

Strategy for Land Consolidation and Improved Land Management in Armenia

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Land reform in Armenia was started in 1991 and completed in 1993. The privatisation programme led to the emergence of 324,000 family farms. The current number of farmers may be even higher due to subdivisions resulting from inheritance. The present average farm holding size in the country stands at 1.21 hectares, which are divided into three or four parts.

The Government is currently undertaking a programme to issue title certificates and to establish the associated land registries, maps and services. Important legislation for sustainable land management has been enacted. New Land Code was enacted by Parliament in June 2001.

Despite not good ecological conditions Armenia's agriculture plays an extremely important role in the economy of the country, but the agricultural support infrastructure is not equal. The irrigation system is partially defunct and does not serve the newly established private farms well. Access to farm mechanisation is not available for majority family farms.

It is clear that Armenian farmers suffer from a number of interrelated problems, which hamper the full development of their potential. In our view a number of factors could be construed as arguments in favour of land consolidation:

- There is a high incidence of land fragmentation in most parts of the country.
- There is a lack of basic farm infrastructure in the rural areas (agricultural roads, irrigation systems.).
- There are too many small farms in the country.
- Parcels are uneconomically shaped.
- There is a need for soil conservation and other erosion control measures.
- There is a high demand for agro-processing industries to be set up at village level.
- The land registration process is well advanced.
- There is experience of land use planning at village level.

On the other hand there are a number of obstacles, which would make land consolidation extremely difficult:

- There is not only land fragmentation but also multiple ownership.
- Land markets are just emerging.
- Many farmers have very little experience in cultivation.

- Quite a lot of new legislation has been enacted within a short period of time; a new law on land consolidation might not be acceptable in the short term.
- There are currently very few off-farm employment opportunities in the villages that would provide alternative employment for those farmers prepared to give up farming.

When weighing up the above arguments in favour of and against land consolidation in Armenia, one can draw the following conclusion:

The time is ripe to introduce a procedure for land consolidation in Armenia, as this would provide a framework for solving the multiple problems with which rural communities are faced simultaneously. However, as the rural areas of Armenia are still in a situation of transition, *highly flexible* approaches are required.

The proposed concept for land consolidation

Land consolidation should be preceded by a land use planning effort. In the process of land use planning alternative scenarios for the future development of the respective community will be discussed. The land use plan would also provide the basis for decisions on the type of interventions most urgently needed to improve the living conditions of the local population. In the course of land use planning it would become clear what type of land consolidation would be appropriate in the given situation.

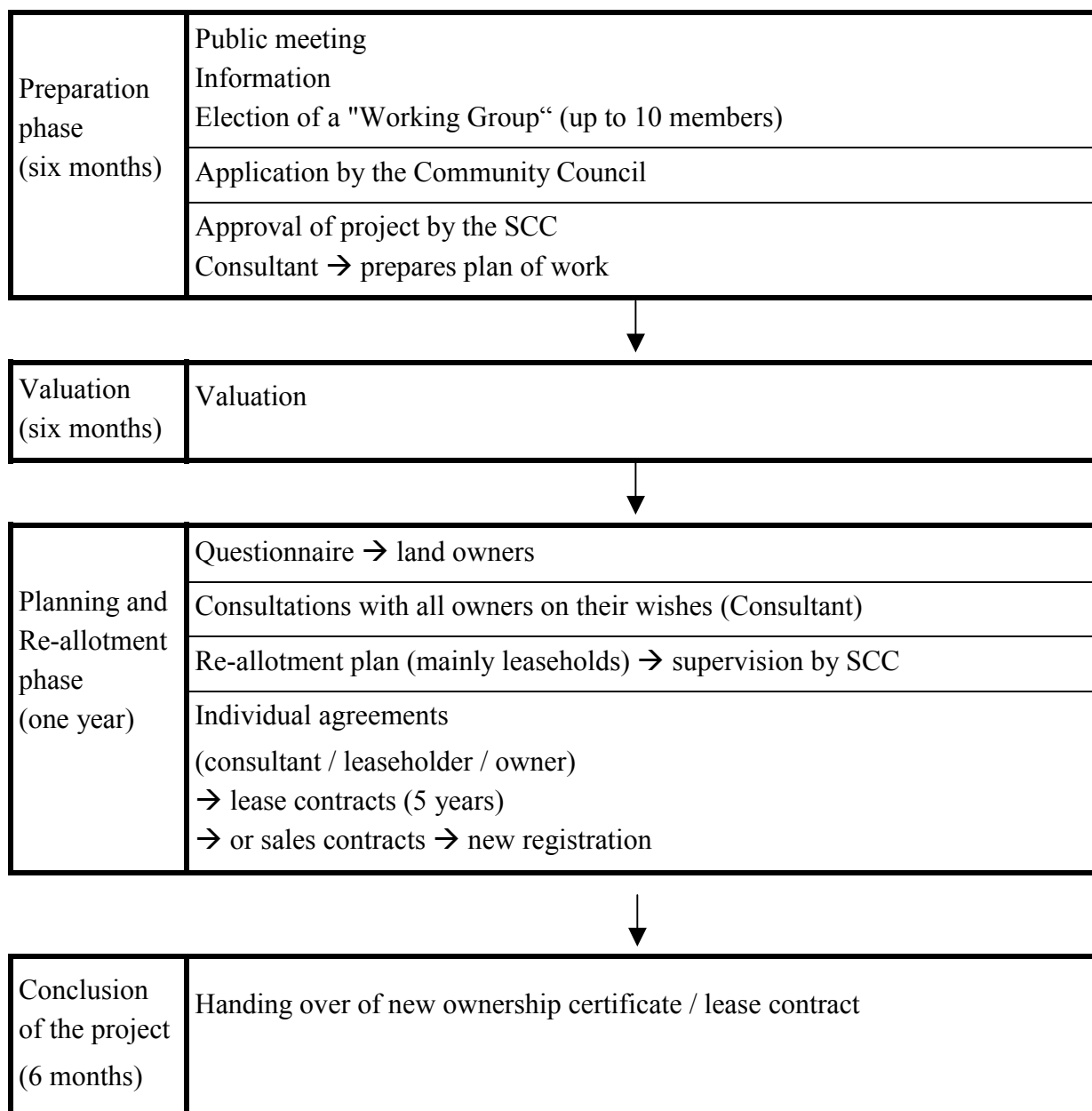
In Armenia two alternative models for the process of land consolidation, depending on the complexity of tasks to be reached:

