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REVISTA SOBRE
TENENCIA DE
LA **TIERRA**



FAO SUPPORT TO LAND CONSOLIDATION
IN EUROPE AND CENTRAL ASIA DURING 2002-2018

Experiences and way forward

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FAO pilot area for
land consolidation in
Sredno Egri, the former
Yugoslav Republic of
Macedonia (FYROM).



PREFACE

LAND FRAGMENTATION

LAND CONSOLIDATION

SMALLHOLDERS

EUROPE AND CENTRAL ASIA

Shortly after the Food and Agriculture Organization (FAO) was founded in 1945, it started responding to requests from member countries for support in addressing structural problems with land fragmentation and small farm sizes through the development of land consolidation instruments.

In the late 1990s, land fragmentation and land consolidation re-appeared on the agenda in Central and Eastern Europe (CEE) where land reforms launched in the 1990s generally led to excessive land fragmentation and small farm sizes. Around 2000, FAO began to document and address problems in this area. The objective of this paper is to present the FAO experiences and lessons learned, which outline the way forward.

Supporting smallholders and family farms is a priority for FAO in Europe and Central Asia. FAO established in 2014 the *Regional Initiative on Empowering Smallholders and Family Farms for Improved Rural Livelihood*

PRÉFACE

FRAGMENTATION DES TERRES

REMEMBREMENT DES TERRES

PETITS EXPLOITANTS

EUROPE ET ASIE CENTRALE

Peu de temps après sa création en 1945 sous requête des pays membres, l'Organisation des Nations Unies pour l'alimentation et l'agriculture (FAO) a commencé à appuyer ces derniers afin de résoudre les problèmes structurels liés à la fragmentation des terres et à la petite taille des exploitations agricoles grâce au développement d'instruments de remembrement des terres.

À la fin des années 90, les problématiques liées à la fragmentation et le remembrement des terres sont des sont réapparues dans l'agenda de l'Europe centrale et orientale où les réformes agraires lancées dans les années 90 ont généralement entraîné une fragmentation excessive des terres et des petites exploitations. Vers l'année 2000, la FAO a commencé à documenter et à chercher des solutions dans ce domaine. L'objectif de ce document est de présenter les expériences et les enseignements tirés par la FAO, qui peuvent définir une voie à suivre.

PREFACIO

FRAGMENTACIÓN DE LA TIERRA

CONSOLIDACIÓN PARCELARIA

PEQUEÑOS AGRICULTORES

EUROPA Y ASIA CENTRAL

Poco después de su fundación en 1945, la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO) comenzó a prestar apoyo a los Estados Miembros para que hicieran frente a los problemas estructurales relacionados con la fragmentación de la tierra y el tamaño reducido de las explotaciones, mediante la elaboración de instrumentos para la consolidación parcelaria en respuesta a las solicitudes de los Estados Miembros.

A finales de los años noventa, la fragmentación de la tierra y la consolidación parcelaria volvieron a aparecer en la agenda de Europa Central y Oriental, donde, por lo general, las reformas agrarias que se pusieron en marcha en los años noventa dieron lugar a la fragmentación excesiva de la tierra y a explotaciones de tamaño reducido. En torno al año 2000, la FAO comenzó a documentar y abordar los problemas en esta esfera. El objetivo del presente documento consiste en presentar las experiencias y lecciones aprendidas de la FAO con las que se esbozará el camino a seguir.



and Poverty Reduction, with a pertinent regional land consolidation programme under the programmatic umbrella of the Regional Initiative.

Most governments throughout CEE have recognized the need to address these structural problems hampering agriculture and rural development. This has led to the introduction of land consolidation instruments. FAO has played a leading role in supporting the introduction of land consolidation and the development of national land consolidation programmes. The FAO regional land consolidation programme has three main pillars: i) technical guidelines, ii) field projects in the programme countries, and iii) the informal network of land tenure professionals interested in land consolidation, land banking, land market development, etc. (LANDNET). FAO has from 2004 and onwards implemented field projects in 11 countries in the region so far.

Since the endorsement of the *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)* in May 2012, the Guidelines have served as the a reference to improve the governance of tenure, including through land consolidation, based on international good practices.

The experiences from many countries in the region show that it is often a long and not always straightforward process to develop a

Soutenir les petits exploitants et les exploitations familiales est une priorité de la FAO en Europe et en Asie centrale. En 2014, la FAO a mis en place l'*Initiative régionale pour l'autonomisation des petits exploitants et des exploitations familiales afin d'améliorer les moyens de subsistance en milieu rural et réduire la pauvreté*, avec un programme régional de remembrement des terres pertinent dans le cadre du programme de l'Initiative régionale.

La plupart des gouvernements à travers l'Europe centrale et orientale ont reconnu la nécessité de s'attaquer à ces problèmes structurels entravant le développement agricole et rural. Cela a conduit à l'introduction d'instruments de remembrement des terres. La FAO a joué un rôle de premier plan en appuyant l'introduction du remembrement des terres et l'élaboration de programmes nationaux de remembrement des terres. Le programme régional de remembrement des terres de la FAO repose sur trois piliers principaux: i) les directives techniques, ii) les projets de terrain dans les pays du programme et iii) le réseau officieux de professionnels des régimes fonciers intéressés par le remembrement des terres, banques foncières, le développement du marché foncier, etc (LANDNET). Depuis de 2004 la FAO a mis en œuvre des projets de terrain dans 11 pays de la région.

Depuis l'adoption des *Directives volontaires pour une gouvernance responsable des régimes fonciers applicables aux terres, aux pêches*

Prestar apoyo a las explotaciones agrícolas pequeñas y familiares es una prioridad para la FAO en Europa y Asia Central. La FAO puso en marcha en 2014 la *Iniciativa regional sobre el empoderamiento de los pequeños productores y granjas familiares en pos de la mejora de los medios de vida rurales y la reducción de la pobreza*, con un programa regional pertinente para la consolidación parcelaria en el marco programático de esa iniciativa regional.

