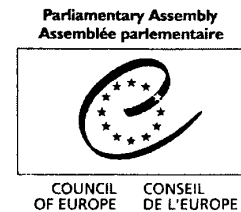


Parliamentary Assembly
Assemblée parlementaire



For debate in the Standing Committee — see Rule 15 of the Rules of Procedure

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Regrouping land in central and eastern Europe

Report

Committee on the Environment, Agriculture and Local and Regional Affairs

Rapporteur: Mr Théo Maissen, Switzerland, Group of the European People's Party

Summary

In many areas in central and eastern Europe, highly fragmented holdings which cannot be easily worked make agriculture difficult. Land improvement measures can be used to solve that problem and contribute to improving living conditions in rural areas.

Over the years, various central and east European countries have passed laws designed to pave the way for improved agrarian structures, but others still lack the legislation needed to carry out improvement schemes.

Improvement measures should enable farming to be made easier, make the acquisition of land for public projects simpler, preserve soil fertility and enhance the landscape. The role of local and regional authorities in implementing such measures is particularly important as well as the agreement of the farmers concerned.

A. Draft resolution

1. The Parliamentary Assembly underlines the importance of agriculture in many countries in central and eastern Europe, where it still employs a large proportion of the workforce (approximately 15% in Poland and Ukraine, 35% in Romania). In order to provide the groups concerned with better living conditions and adequate income levels, agricultural policy must be adapted and structural reforms carried out so that land is used more rationally, more effectively and more sustainably.

2. In some of the countries in question, agriculture is hampered by the land being divided into many small plots, often as a result of the privatisation process following the collapse of the previous collectivist system. There is often lack of clarity surrounding ownership and, in some cases, there is no land register, plots are too small and the land is underused.

3. The Assembly believes that land regrouping measures can help to remedy some of these shortcomings with a view to improving living conditions in rural areas, especially those with less favourable climatic, geographical and topographical conditions.

4. It is also important to recognise the role which local and regional authorities can play in implementing such measures and to assign them the powers and financial and technical resources needed in this connection. The principles of local self-government, as set out in the European Charter of Local Self-Government, must be applied.

5. The Assembly underlines that land regrouping measures have already been tried out and implemented in many countries. In some countries, these measures have not achieved significant results, but they have proved successful in others, in particular in Switzerland, which deserves to be cited as an example given the success of the policy it has conducted for several decades in poorly accessible mountain regions where farming is difficult, which are often similar to those found in certain central and east European countries.

6. Land regrouping policies are complex and require both legal measures (land registry, property regulations, land use) and technical ones, in areas such as regional/spatial development (transport infrastructure, water regime), the environment (protection of water, soil, landscapes and biodiversity) and agriculture proper (reorganisation of land, land improvement and fertility, crop rotation, etc).

7. The Assembly believes that the regrouping of land boosts the efficiency of farming, optimises land use and improves the living conditions and standards of rural communities. It therefore encourages the implementation of the necessary reforms in countries where farms are too small and land is divided into too many individual plots.

8. It has taken note of the land reforms which have been carried out or are under way in several central and east European countries. It has considered land regrouping projects in Romania, in particular the RALF-RO pilot project being carried out in the municipality of Remetea, based on the Swiss model, which it supports as a good example of land improvement.

9. The Assembly therefore recommends that:

9.1. the governments of central and east European member states:

9.1.1. make provision for and implement measures to encourage land regrouping so as to reduce the division of farmland into too many small plots and enable more efficient and more profitable farms to be established, thereby raising farmers' living standards;

9.1.2. take account of land regrouping experience already gained in Europe in societies of either Latin or Germanic cultural tradition and, to this end, follow the good example of other European countries such as Switzerland and the Netherlands, which are already co-operating in land regrouping projects, and have recourse to their technical know-how and the financial support available;

- 9.1.3. inform farmers with a possible interest in land regrouping measures about the nature of and reasons for the measures and the benefits they can derive from them;
 - 9.1.4. consider granting the necessary technical and financial resources or tax concessions to municipalities which wish to carry out land regrouping projects in agreement with the farmers concerned;
 - 9.1.5. encourage the establishment of co-operatives for the production, processing and marketing of agricultural produce, particularly in regions where farms are small and especially in municipalities or regions where land regrouping has been carried out and has rationalised farms and boosted their productivity;
- 9.2. the European Conference of Ministers responsible for Regional Planning include in its work programme an activity on land regrouping policies so that recommendations can be drawn up and addressed to the countries concerned on the basis of existing experience and best practice;
- 9.3. the European Commission:
- 9.3.1. offer financial support for national land regrouping measures, in particular in the new member states of the European Union and the applicant countries;
 - 9.3.2. establish to that end a specific instrument for providing technical and financial assistance for land regrouping projects in the above countries;
- 9.4. the local and regional authorities concerned by land regrouping measures also have recourse to international co-operation in seeking the technical and financial resources needed from counterparts which have already had experience in the area.