- The first is a simplified model, which would focus on re-distribution and consolidation of land parcels on a voluntary basis and which would try to support (encourage) leaseholds within the community. This model can be started if at least 40–50% of property owners agree to participate.
- The second is a comprehensive model, which would incorporate considerable civil works such as the construction of new irrigation networks and agricultural roads and which would include the re- distribution of all land parcels in the community. This model requires 100% participation of all property owners in the community.

The Simplified Model of Land Consolidation

The simplified model of land consolidation does not require the participation of all property owners. But in our opinion at least 40–50% of all owners should participate. The model consists of four phases:

The Simplified Model



- a preparation phase
- a valuation phase
- a planning and re-distribution phase
- a conclusion phase.

The preparation phase:

To start the project, a public meeting will be called by the State Cadastre Committee on the initiative of the community. The purpose of the meeting is to disseminate up-to-date and comprehensive information about the process of land consolidation.

It will be proposed that the participants form a working group, in which the landowners will be represented. The landowners will elect the members by a vote.

Other important government agencies, such as representatives of the Ministry of Agriculture or the State Committee on Water Resources, may also be invited. If necessary, there will be a series of public meetings.

So the community council will officially apply to the State Cadastre Committee to start a land consolidation project. Following approval for the starting of land consolidation in that particular community, the State Cadastre Committee will appoint a consultant for the implementation of the project (normally through competitive bidding).

The State Cadastre Committee will also develop a cost estimate, a broad timetable and a cost-sharing formula for the project. Based on these parameters the consultant will prepare a more detailed plan of work.

Valuation:

The consultant will reach agreement with the working group on whether a new valuation is required or not. If the consolidation consists mainly of parcel exchanges on a leasehold basis a new valuation may not be necessary. Should a valuation be required, it could be done in the same way as it is for the comprehensive model.

Planning and re- distribution phase:

This is the most important phase of the entire project. First of all, the consultant will invite all the landowners to participate in land consolidation. Then he will hold in-depth consultations with each individual landowner to find out about his/her respective wishes and requirements for future agricultural use of the land. On this basis he will elaborate a preliminary re-distribution plan. This plan will then be submitted to the State Cadastre Committee for approval. After that the consultant will support to make leasehold contracts or sale contracts between the landowners. We think that the minimum duration of leasehold contracts should be five years.

Conclusion of the project:

To conclude the project the new land parcels will be registered with the State Cadastre Committee local office. In the case of sales, the new landowners will receive a certificate of entry into the land registry. The consultant will deliver the completed documents to the State Cadastre Committee.

The Comprehensive Model of Land Consolidation

The comprehensive procedure will consist of six phases:

- a decision on land consolidation
- a valuation

- a planning phase
- a construction phase
- a re-allotment phase
- a conclusion phase

Decision on land consolidation:

To start the project, the State Cadastre Committee will call a public meeting on the initiative of the community. The purpose of the meeting will be to give up-to-date and comprehensive information about land consolidation procedures to the farmers. Other relevant government departments may also be invited. If the comprehensive model is to be implemented, 100% of the real property owners in the community must be in favour of land consolidation, since the process must be strictly on a voluntary basis.