La mayoría de los gobiernos de Europa Central y Oriental ha reconocido la necesidad de abordar esos problemas estructurales que obstaculizan la agricultura y el desarrollo rural, lo cual ha llevado a la introducción de instrumentos para la consolidación parcelaria. La FAO ha desempeñado una función destacada en apoyar la introducción de la consolidación parcelaria y el desarrollo de programas nacionales de consolidación parcelaria. El programa regional de la FAO para la consolidación parcelaria tiene tres pilares principales: i) directrices técnicas, ii) proyectos de campo en los países abarcados en el programa, y iii) una red oficiosa de profesionales de la tenencia de la tierra que se interesan en consolidación parcelaria, bancos de tierra, desarrollo de mercados de tierras, etc (LANDNET). La FAO a partir de 2004 hasta hoy ha ejecutado proyectos de campo en 11 países de la región.

Desde su aprobación en mayo del 2012, las *Directrices voluntarias sobre la gobernanza responsable de la tenencia de la tierra, la pesca*



fully operational national land consolidation programme and also more complex than anticipated 10-15 years ago. There is in general a need to mainstream and accelerate the development of operational land consolidation programmes in many countries and also to ensure an integrated broader support from Civil Society Organizations (CSO), such as farmers' organizations and from academia.

et aux forêts dans le contexte de la sécurité alimentaire nationale. DV ou les Directives) en mai 2012, elles ont servi de référence pour améliorer la gouvernance des régimes fonciers, y compris à travers le remembrement des terres, sur la base des meilleures pratiques internationales.

Les expériences de nombreux pays de la région montrent qu'il est souvent long et pas toujours simple d'élaborer un programme national de remembrement des terres pleinement opérationnel et que cela est plus complexe que ce qui était envisagé 10 ou 15 ans avant. De manière générale, il est nécessaire d'intégrer et d'accélérer l'élaboration de programmes opérationnels de remembrement des terres dans de nombreux pays et d'assurer un soutien plus large et intégré des organisations de la société civile (OSC) telles que les organisations d'agriculteurs et du monde universitaire.

y los bosques en el contexto de la seguridad alimentaria nacional. DVG) han servido como referencia para mejorar la gobernanza de la tenencia, también mediante la consolidación parcelaria, sobre la base de las mejores prácticas internacionales.

Las experiencias procedentes de numerosos países de la región demuestran que el proceso para desarrollar un programa nacional de consolidación parcelaria que sea plenamente operativo suele ser largo y no siempre sencillo, además de ser más complejo de lo que se preveía hace 10 o 15 años. En general, en muchos países existe la necesidad de simplificar y acelerar el desarrollo de programas de consolidación parcelaria que sean operativos, así como de garantizar que las organizaciones de la sociedad civil, como las organizaciones de agricultores y el mundo académico presten un mayor e integrado apoyo.



1. INTRODUCTION

Shortly after the Food and Agriculture Organization of the United Nations (FAO) was founded in 1945, the organization had started to support member countries addressing structural problems in agriculture with land fragmentation and small holding and farm sizes through the development of land consolidation instruments (Binns, 1950). During the 1950s and 1960s, FAO provided technical assistance to the development of land consolidation in member countries in Europe such as Turkey, Greece, Spain and Cyprus, but also in the Near East and Asia (Meliczek, 1973). Seminars with experts from the member countries were organized through the established Working Party on Consolidation of Holdings. In 1955, looking back at the first decade of activities of the organization, FAO concluded that *“Excessive fragmentation or uneconomically small holdings may prevent the farmer from using his time to best advantage or adopting modern means of production, e.g. mechanization”* (FAO, 1955). In the second half of the 1950s, a study was conducted on best practices of land consolidation in Europe (Jacoby, 1959).

In the late 1990s, land fragmentation and land consolidation re-appeared on the agenda, this time in the context of CEE where land reforms from the beginning of transition in the 1990s had led to excessive land fragmentation and small farm sizes in most of the countries (Hartvigsen, 2013a).

FAO began to document and address problems in this area (Palmer *et al.*, 2004). The Munich Symposium in 2002 was a milestone in the process and the first of so far 18 regional workshops held to date on land consolidation, land banking, land market development and related topics.¹ FAO has supported member countries in Europe and Central Asia since 2002 to prepare for national land consolidation programmes through i) preparation of technical guidelines and publications, ii) field projects,

and iii) by organizing the mentioned series of regional workshops and establishment of an informal network of land tenure professionals. Since 2010, the network is known as LANDNET.

The objective of this paper is to present the FAO experiences of supporting member countries related to land consolidation from 2000 on, but also to reflect on the lessons learned and the way forward. The endorsement in 2012 of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) (FAO, 2012), and the adoption in 2015 of the 2030 Agenda for Sustainable Development with 17 Sustainable Development Goals (SDGs) and 169 associated targets, further require reflection to ensure that all development initiatives related to land tenure and beyond are in the best possible way in line with VGGT and contribute to achieving the SDGs.

¹ Proceedings from FAO LANDNET workshops from 2002 are available at: <http://www.fao.org/europe/resources/land-tenure-workshops/en/>



2. LAND FRAGMENTATION AND SMALL FARMS

In Europe and Central Asia, FAO has 53 member countries today, and provides technical support in 18 countries in the Western Balkans, Trans Caucasus, Eastern Europe and Central Asia. Most of these 18 countries have farm structures dominated by smallholders and family farms or dualistic farm structures with many small farms and few large corporate farms (FAO, 2018).

Land fragmentation and small farm sizes are a fundamental structural problem resulting in low productivity and competitiveness in the globalized economy (Di Falco *et al.* 2010) list a number of publications confirming that land fragmentation increases production costs and leads to inefficiency. The structural problem with excessive land fragmentation and small farm sizes is hampering agriculture and rural development and hence also most initiatives in support of development. Small-scale agriculture production is ongoing in subsistence and semi-subsistence farms where most of the production is consumed in the household and the farms have weak access to markets and food value chains.