B. Explanatory memorandum by Mr Theo Maissen, rapporteur

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1. Progress with the development of democracy and the rule of law depends on improvements in living conditions in economic and social terms. In rural areas, agro-economic structures play a key part in shaping economic and social conditions. It is therefore crucial to make the most of the potential for agricultural production. This requires agricultural structures which allow rational and sustainable land use, as well as adequate income levels for farmers and their families. In this connection, account now also has to be taken of the demands of the sustainable protection of nature, landscapes and the environment.

I. The basic situation

2. Many areas in central and eastern Europe lack some or all of the conditions needed for rational agriculture, guaranteeing farmers an income. Highly fragmented holdings, which cannot be easily worked with modern machinery, uncertain ownership, inefficient land-use and small farms are the main features of the picture in many parts of the countries concerned. In the past, large collective farms were established in good farming areas, where farming structures were essentially modern, while traditional structures were maintained in the poorer farming areas, where topography and climate were less favourable. Often, too, the small structures were restored when the collective farms were broken up. Structural improvements are now vitally needed to change this. This report sets out to show how comprehensive land improvement measures can be used to remove these defects, and contribute decisively to improving living conditions in rural areas.

3. Statistics have been collected (a questionnaire was sent to member states – see Appendix 1) and a survey made of the current situation (see Appendix 2) and where improvements might be possible. Replies were received from a total of 23 countries, including 8 where farming was collectivised after the Second World War, and that system wholly or partly abolished after 1990. Generally, the answers show (cf. evaluation table in Appendix 2) that the percentage of people engaged in agriculture is far higher than in Western Europe - above all, in the larger central and east European countries (Azerbaijan 40%, Lithuania 15%, Poland 13% and Romania 37%). At the same time, most farms in these countries are small (Azerbaijan 1.7 ha., Hungary 6.1, Poland 6.6, Romania 3.2 and Slovenia 6.3). By comparison, medium-sized farms in Western Europe have between 20 and 40 hectares (Switzerland 19.0 ha., Netherlands 22.5, Germany 40.4, France 42.0 and Denmark 58.0). Farm-size percentage figures also reflect these small structures. In the central and east European countries surveyed, the percentage of farms of less than 5 hectares varies from 21.6% (Slovenia) through 68.8% (Poland) to 99.7% (Azerbaijan). The percentage figure for 25-50 hectare farms (common in western Europe and, if intensively farmed, regarded as viable family concerns) is

correspondingly low. Figures for the number of plots per holding are insufficient for analysis, but farm structures make it seem likely that, wherever dissolution of the collective farms has more or less restored the old post-war structures, plots are small and often unsuitable for working with modern machinery. In the central and east European countries surveyed, the percentage figure for land in private ownership varies from 40% (FYRoM) to 99.4% (Azerbaijan).

4. Over the years, various central and east European countries have passed laws designed to pave the way for improved agrarian structures (Estonia 1995, Hungary 1994, Lithuania 1994 amended 2002, FYRoM 1990, Poland 1989/2003 and Slovenia 1996). Others (Azerbaijan, Romania) still lack the legislation needed to carry out comprehensive improvement schemes. The answers to the questionnaire also show that, above all in Hungary and Poland, practical improvement measures are already being taken, or are at least planned. They also show that all the respondent countries have land registers, which can be used to clarify questions of ownership - although there is no way of knowing how far they satisfy modern geodesic requirements, and whether they are regularly updated. The Romanian authorities report, for example, that their land register is not up to date.

II. Comprehensive land improvement measures in Switzerland

5. Switzerland's experience, above all in mountain regions, can be used to illustrate approaches to solving the problem. The points to be considered are, firstly, national laws and, secondly, the practical legal rules which apply at regional and local level. We shall be looking at the legal and procedural steps taken to secure the democratic participation and co-operation of the people concerned, and also at the operation's technical aspects.

