building in the form of graduate, post-graduate and tailor-made courses (e.g: distance learning)
3. Curriculum development for training LC must encompass technical, agricultural legal, social aspects (including moderation and mediation).

STATE	<ul style="list-style-type: none"> • LC- policy + legislation under the main responsibility of State. • Define one leading agency for LC on gov't department level • Furthermore responsible to establish the frame work components (institutional development, intersectorial co-ordination, supervision. And quality control, funding and knowledge transfer on international + national level like twinning arrangements, education and training) • Shall delegate functions to lower level (i.p municipalities) and shell assign specific task in the execution to the private sector.
Local Government	<ul style="list-style-type: none"> • Local area development plans (incl. plans for village renewal) and land use plans shell form a basis of LC • Shell initiate LC in close communication with concerned community (through public information and awareness creation) • Local communities
Land owners / users	<ul style="list-style-type: none"> • Shall be put in a position to express their needs • Shall participate in all stages from planning to implementation of LC projects
Civil society	<ul style="list-style-type: none"> • Shall be provided the necessary opportunities to express their views + to represent their interest.

Results of first Meeting, Tuesday 26th (Brain storming)

Main players	Roles	Specific tasks in the Process
State	<ul style="list-style-type: none"> • Professional education / training • Policy definition • Legislation • Co-ordination • Supervision + Quality control • Funding • Twinning arrangements 	<ul style="list-style-type: none"> • Land bank • State appoints agent bank • Availability, access, maintenance: <ul style="list-style-type: none"> ○ Land registry / cadastre ○ Mapping, etc. • Standards • Contract private consultants/contractors • Approve + control + certification of individual LC • Appeal body • Monitoring + evaluation as feedback for policy + legislation • Ensure the subsidiarity principle • Approval of regional development plans • Launch pilot projects • Licenses for LC to private sector
Local government	<ul style="list-style-type: none"> • Initiate LC projects in communication with society • Establish land banks (funds) • Reduction of land taxes / fees (local) by-laws • specific municipal development (village renewal, infrastructure...) 	<ul style="list-style-type: none"> • regional development plan as frame for LC • infrastructure • local planning • public infos + awareness (for all levels!)
Private sector (incl. Semi-gov't bodies)	<ul style="list-style-type: none"> • ensuring required quality (risk of negative implications) • bank / credit institution: money flow • process management (surveying, planning, valuation, infrastructure, construction, mediation...) • infrastructure construction • media 	Regular reports on progress
Civil society	<ul style="list-style-type: none"> • ensure appropriate representation (various interest groups) like <ul style="list-style-type: none"> -owners -users -environmentalists -professional+interdisciplinary associations • participants board (with legal status e.g. in Germany. • NGOs: studies, lobbying etc. 	<ul style="list-style-type: none"> • expression of their respective interest • lobbying
Donors	Private foundations: special interest (environment / flora / fauna)	
Academic sector	<ul style="list-style-type: none"> • post graduate • special courses • distant learning 	

Group 5: People's participation

Topics to be discussed:

- Methods to make people participate in land consolidation.
- Measures to remove doubts/fears/emotional barriers from the stakeholders.
- Ways to correspond to people's needs and their visions by means of their active participation.
- Information of farmers to remove sceptics.
- If there is a lack of clarity, go to the villages and discuss about people's needs and visions.
- Investigating on people's needs / thinking / feelings.
- How to deal with citizens living abroad? (Armenia).
- Importance of civil society / Community spirit. → Bad memories on "community approaches".
- LC against majority of land owners?
- What to do if part of the people does not want to participate?

Participants:

Wolfram Kneib, Per Kare Sky, Tea Dabrundashvili, Eirik Wannebo, Niels Otto Haldrup, Benno Arnolli, Rachel Sabates

Moderator: Prof. Dr. Joachim Thomas

Main statements of breakout group 5

1. There should be a permanent public awareness process concerning land consolidation
2. We have to ensure an information exchange on SWOT with regard to social, economic, ecological and cultural aspects at local level.
3. Achieve proposals and results with positive demonstration effects.
4. Create organisational setter which guarantees the transfer of local preferences to decision makers.

Results of first meeting, Tuesday 26th (Brain storming)

"People", the target groups are owners, user and other who wants to cooperate e.g. administrators and politicians.