Land fragmentation and small farm sizes are also among the root causes to out-migration from rural areas and in several countries in the region a main reason for arable land being abandoned. In Armenia, according to the 2014 Agricultural Census, 33 percent of the land of family farms and 38 percent of the land of corporate farms is abandoned (FAO, 2017a). Land abandonment is widespread in most Western Balkan countries. In FYR Macedonia, around one-third of the arable land is unutilized.

Land reforms were high on the political agenda and a key part of the overall agrarian reforms together with the restructuring of large-scale socialist farms in most countries in Central and Eastern Europe (CEE) at the beginning of the transition from centrally planned to market economy in the 1990s (Lerman *et al.*, 2004). Different land reform approaches were applied in the different countries in the region with the main methods being *restitution* of ownership to former owners and *distribution* of

agricultural land to the rural population in either physical parcels or land shares (Hartvigsen, 2013a). The outcome of land reforms also varied between the countries. There is a strong correlation between the applied land reform approach and the farm structures today (Hartvigsen, 2013b). In general, the countries, which have distributed the agricultural land to the rural population in physical parcels, are those with the highest level of fragmentation of both land ownership and of land use. In most CEE countries, land reforms have completely changed the farm structures that existed during the socialist era. As a result of the recent land reforms, the ownership of agricultural land has become fragmented to a medium or high extent in almost all the countries. Also the land use has become fragmented in most CEE countries. The countries in ex-Yugoslavia suffer from excessive fragmentation of both land ownership and of land use. In ex-Yugoslavia, however, the collectivization process was never completed and around 80 percent of agricultural land remained in both private ownership and use during the socialist era. Thus, land fragmentation in these countries is not an outcome of recent land reforms but rather a result of the pre-World War II (WWII) farm structures that were largely "frozen" between 1950 and 1990 combined with continued fragmentation through inheritance.

In countries such as Albania, Moldova, the ex-Yugoslavia countries and the three Trans Caucasus countries, the average sizes of arable agricultural parcels are around 0.3 ha and most farms have a size of 1-3 ha (Hartvigsen, 2013b). In Albania, 98 percent of all farms are less than 5 ha and the average farm size is 2.1 ha distributed into 2-5 land parcels (FAO, 2018). In Georgia, 99 percent of all farms are smaller than 5 ha, and the average farm size is 1.4 ha distributed into 4-5 parcels. In the former Yugoslav Republic of Macedonia, 95 percent of all farms are smaller than 5 ha, and the average farm size is 1.6 ha distributed into an average of 7 parcels.

In Central Asia, in most countries land reforms followed a path different from the rest of the region. Only in Kyrgyzstan, the land was privatized and ownership rights distributed to the rural population and only the arable land (7 percent of the total land area in the country) was privatized.



(USAID, 2011). In the other Central Asian countries, land remains owned by the state but land use rights were allocated to the rural population during the land reform process. In Kyrgyzstan, the average farm size is 2.9 ha; in Tajikistan, it is 3.7 ha (FAO, 2018). In general, the level of land fragmentation in the five countries in Central Asia is low as the land is usually distributed in only 1-2 parcels per farm.

The level of fragmentation of both land ownership and land use in the 18 countries, where FAO provides technical assistance in Europe and Central Asia, is assessed in Table 1.

TABLE 1
Level of land fragmentation in the FAO Regional Office for Europe and Central Asia (REU) programme countries

Legend	
 Low	
 Low-medium	
 Medium-high	
 High	

COUNTRY	LEVEL OF FRAGMENTATION OF OWNERSHIP IN AGRICULTURAL LAND	LEVEL OF FRAGMENTATION OF LAND USE IN AGRICULTURAL LAND
Albania	High	High
Armenia	High	High
Azerbaijan	High	High
Belarus	Low	Low
Bosnia-Herzegovina	High	High
FYR Macedonia	High	High
Georgia	High	High
Kazakhstan	Low	Low
Kosovo*	High	High
Kyrgyzstan	Low	Low
Moldova	High	Medium-high
Montenegro	High	High
Serbia	High	High
Tajikistan	Low	Low
Turkey	High	High
Turkmenistan	Low	Low
Ukraine	Low-medium	Low
Uzbekistan	Low	Low

* References to Kosovo shall be understood in the context of UN Security Council Resolution 1244. 1999).

Supporting smallholders and family farms is one of four priorities for FAO in Europe and Central Asia, confirmed by the FAO Regional Conference in 2018. FAO established in the region in 2014 the Regional *Initiative on Empowering Smallholders and Family Farms for Improved Rural Livelihood and Poverty Reduction*. The Regional Initiative is building on the legacy of the International Year of Family Farming in 2014. The Regional Initiative has two main components: i) to support policy development and innovative practices for increased sustainable agricultural production, and ii) to support improvement of rural livelihood and enhanced access to natural resources. FAO support addressing land fragmentation and small farm sizes is included under the programmatic umbrella of the Regional Initiative.

Following the land reforms, land administration systems including cadastre agencies and land registries were built up in the countries with large-scale donor support. Land rights were formally registered after land reform and land markets were supported, including for agricultural land. From the mid-1990s on, the World Bank has funded 42 land projects in 24 Europe and Central Asia (ECA) countries in support of the land and property sector (Törhönen, 2016). In most of the countries where FAO is providing technical assistance in the region, the first registration of formal land ownership is almost completed. In Georgia, however, only around one-third of all land parcels are formally registered.

Despite the many efforts from both governments and donors throughout the region, agricultural land markets remain weak in many countries. Many different types of constraints hamper the land markets, especially the agricultural land markets. Many countries have "pockets" of unregistered land, often state or public owned, but also areas of private land remain unregistered. In the countries in ex-Yugoslavia, the formal land market was very much restricted and land registration was largely neglected during the decades of collectivization. The situation has not changed a lot since the collapse of Yugoslavia and a large percentage of the formally registered owners have been deceased for decades and inheritance remains unresolved in the families. All these registration problems prevent the land parcels from accessing the formal land markets.