6. Agricultural conditions in Switzerland, where 75% of the land is in mountainous or hilly regions, are comparable, in terms of traditional structures, with the situations found today in extensive parts of central and eastern Europe, where the experience acquired over decades in Switzerland can provide a useful basis for similar projects. In fact, at an early stage, there were already lively theoretical and practical contacts between the Federal Technical University in Zurich and the Jagiellonian University in Krakow (Poland) concerning so-called complex land improvement measures.

i. Modern comprehensive improvement measures are designed to:

- a) make farming easier by consolidating holdings and adjusting the boundaries of rented land, opening up farming areas and improving the soil;*
- b) make it easier to acquire land for public projects, e.g. railways, roads, flood protection, nature and water conservation, and other infrastructure schemes, above all local authority schemes;*
- c) implement local land-use plans and regional or national regeneration and networking programmes;*
- d) protect land used for crop rotation and preserve soil fertility;*
- e) enhance landscape or landscape elements ecologically and aesthetically;*
- f) resurvey land to protect ownership.*

ii. Specific agricultural measures include:

- a) reducing fragmentation of arable land*
- b) designating zones for farm buildings*
- c) separating arable land and ecological compensation zones*
- d) acquiring land for communal facilities, particularly access roads*
- e) regulating servitudes*
- f) constructing and improving field access paths*
- g) using drainage or irrigation to preserve land set aside for crop rotation*
- h) regenerating culvert-confined watercourses.*

7. Democratic legitimacy is regarded as an essential foundation of comprehensive improvement measures, i.e. all such measures assume that a majority of those affected accept them. The legal basis of this is Article 701(1) of the Swiss Civil Code:

"If land improvement measures, such as water course correction, drainage, irrigation, afforestation, construction of paths, consolidation of holdings, etc., can be carried out only by a communal entity, and if a majority of the landowners involved, to whom half the land in question belongs, have agreed to the scheme, then the remaining landowners shall be required to participate. Landowners who play no part in taking the decision shall be deemed to accept it. Participation shall be noted in the land register."

8. To facilitate decision-making, landowners who play no part in taking decisions count as accepting them. The cantons are also free to adopt other decision-making procedures. In the canton of Graubünden, for example, local assemblies also have the right to initiate land improvement schemes. The reason for this is that the interests of landowners who are not local residents often differ from those of people who live in the municipality and are directly affected by its future development.

iii. *At federal level, the following provide a legal basis for land improvement schemes:*

- a) *the Federal Constitution, Article 104 (Agriculture)*
- b) *the Federal Agriculture Act of 29 April 1998, Sections 87 to 112 (Structural improvements)*
- c) *the Decree on structural improvements in agriculture of 7 December 1998.*

iv. *At cantonal level, laws and decrees determine the technical details of comprehensive land improvement schemes, which normally comprise the following phases:*

- a) *definition of the area covered (perimeter)*
- b) *planning study*
- c) *decision to proceed by landowners involved or the community*
- d) *formulation of the general plan*
- e) *investigation of existing ownership situation*
- f) *assessment (grading) of the old holdings*
- g) *reallocation*
- h) *marking of boundaries*
- i) *purchase of property*
- j) *apportionment of costs*
- k) *conclusion and winding-up of entity.*

III. The RALF pilot project in Romania

9. In the following section, we shall take the RALF (Regrouping of Agricultural Land and Forest) pilot project in Romania as an example of practical action in a country where solving these problems is a matter of special urgency. With Switzerland's legislative and practical experience of land improvement schemes as our starting-point, we shall take a typical community in Romania and use it to show how farms can be made viable by reapportioning land and developing infrastructure. Another aim is to repair the damage done to nature and landscape under the communist dictatorship.

i. *The following report is by B. J. Rakossy (January 2005):*

- a) *"The RALF-RO was registered in Bucharest in February 2005 as a working group set up to plan and implement a comprehensive land improvement scheme in the municipality of Remetea (Harghita district) in Romania.*
- b) *At the end of January, the local television station made a film in the municipality of Remetea and conducted an opinion poll concerning the planned consolidation scheme. After that, the President of the municipality, Mr Latczkò, with MM. Ràkossy and Garda, explained the purpose of the planned changes at a public discussion meeting. The*

whole programme, lasting nearly an hour, was shown several times on local (cantonal) television.