After the meeting the community council will officially apply to the State Cadastre Committee to implement comprehensive land consolidation in that particular community. Following its approval, the State Cadastre Committee will appoint a consultant for the implementation of the project (based on tender and competitive bidding). In addition the State Cadastre Committee will determine the exact boundaries of the land consolidation project area and prepare a cost estimate and timetable for the procedure and the cost-sharing formula.

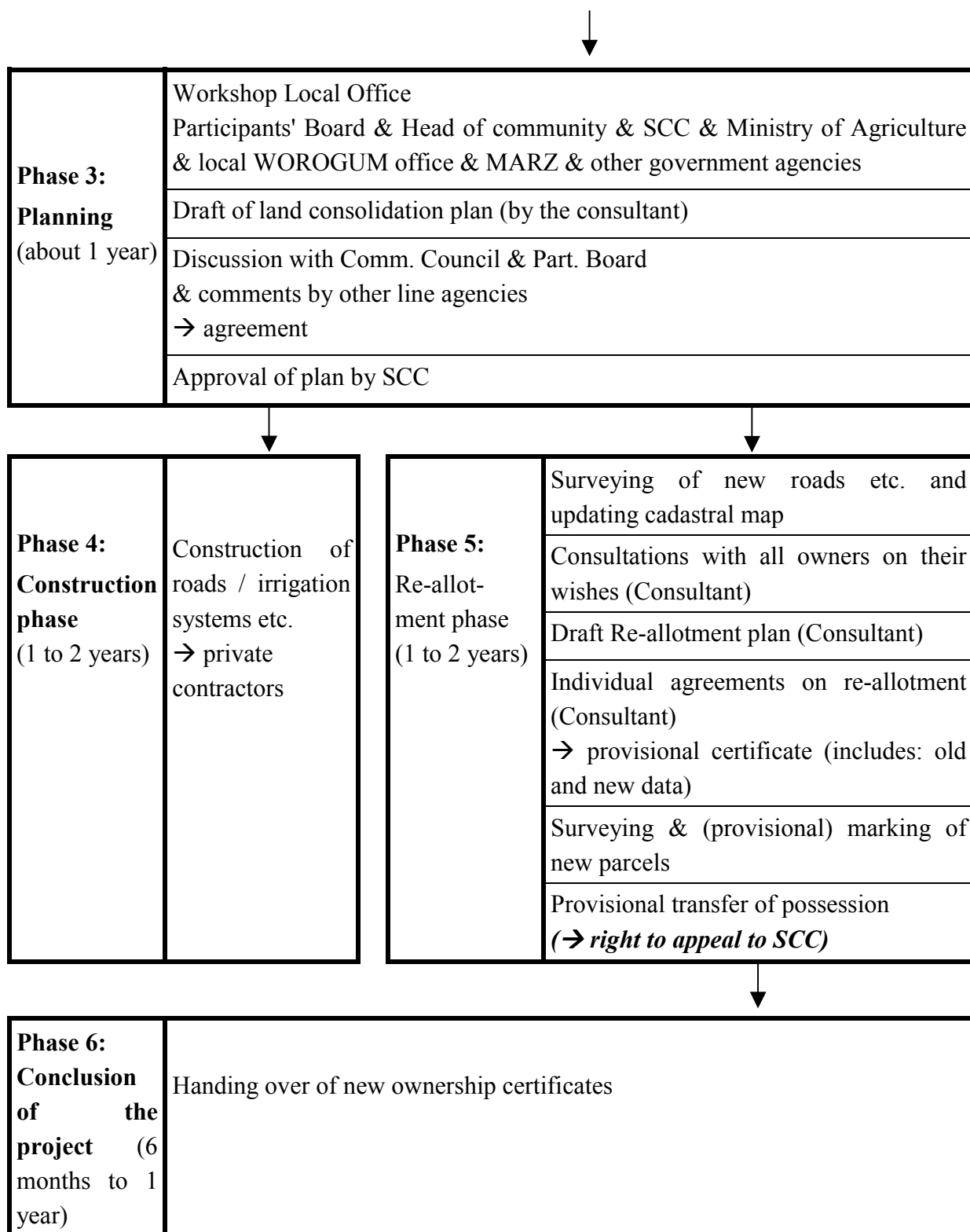
The Comprehensive Model

Phase 1: Decision on land conso- lidation (up to 4 months)	Public meeting → approval by 100% of the real property owners (voluntary basis)
	Application by the Community Council to SCC (including terms of reference)
	Approval of project by SCC → SCC elaborates time schedule & cost estimates Consultant → prepares plan of work
	Public meeting (SCC & Community Council & Consultant) Explanations Election of Participants' Board (up to 12 members)



Phase 2 Valuation (up to six months)	Valuation
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Once appointed, the consultant will take all the required preparatory steps. All existing data (maps, land use plan, land register) will be reviewed. Then he will do site inspections and ground checks on the validity of the land use maps. He will then prepare a preliminary design of the future farm road and watercourse plan.