Another type of problems hampering the development of formal agricultural land markets have to do with the established land market procedures, i.e. the procedures for transfer of tenure rights from one registered rights holder to another. In many countries, land transaction procedures are complicated and costly compared with the local land market price. This often leads to a high degree of informal land transactions where the transfer of tenure rights is agreed between the seller and the buyer but never formally registered in the land register. Experiences from FAO land consolidation pilot projects in Albania and Azerbaijan show that most of the agricultural land sales in the pilot communities after the land distribution in the 1990s have not been formally registered. This undermines the sustainability of the formal land administration systems (Haldrup, 2011) and the high degree of informality in the land markets is then again leading to insecure land rights and risk of disputes and conflicts that are very difficult to solve in the court system after decades of informality.

3. FAO EXPERIENCES FROM SUPPORT TO LAND CONSOLIDATION IN THE REGION

Almost 30 years have passed since the fall of the Berlin Wall in 1989 initiated the transition in the former Eastern Bloc from centrally planned towards market economy. As discussed in Section 2, the outcome of land reforms and land privatization in many countries in Europe and Central Asia have been excessive land fragmentation and small farm sizes. Governments throughout the region have mostly recognized the need to address these structural problems hampering the development of agriculture and rural development. This has led to the introduction of land management instruments such as land consolidation and land banking.

The current status of introducing land consolidation in Central and Eastern Europe and Central Asia is illustrated in Table 2. Five minimum criteria are to be in place before a national land consolidation programme is established and operational: i) land consolidation, as a land management instrument, is embedded in the overall land policy of the country, ii) a legal framework for land consolidation has been adopted, iii) a public lead agency for land consolidation has been established and delegated the task to manage the national land consolidation programme, iv) secured funding on an annual basis allows the lead agency to plan activities years ahead, and v) technical and administrative capacity has been developed to implement land consolidation projects in the field and to manage the programme (Hartvigsen, 2015a). Nine ECA countries already have ongoing land consolidation programmes, meeting all the five criteria.

From the early 1990s on, the introduction of land consolidation in CEE has been supported by more than 50 international technical assistance projects funded by international development partners (Hartvigsen, 2015a). Certainly not all have been of large scale, e.g. with field activities in the form of small pilots, and some have been relatively small studies. However, it is clear that only few countries would have been where they are today without international technical assistance. In this context,



it can be observed that countries have an “open window” to attract donor funding for land consolidation, as well as for other projects, before they accede the European Union (EU). After EU accession, it is often difficult for the countries to fund such development activities, as international development partners usually close down support at latest at the time of EU accession. For various reasons, countries such as Latvia, Estonia, Croatia and Romania were not able to make land consolidation programmes operational prior to EU membership and they are now facing difficulties in finding international support for land consolidation.

TABLE 2
Status of the development of land consolidation programmes in Central and Eastern Europe and Central Asia (as of November 2018). FAO has supported land consolidation in countries in bold

Countries with ongoing national land consolidation programme	Countries where land consolidation is introduced but not yet with a national programme	Countries with little or no experiences in land consolidation
Poland	Estonia	Montenegro
Eastern Germany	Latvia	Georgia
Czech Republic	Hungary	Russian Federation
Slovakia	Romania	Belarus
Slovenia	Bulgaria	Kyrgyzstan
Lithuania	Croatia	Tajikistan
Serbia	Bosnia and Herzegovina	Kazakhstan
FYR Macedonia	Kosovo*	Turkmenistan
Turkey	Albania	Uzbekistan
	Moldova	
	Ukraine	
	Armenia	
	Azerbaijan	

* References to Kosovo shall be understood in the context of UN Security Council Resolution 1244. 1999).

FAO has played a leading role in supporting the introduction of land consolidation and the development of national land consolidation programmes in Central and Eastern Europe from 2000 on. At the outset of what has become the FAO regional programme on land consolidation, the organization commissioned studies on land fragmentation and land consolidation in six countries: Bulgaria, the Czech Republic, Hungary, Romania, Georgia and Armenia in 2000-2001 (Riddell and Rembold, 2002). The studies documented the need to address the structural problems and also the interest among farmers and other stakeholders. The results of the studies were presented at the first regional workshop on land consolidation in Munich in February 2002. As an outcome of the meeting, the participants agreed on *the Munich Statement on land consolidation as a tool for rural development in Central and Eastern Europe / the Commonwealth of Independent States (CEE/CIS) countries*. The statement expressed the concern of the participants about the negative impact of land fragmentation in transition countries and recommended to decision-makers in these countries and to international development partners to include in their development programmes land consolidation as an essential instrument for rural development.

The FAO regional land consolidation programme has three main pillars: i) technical guidelines, ii) field projects in the programme countries, and iii) the informal network of land tenure professionals interested in land consolidation, land banking, land market development, etc. (LANDNET). During the 2000s, FAO prepared and published three technical publications to give guidance for land consolidation activities in CEE (FAO 2003, 2004, 2008). The focus was on the initial introduction of land consolidation in the countries and on funding opportunities under the Rural Development Programmes with EU co-financing. In early 2019, it is planned to publish a Legal Guide on land consolidation legislation based on the outcome of a regional study conducted by FAO.