- c) *By the time winter began, approximately 10% of the total area, i.e. over 1,000 hectares, had already been surveyed and the data processed.*
- d) *As currently registered, land-use in the municipality of Remetea is as follows:*
 - Arable: 2,380 ha.
 - Meadow: 3,380 ha.
 - Pasture: 2,610 ha.
 - Forest: 1,760 ha.
- e) *It must be emphasised that the pastures and forest are used in common by the villagers.*
- f) *The state of the pastureland is in many ways lamentable. Often, the forests exist on paper only. The high percentage of arable is the product of a time when the party's supreme political objective was to extend it at all costs. This led, among other things, to the total destruction of the marshland in the valley of the Mures river. To some extent, this also applies to a good proportion of the pastureland.*
- g) *Structural reorganisation of the whole landscape will be an essential part of the consolidation plan. At a later stage, forest is to be trebled, and other types of cultivated land reduced accordingly. The arable, meadows and pastures must be improved in various ways. There will also be a nature conservation zone along the Mures river, part of the aim being to regenerate the earlier marshland".*

10. We have a description of the RALF pilot project, dated 15 April 2005, by Joseph V. Komlossy, forestry engineer (Switzerland), and Dr Botond Jozsef Rakossy, surveyor (Romania). From 9 to 11 October 2005, the rapporteur also visited the area and spoke to people there.

11. The municipality of Remetea is situated in the Harghita district in the western foothills of the Carpathians. It has some 6,300 inhabitants, living mainly from agriculture. It has a total area of 10,600 hectares, and comprises several villages. There are about 1,000 schoolchildren, attending 11 schools. With the exception of a few sawmills and a modernised powdered milk factory, which now produces high-grade foodstuffs for children, there is hardly any trade or industry.

12. After 1990, the collective farms were broken up and the land privatised, i.e. restored to the previous owners or their heirs. As a result, the land was divided into about 22,000 plots. Today, the agricultural land is in the hands of some 3,000 owners, and is worked by some 2,000 farms. Arable and meadowland (without pastures) total approximately 5,800 hectares, so that average farm-size is just over 3 hectares (without pastures). When the collective farms were abolished, extensive farming became the norm. Today, there are still about 1,300 milch cows (average yield 3,500 kilos of milk per annum), or about one-third of the collective farm figure. There are also 700 young cattle, 3,000 sheep and 500 horses. The size of the farms and the modest level of mechanisation (alongside the mainly obsolete tractors taken over from the collective farms, horses are the main source of pulling power) are responsible for the fact that only land close to the villages is still, to some extent, intensively farmed. Outlying land is grazed at most, or left to run wild. Apart from the shortage of machinery, one reason for this is the almost total lack of metalled paths outside inhabited areas. Access to arable, meadow and pasture is via cart-tracks worn out by users – so deeply pitted and rutted that using them is slow and difficult and causing agricultural machinery to be more quickly worn out. In wet weather, many of them are probably impassable.

13. In retrospect, one wonders whether some attempt should not have been made, when the collective farms were abolished, to carry out structural reforms as a basis for viable family farms. There were understandable political reasons why this could not be done, but an effort should now be made to find optimum ways of promoting the development of such farms. Immediate action is needed - for example, to prevent further fragmentation of holdings. The division of farmland should be forbidden and, when land is sold, preference should go to purchasers who work it themselves. The

national laws needed to cover structural improvement should also be passed, if not already done so (see Appendices 3 and 4). Another question which will have to be considered is whether special financial instruments (investment aid) will not be needed to help farmers to cover the cost of farm buildings and machinery, and so make viable family farms a possibility.

14. Measures of this kind are clearly needed in Remetea. Land consolidation is one thing, but a network of metalled access paths is also needed. Another question is whether, from an agricultural standpoint, farms should not be decentralised – which again involves providing the necessary infrastructure (mainly water and electricity). Seizing opportunities to improve an area ecologically, by restoring it to its natural state, planting trees and designating conservation zones, is today a part of any comprehensive improvement scheme. Ultimately, agricultural measures should be tied in with regional planning measures. Global planning and co-operation between all those involved in trade/industry, tourism, education, environmental protection, etc. are essential to ensure adequate employment opportunities and the infrastructure needed by the whole municipality and its people.