Then the formal approval for the land consolidation project will be processed by the State Cadastre Committee. All landowners will be informed of the decision.

In a second public meeting the Participants' Board will be elected. The meeting will be chaired and facilitated either by a representative of the State Cadastre Committee or by the consultant.

Valuation:

The valuation process consists of four steps:

- preparation
- public meeting
- elaboration of a proposal for the valuation
- decision on the valuation.

Preparation of the valuation

This is one of the most important steps in the valuation of land parcels. The valuation must be easy to understand and transparent for everyone.

The consultant will prepare the valuation. He will draw up a framework, which will be presented to the Participants' Board. This framework will be discussed first with the Participants' Board and subsequently with the community.

Public meeting

Once the framework has been prepared a public meeting will be held. The proposed framework will be presented to the landowners. Then site inspections in the community will be conducted jointly with the landowners. Samples will be taken for different type of the soils in the locality. Adjustments will be made to the framework based on the results of the site inspections.

Preparation of a proposal for the valuation

In the subsequent weeks all land parcels within the land consolidation area will be inspected and valued. The consultant will prepare valuation maps, which will be publicly displayed and available to all landowners. Farmers should be involved in the valuation process.

It is recommended that two evaluation frameworks be drawn up, one for soil type (differentiated by irrigated arable land, non-irrigated arable land, natural grassland, pasture, etc.) and one for perennial plants and trees (e.g. vines). This means that the value of trees can also be included in the valuation.

Decision on valuation

Upon completion of the valuation proposal, the results will be presented to the public. If the landowner disagrees, he has the right of appeal to the State Cadastre Committee.

Planning phase:

The planning phase will start with a workshop with the Participants' Board, the community and all important government agencies.

On the basis of the discussion with the various stakeholders the consultant will elaborate a draft farm road and watercourse plan. This will be discussed with the Participants' Board and the community at large. If need be, additional meetings with important government agencies will be held. Once all the relevant government agencies, the Community Council and the Participants' Board have approved the planning, the plan will be submitted to the State Cadastre Committee for approval. It is also recommended that the plan be put on display to the public.

Construction phase:

The various civil works, such as the construction of new irrigation canals and new agricultural roads with small bridges will be put out to tender to local contractors. It may also be possible to include a self-help element in the construction of these civil works.

Re-allotment phase:

At the beginning of this phase the consultant will hold detailed discussions with all landowners on their wishes and requirements for the new allotments. He will then elaborate a preliminary re-allotment plan. This plan will be submitted to the State Cadastre Committee for approval. To conclude the consultations with the individual landowners the consultant will sign individual agreements with all landowners on their re-allotment. After that surveying and marking of the new parcels will take place, and the landowners will receive their new plots, together with provisional property rights certificates.

Landowners who disagree have the right of appeal to the State Cadastre Committee.

Conclusion phase:

To conclude the project all new land parcels will be registered at the State Cadastre Committee Local Office. The landowners will receive a certificate of entry into the land registry. The consultant will deliver all completed documents to the State Cadastre Committee.

A Strategy for the Introduction of Land Consolidation in Armenia

Preparations are already under way to set up an interministerial task force on land consolidation. This task force will act as a steering committee for the introduction of land consolidation in Armenia.

It is recommended that at the operational level the land construction Department of the SCC be entrusted with the introduction and co-ordination of the land consolidation.

The introduction of land consolidation would occur in three phases:

- In the first phase there would be mainly land consolidation schemes following the simplified model.
- In a second phase there would be more pilot projects of the comprehensive type, based on a government decree, but still without specific land consolidation legislation.
- In a third phase a Land Consolidation Act would be drafted based on the experience gained from various pilot schemes, and then land consolidation would be introduced throughout the country.

Some features of the proposed land consolidation procedure should be emphasised:

1. Implementation of the individual schemes would be entrusted to private consultants.
2. Good horizontal co-ordination of all the sector ministries involved will be essential.
3. The success of the individual land consolidation scheme depends on in-depth consultations with all landowners.
4. There will be a need for good training for land consolidation, both in the public and the private sector in Armenia.

Proposal for a Package of Pilot Interventions

We would like to ask FAO and other interested organisations, to support the efforts on the Armenian side through an TCP project. This TCP project would have a duration of two years and would consist of a number of pilot interventions for facilitating the introduction of land consolidation in the country.

In our opinion there are three key interventions that would make a great impact on establishing the practice of land consolidation in Armenia:

1. Support for land use planning and land consolidation in minimum three pilot communities
2. A training package
3. Support in the drafting of guidelines