Since the first field project, started in Armenia in 2004, FAO has so far supported 11 countries in CEE, related to land consolidation. The starting point for the technical support is usually the recognition in the country



of the need to address land fragmentation and small farm sizes and a vision to develop an operational national land consolidation programme. In countries such as Armenia (2004–06), Serbia (2006–08), Albania (2010–13), Bosnia and Herzegovina (2011–15) and Azerbaijan (2016–19), FAO has provided the initial support to introduce land consolidation in the country (Hartvigsen, 2015a). The projects in these countries have usually had three main components: i) drafting of a national land consolidation strategy, ii) land consolidation pilot project, and iii) training and capacity development. In other countries, FAO provided support after other development partners had contributed with the initial support to introduce land consolidation. In Lithuania (2005–07) and Moldova (2010–11), FAO supported the preparation of national land consolidation strategies after pilots had already been implemented with support from other international development partners. In Turkey (2014–15), FAO supported monitoring and evaluation of the land consolidation programme with a pilot impact evaluation (FAO, 2015). In Kosovo (2016–17), FAO supported further development of the land consolidation methodology already in place as part of the preparation of a national programme. In Ukraine, there is currently a Moratorium on sale of agricultural land. The government is planning to open the agricultural land market and in 2017–18, FAO has been supporting the development of land consolidation legislation, planned for adoption when the agricultural land market gets opened (FAO, 2017b). In FYR Macedonia, in 2014–17, FAO supported the preparation of the national land consolidation programme by implementing two pilots to test the 2013 Law on consolidation of agricultural land before scaling up, and provided additional training and capacity building. From 2017 to 2020, FAO is supporting a first round of land consolidation projects under the national programme (see Box 1) through the EU funded project *Mainstreaming of the National Land Consolidation Programme (MAINLAND)* (Hartvigsen, 2015a; Van Holst *et al.*, 2018).

The farm structure in FYR Macedonia is dominated by small family farms with an average farm size of 1.6 ha and an average of seven land parcels per agricultural holding. Excessive fragmentation of both land ownership and land use exists, not so much as a result of the land reform process but related to the farm structure prior to WWII, which still exists to a large degree. The average farm size has decreased since independence in 1991 and as much as one-third of the total arable land is abandoned.

Land consolidation was introduced with technical assistance from the Netherlands during 2008–2012 where two rounds of small-scale pilots were implemented and the *National strategy on agricultural land consolidation* for the period 2012–2020 was developed. The strategy was politically adopted in March 2013. The Ministry of Agriculture, Forestry and Water Economy (MAFWE) prepared the Law on Consolidation of Agricultural Land, which was adopted by the Parliament in December 2013. Five by-laws were prepared during the first half of 2014. According to the land consolidation strategy and the law, the main objective of implementing land consolidation is to reduce land fragmentation, improve parcel shapes and increase the size of agricultural holdings, and hence contribute to increased productivity and competitiveness in the agricultural sector. In addition, the objective is to reduce the amount of abandoned agricultural land, improve rural infrastructure and improve environmental protection and sustainable management of natural resources.

The law opened for implementation of land consolidation in two different approaches: majority-based, – where the qualified majority of the landowners in the project area approve the re-allotment plan, and a voluntary approach, – where all included land transactions are agreed by the owners. In 2013, MAFWE established a Land Consolidation Department with responsibility for the preparation and operation of a national land consolidation programme.

BOX 1
FAO support
to the land
consolidation
programme in
FYR Macedonia
2014–2020



The Government requested support from FAO to the preparation of the national land consolidation programme. The corresponding project began in December 2014 and was finalized in March 2017.

The newly adopted legislation was tested in two land consolidation pilots, one with a majority-based approach and one in a voluntary approach. The pilots revealed several obstacles and bottlenecks in the legislation. A detailed legal assessment was carried out, including for compliance with the Voluntary Guidelines on the Responsible Governance of Tenure (VGGT), and an extensive package of legal recommendations were provided to the Ministry. Both pilots were successful in terms of the re-allotment plans. In the majority-based pilot in Egri, the number of parcels will go down from 876 to 232, a factor of around 4. The new land parcels will have more rational shapes and better access. Rehabilitation of the agricultural infrastructure, new roads, irrigation and drainage are planned. In Konce, a draft re-allotment plan was prepared in a voluntary approach including many small and scattered parcels of state land. However, due to legal constraints, the full implementation of the pilots in the field has waited for the legal obstacles to be resolved through the adoption of amendments to the legislation in May 2018.

From March 2017 until September 2020, FAO is implementing the EU funded project *Mainstreaming of the National Land Consolidation Programme (MAINLAND)*, supporting a first round of land consolidation projects under the national programme. During 2017-18, the project has extensively supported the Ministry in the preparation of the necessary legal amendments, and prepared for the launch of the first 12 field projects.

Since the endorsement of the *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security* (FAO, 2012a) in May 2012, the Guidelines have served as the reference to improve the governance of tenure, based on international good practices. The Guidelines promote security and formal registration of legitimate tenure rights, as well as the enjoyment of the

rights. The document has a specific section on land consolidation and other readjustment approaches (Section 4.13) where a guiding principle is to ensure that the participants are at least as well off after the land consolidation as before.

It is the approach of FAO to introduce land consolidation instruments in support of the development of functioning land markets. As discussed in Section 2, agricultural land markets in the 18 ECA countries where FAO is providing technical assistance are often not functioning well. Addressing and solving the land registration problems needs to be an integral part of the land consolidation process and it is usually recommended to empower the decision-making bodies approving the land consolidation project / re-allotment plan also to take decisions on land registration issues related to the land owners and land parcels participating in the land consolidation projects. Without the mandate to adjudicate uncertainties in tenure rights, it would often not be possible to implement and formally register the new layout of tenure rights after the land consolidation (the re-allotment plan).