Steps in an open and flexibel and permanent public awareness process and consultancy procedure:

1. Ask the people, what they want and what they understand about LC

(by questionnaires, public meetings and with farmer associations and informal groups)

Ensure an information exchange (asking, responding and listening of both sides):

2. Input of information for going on

(general information on LC, specific information = local situation (natural, social and economical conditions))

Ensure a clear cut description of the problems:

3. People's problem analysis

(local SWOT (Strengths, Weaknesses, Opportunities and Threats according to the local natural, social and economical situation))

Ensure a broad discussion of alternatives to come quick to positive demonstrative results:

4. Discussion and decision about alternative solutions

(reorganization of parcels by exchange and merge of property or lease, working groups, voluntary - compulsory, simple - comprehensive LC or zero alternative)

Ensure formal implementation, transfer to administration and decision maker:

5. Formal Participation

(body of participation by election, official working groups with local authorities in charge)

Group 6: Economic and Financial Issues:

Topics to be discussed:

- Cost estimates for different types of land consolidation. Costs for infrastructure and land improvements versus costs for the organization of land consolidation. Cost – benefit analysis. Who bears the costs?
- Comparison of land market behavior in fragmented regions before and after land consolidation.
- Options for complementary action: “Landabgaberente für Altlandwirte“, „Vorkaufsrecht für Junglandwirte“, „neue Organisations-, Vertrags- und Finanzierungsmodelle für ländliches Eigentum“.
- Best practices in minimizing costs.
- Reforming land tax and land-transfer tax for improving agrarian structure.
- Effects of land consolidation on land markets and land prices.
- Incentives.
- Lack of estimations on costs for LC + saving through LC.
- How to cover costs? Who pays for LC?
- Defining “viable farms”.
- How to reduce costs? Through simplified measures. What else?
- Supporting farmers during the LC process process to enable them to successfully manage a farm afterwards.

Participants:

Igor Hrovatic, Metka Cerjak, Jack Damen, Dr. Günter Zülsdorf, Karin Chluba

Moderator: Univ.-Prof. Dr. Michael Kirk

Main statements of breakout group 6

1. LC is profitable for participants but also for society in a broad + long term context.
2. Among many others benefits like increased productivity consolidated land has better chance for lease and sale on land market.
3. In CEEC context, government incentives are necessary to trigger off LC, but then on the short term funding from EU or international banks has to be sought.
4. Incremental approach for simple to comprehensive LC spread over a longer period will facilitate fund raising
5. Benefits reaped from LC should on the long term lower LC cost, LC is not for free for beneficiaries.

Results of first meeting, Tuesday 26th (Brain storming)

Financial systems for LC	Identification of priorities	Priorities - Supply (EU) - Demand driven ?	Concentration on -rural /agricultural -urban	
EU – Funding	Based on economic rate of return	Gap between demand and available funds		
LC in a narrow sense? LC → village renewal, etc.	LC as a public task Demand driven	Once for all solutions →incentives on inheritance rules		
Basic preconditions for LC	-Important role of private sector → Profitable business			
	-real demand for LC -capital for investment			
Identify inputs / contributions of beneficiaries	-financial -labour -etc.	LC for free as a precondition for rural investment?	Who pays for the general costs?	Severe budget constraints of CEEC States
Use of land funds to facilitate start-up for farmers	Voluntary land swapping → create confidence	Later more complex and more expensive approaches	LC facilitates use of EU funds + multifunctionality of agriculture	LC as an element of land use planning
Stepwise approach	Awareness creation / information/ transparency	Awareness creation pro LC or better pro lease markets		
Create a climate conducive to LC				
Develop innovative models to spread the individual costs for LC over a long period	Pilot projects to prove efficiency / performance	→paves the way for funds (prior to EU access, WB)		
Land markets and LC?	Has consolidated land a higher value?		But: if there is no working agricultural land market→ no advantage for credit	LC gives incentives to those who want to leave agriculture
	Lack of data on correlation LC Land management	LC influences land market prices in a positive way		

Conclusions:

- LC is cost – effective.
- Step-wise / incremental / approaches should be tried out.
- LC enhances land markets (sale, lease).
- Some government incentive should be in place to trigger off LC.
- Beneficiaries should be aware that LC is not for free.
- Costs should be spread out somehow over a long period.
- EU-funding will be a stimulus for LC but no solution for pre-accession time.
- International bank funding can be supplementary to EU-funds.