15. For various reasons, Remetea is ideally suitable for a pilot project of this kind – a project which is intended to exert an influence and provide an impetus throughout Central and Eastern Europe. For one thing, it has a land register dating all the way back to 1904. This is now being processed for incorporation into a computerised geodesic system, and already provides a highly useful basis for land consolidation. Moreover, locals are interested in the project and willing to join in it. Obviously, as the work goes on, some explanations and information will have to be provided, particularly to make it clear that landowners' general and property rights are secured at every stage in the consolidation process. Participation is vital to the success of schemes like this – hence the need for legal action to protect the rights of individuals throughout. Also favourable is the fact that the powdered milk factory provides an ideal outlet for locally produced milk, as well as on-the-spot employment in an industry close to agriculture.

16. The RALF pilot project in Remetea can be realised only if the necessary funding is provided from outside. This can be done via the relevant sections of the Council of Europe member states' budgets and also via the European Union's SAPARD Programme.

APPENDIX 1 QUESTIONNAIRE

Country	
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I. Generalities

1. **Surface area of the country:** km²

2. **Land use (%)**

- a) unproductive %]
- b) forests %] 100%
- c) agricultural %]
- i. worked land (including artificial grassland) %]
- ii. natural grassland and grazing %]
- iii. specialised agriculture (orchards, vineyards, market gardens, etc) 100%
..... %]
- iv. fallow land (non cultivated) %]

3. **Population :** inhabitants

Active population of active persons,
of which work in agriculture %

II. Farm structures

1. Number of farms	Total :	< 5 ha	5 - 25 ha	25 - 50 ha	> 50 ha
%%%%

2. Average farm area ha

3. Average number of lots per farm

4. Percentage of farms worked:

a) full-time %

b) part-time %

III. Registration of agricultural land

1. Is there a land register? YES NO
2. Is it kept up-to-date YES NO

Any comments:

.....

.....

IV. Ownership

	<i>Proportion as %</i>
a) Private ownership	
b) Public ownership (State, municipalities)	
c) Co-operative ownership (joint possession)	

- V.** Are there any laws on regrouping of agricultural land?
If yes, please indicate the date and attach a copy.

YES Date : NO

- VI.** Has there been any regrouping of agricultural land in the last 20 years?
If yes, please give details.

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.....

- VII.** Are there any agricultural land regrouping projects in progress?
If yes, please give details.

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APPENDIX 2
Summary table of replies to the questionnaire