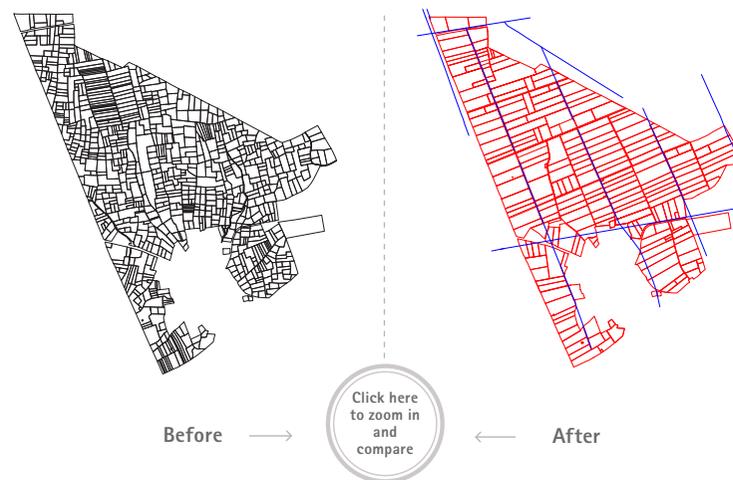


FIGURE 1
Majority-based land consolidation pilot project in Egri village in FYR Macedonia (2017). Parcel structure before (left) and after (right). The number of land parcels was reduced by a factor of 4. Rehabilitation of agricultural infrastructure (roads, irrigation and drainage) was integrated in the scheme

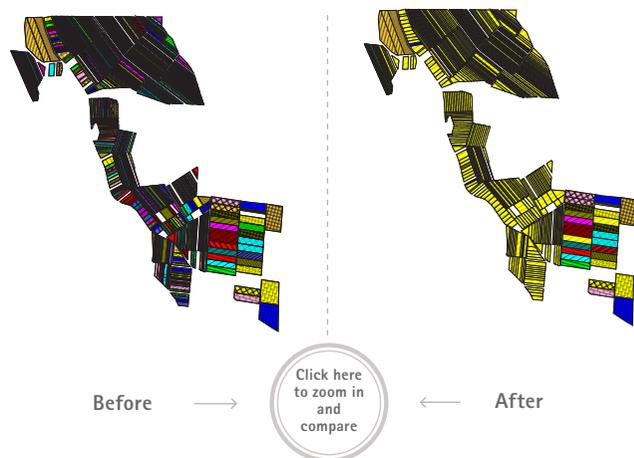


Where agricultural land markets are weak, the implementation of land consolidation can support their development. The market price of small land parcels is often lower than the transaction costs involved in transferring them from one owner to another, and there will often be no interest in purchasing such parcels. After consolidation, the market will begin to function better and gradually become stronger as the process of improving the farm structures continues through normal land market transactions.

in a voluntary approach in line with the VGGT. However, as part of a national programme, a majority-based land consolidation approach can be the best solution in some cases, when legal safeguards are in place and properly protect legitimate tenure rights, e.g. if the project is supported by almost all the land owners and also the value of the participating land parcels is homogenous. In addition, FAO has promoted a third approach – *integrated voluntary land consolidation* (Hartvigsen, 2015b) – where, among other elements, the voluntary approach is combined with the needed improvement of the local agricultural infrastructure in the project area.

As discussed in Section 2, rural communities in the ECA countries where FAO is providing technical assistance are usually suffering from a wide range of needs and constraints, including the structural problems of land fragmentation and small farm sizes. Hence, there is a strong need to integrate the land consolidation work with broader support to local community development beginning with the rehabilitation of agricultural infrastructure but going well beyond. In FAO land consolidation pilots in countries such as Armenia, Serbia, Albania, Bosnia and Herzegovina and FYR Macedonia, local Community Development Plans have been prepared in an inclusive and participatory process with the local stakeholders (Hartvigsen, 2016). In 2005, FAO published *A short introduction to micro-regional planning*, which supports community-led development initiatives, also in connection with land consolidation projects (Schmidt-Kallert, 2005). Conducting a series of community workshops will often be a good way to facilitate the process. This should be coordinated with the awareness and information meetings conducted as part of the land consolidation process where also the participation of the stakeholders is essential. Also the active involvement of the individual stakeholders, including the land owners and farmers, is important. In the FAO pilots, the aim has been to individually interview all identified landowners about their interest in and wish for the land consolidation project. These interviews are in addition an opportunity to discuss with the individual landowners their perception of development needs at a very practical level, e.g. where parcels need access roads, need for renewal of or a new irrigation systems, need for drainage, etc. The adoption

FIGURE 2
Voluntary land consolidation pilot project in Moldova (2008). Land ownership in part of Ghiduleni village before (left) and after (right) the project (small part of the project area)



Throughout Europe, land consolidation is implemented in two main approaches, *majority-based land consolidation*, (Figure 1) often referred to as compulsory or comprehensive land consolidation, and *voluntary land consolidation* (Figure 2) (Hartvigsen, 2015b). In a majority-based approach, a qualified majority of the landowners in the project area representing the majority of the land in the project area can decide about the implementation of the re-allotment plan. In this way also landowners not supporting the plan will still have their land parcels consolidated but will always receive land of at least the same value as before the project. In the region, FAO has promoted the introduction of land consolidation



in 2015 of the *Agenda 2030 and the Sustainable Development Goals* with 17 goals and 169 associated targets requires a more programmatic and integrated approach and a need to re-think development work in general.² This also applies to the technical support to land consolidation.

The FAO experiences from the region show that land consolidation projects are often hampered by low land mobility, as many want to consolidate but relatively few land owners are interested in selling land parcels and few can afford to purchase additional land (Hartvigsen, 2014a). The re-allotment planning, in particular in a voluntary land consolidation approach, becomes very difficult if no land pool is available to catalyze the process. Hence, it becomes important to find ways to increase the land mobility. In many countries in Western Europe, state land banks or land funds are established to support the land consolidation instruments in this respect. The land bank purchases, often on normal land market conditions, land from private owners willing to sell in a short period before a land consolidation project is launched. This land pool is then used to catalyze the re-allotment planning, and the land is sold again by the land bank in the land consolidation process; the revenue goes back into the land bank and can be used to catalyze the next project. Many countries in CEE have large reserves of state owned agricultural land after the finalization of land reforms. In Lithuania, 400 000 ha remain in state ownership and in FYR Macedonia, 240 000 ha of agricultural land remain in state ownership (Hartvigsen, 2015a). The possible synergies between land consolidation and land banking instruments in a CEE context have been discussed at several regional land consolidation conferences and workshops during the last decade. However, the situation is that land banking in connection with land consolidation projects has so far largely failed and the potential remains unused (Hartvigsen, 2015a). There are a number of reasons for this and some of them are country specific. However, a general explanation appears to be related to the organization of state land management and land consolidation in the countries. Often different public institutions are responsible for the land consolidation programmes and the management of the state land fund, and efforts are often not coordinated.

² <https://sustainabledevelopment.un.org/?menu=1300>

4. THE WAY FORWARD

In 1973, when Hans Meliczek was looking back at the work on land consolidation of FAO during 1945–1973, he emphasized the importance of i) implementing pilots before scaling up to a full programme, ii) adopting proper legislative provisions, iii) establishing land funds to support the land consolidation process, and iv) integrating land consolidation with improvement of agricultural infrastructure and other measures for local rural development (Meliczek, 1973). As discussed in Section 3, these recommendations are all still valid when supporting countries in the ECA region in building up operational national land consolidation programmes.

The experiences from many countries in the region show that it is often a long and not always straightforward process to develop a fully operational national land consolidation programme and also more complex than anticipated 10–15 years ago, when the FAO regional land consolidation programme was launched. The political support can easily be lost in the process, as governments and key persons in ministries and other public institutions are replaced. However, the political support and the drive for finalizing can also come back after years of little progress. In Albania, a national land consolidation strategy was drafted with support from a FAO project in 2012–13, while the strategy was only adopted in 2016. Developing and adopting national land consolidation strategies has proven to be a very successful tool to embed the land consolidation instrument in national policy and to secure political consensus that goes beyond the life cycle of the current government. Countries such as Lithuania, Albania and FYR Macedonia are good examples on this.

Even with strong political support, the experiences show that preparing for an operational national land consolidation programme takes time and needs to go through different stages from the first pilot implemented without specific land consolidation legislation to developing and adopting a land consolidation strategy and subsequently the legal framework. Then comes testing the legal framework in a second round of pilots and fine-



FIGURE 3
The optimal
process from the
introduction of
land consolidation
to an operational
programme



tuning procedures and legislation based on pilot experiences. Extensive international technical assistance throughout the process will often be needed. Figure 3 illustrates the optimal process from the introduction of land consolidation to an operational programme.

There is in general a need to mainstream and accelerate the development of operational land consolidation programmes in many countries and also to ensure an integrated broader support from civil society organizations such as farmers' organizations and academia (Van Holst *et al.*, 2018). There is also a need for enhanced regional cooperation and exchange of experiences between countries. With the establishment of LANDNET, the informal network of land tenure professionals working in the field of land consolidation and land market development and the unique series of so far 18 regional workshops since 2002. see Section 1), there is already established a very strong platform for further scaling up the regional cooperation. It is also essential for FAO to further strengthen partnerships related to land consolidation beyond the valuable partnerships already established through LANDNET and with the United Nations Economic Commission for Europe (UNECE) Working Party on Land Administration (WPLA).

The development and adoption of solid and operational land consolidation legislation is in all countries a corner stone in the process towards a national programme. However, it has proven to be very difficult to adopt fully operational legislation in the first attempt and several countries have made major amendments to their legislation after the first projects under the national programmes. In Lithuania, the first land consolidation legislation was adopted in 2004 and amended in 2010 after the first wave of projects implemented in 2005–2008 (Hartvigsen, 2015a). In FYR Macedonia (see Box 1), the

Law on consolidation of agricultural land was adopted in 2013, tested in pilots during 2014–17 and amended in 2018 based on pilot experiences. Most of the legal discussions are with few variations the same in all the countries preparing for a national land consolidation programme. In order to enhance the support to the programme countries, FAO decided in 2017 to conduct a regional legal study on land consolidation legislation involving around 10 European countries with ongoing land consolidation programmes. The study is conducted in 2018 and has identified regional best practise. A Legal Guide on Land Consolidation being finalised will provide generic guidance on the drafting of land consolidation laws to the countries in the region, fully in line with VGGT. The Legal Guide is planned to be published by FAO early 2019, and will be applied in ongoing and future FAO projects and will hopefully be useful for governments and international development partners as well.

Since the 1980s, there has been a tendency in many European countries with land consolidation programmes to shift the emphasis of land consolidation from a focus on restructuring of agriculture towards a more multi-functional approach by balancing the interests of agriculture, landscape, nature conservation, livelihoods, recreation and transportation (Hartvigsen, 2016; Hartvigsen, 2014b). Land consolidation is by nature multi-functional but the focus of land consolidation in the FAO programme countries in ECA is mainly on agricultural development. This is very understandable, as addressing the structural problems of land fragmentation and small farm sizes in these countries is the main driver behind the introduction of land consolidation in the first place. However, it is recommended from the very beginning to design the land consolidation instrument so flexible that other objectives, including land acquisition for large-scale infrastructure projects, climate change adaptation and mitigation, nature restoration and afforestation, can be pursued at later development stages. In this context, it is recommended, also at an early stage, to get pilot experiences with land consolidation not only driven by the objective of agricultural development.



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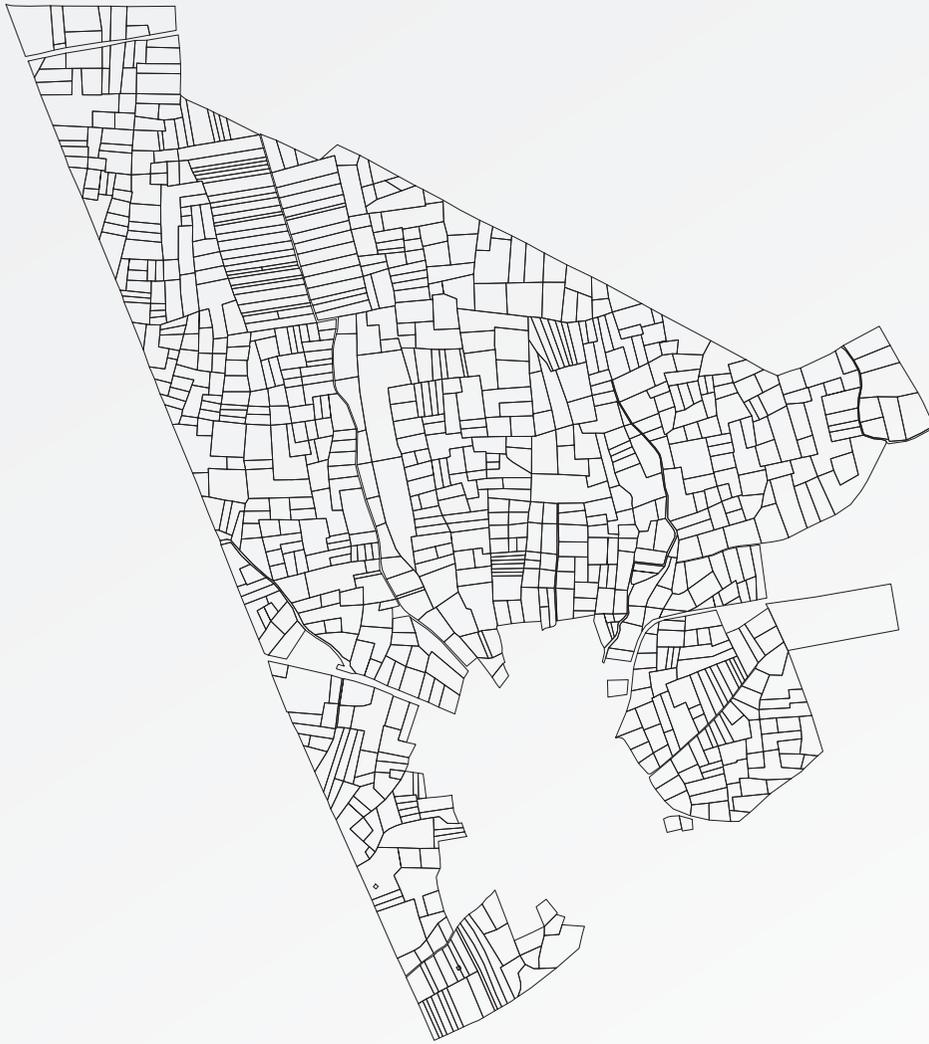
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 ANNEXES



FIGURE 1
Majority-based land consolidation pilot project in Egri village in FYR Macedonia (2017). Parcel structure before (left) and after (right). The number of land parcels was reduced by a factor of 4. Rehabilitation of agricultural infrastructure (roads, irrigation and drainage) was integrated in the scheme



Before



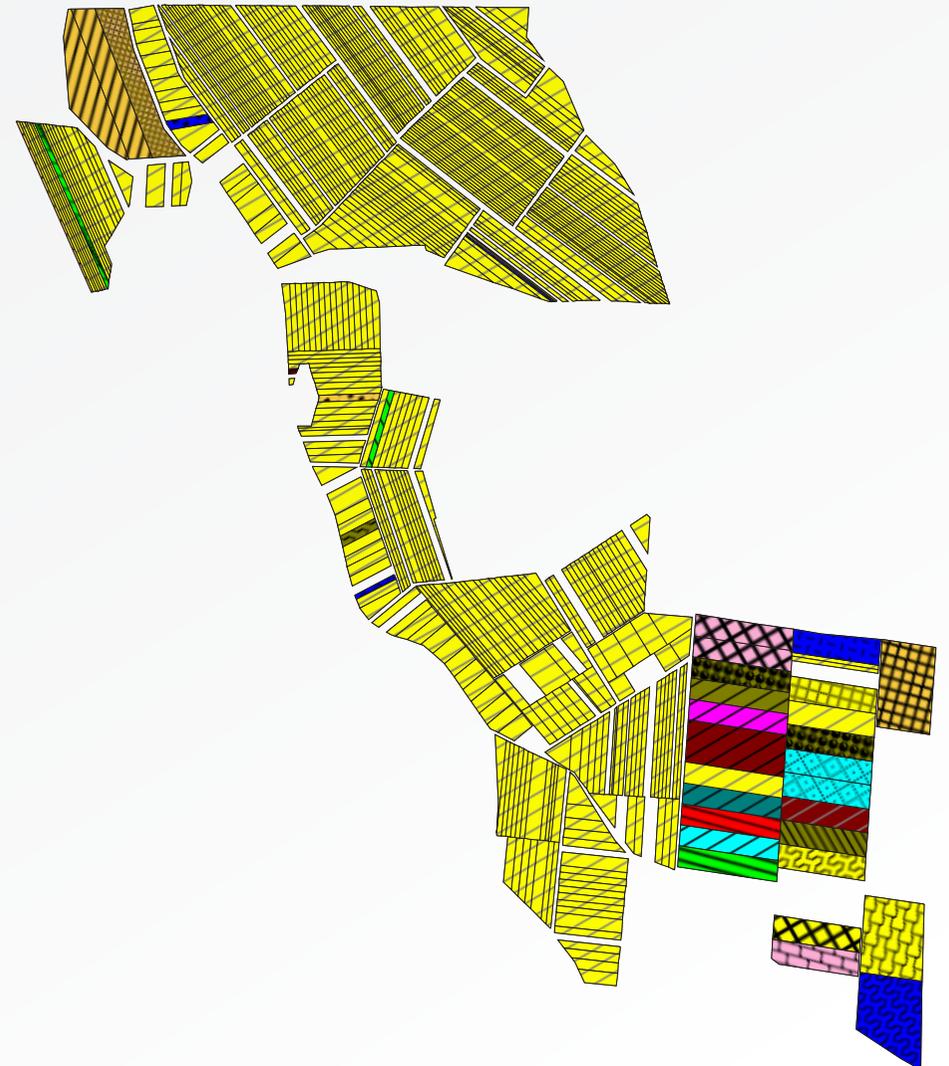
After



FIGURE 2
Voluntary land consolidation pilot project in Moldova
(2008). Land ownership in part of Ghiduleni village
before (left) and after (right) the project (small part
of the project area)



Before



After

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