Country	Andorra	Azerbaijan	Belgium Flemish region	Belgium Walloon region	Cyprus	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Lithuania	Luxembourg	FYROM	Malta	Netherlands	Poland	Romania	Slovenia	Switzerland	Sweden	
I. General data																								
1. Surface area of the country (km ²)	468	86 660	13 522	30 528	9 251	43 098	42 384	338 145	551 692	357 027	131 657	83 034	69 000	65 300	2 586	25 451	316	33 763	312 685	238 384	20 273	41 265	410 335	
2. Land Use (%)																								
(a) arable/productive	71.9	33.0	45.7	22.3	49.0	22.0	19.1	15.7	13.6	24.8	16.8	16.8	24.0	9.3	12.7	38.6	62.0	26.7	16.9	9.9	7.5	36.0	40.0	
(b) forests	23.8	12.0	8.0	19.9	24.0	12.0	47.5	77.7	27.8	29.5	25.8	19.1	10.0	30.0	35.6	37.2	4.0	10.4	29.1	28.4	62.0	31.0	52.0	
(c) agricultural	4.3	55.0	46.9	57.8	77.0	66.0	33.4	6.6	58.6	53.5	49.3	64.0	62.0	60.7	50.7	24.8	34.0	68.0	54.0	61.7	30.5	37.0	8.0	
(d) worked land (including artificial grass and/or cultivation)																								
(i) natural grassland and grazing	87.0	59.3	36.3	36.3	0.2	84.0	88.6	88.6	33.9	32.5	82.0	13.0	90.0	72.0	47.2	51.0	74.0	50.8	84.6	60.4	33.6	64.5	74.8	
(ii) sown agricultural (orchards, vineyards, meadows, etc. by 15 low land (non-cultivated))	10.8	3.4	5.5	1.1	96.3	1.0	2.1	0.4	5.5	15.4	3.3	2.0	3.0	1.1	1.1	2.2	9.0	5.4	1.8	3.0	8.0	0.2	0.4	
3. Population (inhabitants)	72 350	8 347 000	1 016 624	10 386 421	749 200	5 415 978	1 347 000	5 246 278	62 177 000	82 337 000	10 949 953	10 027 949	4 040 000	34 770	3 423 000	455 300	2 625 587	402 000	16 789 000	38 350 000	22 539 500	1 984 422	7 403 000	9 011 862
4. Active population	39 372	3 865 000	2 487 759	4 007 000	307 094	2 708 434	884 500	2 484 239	27 453 000	28 314 000	4 822 822	4 168 000	1 836 200	18 842	1 819 650	207 100	1 377 801	161 130	8 379 000	10 778 500	6 130 000	903 782	4 236 000	4 276 600
5. In which work in agriculture (%)	3.4	40.0	4.8	3.0	7.0	4.0	3.9	4.8	4.0	2.3	3.6	1.3	1.3	1.3	2.7	18.2100	9.3	3.2	12.9	30.8	3.4	3.4	1.5	
II. Farm structures																								
(a) total area of farms	362	846 916	35 462	53 227	45 195	56 000	38 859	70 982	663 807	420 697	811 218	802 978	135 100	198	87 463	2 383	11 505	83 885	2 533 208	4 203 961	77 149	69 828	66 740	
(b) 5 ha +	74.0	30.7	33.3	33.3	87.5	15.0	70.5	9.9	24.5	24.5	76.6	87.0	8.0	37.3	8.9	19.4	95.2	20.8	68.8	53.5	21.7	8.0	13.9	
(c) 2-5 ha	22.0	0.2	19.8	10.3	10.3	34.0	47.2	39.2	38.1	38.1	23.4	9.0	38.0	33.0	65.6	21.6	5.0	34.8	26.3	6.0	16.4	64.0	26.7	
(d) 25-50 ha	5.0	0.1	40.0	0.1	0.1	17.0	23.7	23.8	20.7	17.5	4.2	2.0	36.0	24.0	7.6	12.2	4.1	22.2	4.1	0.2	1.6	16.0	25.3	
(e) > 50 ha	1.5	0.1	6.9	0.1	34.0	5.8	4.9	31.4	30.5	19.8	0.4	2.0	19.0	6.0	7.9	47.0	0.5	12.1	0.8	0.3	0.3	2.0	24.2	
2. Average farm area (ha)	6.4	1.7	17.8	29.2	39.5	59.0	21.6	31.4	42.9	40.4	6.1	6.1	92.9	18.0	21.6	52.7	11.1	25.5	6.6	3.2	6.3	18.0	49.0	
3. Average number of full-time equivalents	11.0	4.0	1.7	1.7	5.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
4. Percentage of farms worked																								
(a) full-time																								
(b) part-time																								
III. Registration of agricultural land																								
(a) is it possible?	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	
(b) how is it done?																								
5. Is it compulsory?	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	
6. How is it done?																								
IV. Ownership of agricultural land (Proportion as %)																								
1. Public ownership	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
2. Private ownership	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
3. State ownership	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
4. Foreign ownership	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
V. Other information																								
(a) are there any special provisions?																								
(b) are there any special provisions?																								
(c) are there any special provisions?																								
(d) are there any special provisions?																								
VI. Comments																								
(a) comments on the questionnaire																								
(b) comments on the questionnaire																								
(c) comments on the questionnaire																								
(d) comments on the questionnaire																								

see also comments in the Compendium of questionnaires: AS/ENA (2005) 40 rev.

APPENDIX 3

**Contribution by the Ministry of Agriculture, Forestry
and Rural Development of Romania**

There are some 4.2 million farms in Romania, covering 10.3 million hectares in total and averaging less than 2.5 hectares each. Each holding may be divided into four plots, each of which measures about 3,000 sq. m. Over 70% of farms are less than 2 hectares in area. This fragmentation of land seriously hinders the development of a competitive agricultural sector.

The following table shows how agricultural land was divided up in 1948, 1998 and 2004:

Farm size	1948	1998	2004
< 1 hectare	36%	45%	50%
1 - 2 hectares	27%	24%	21%
> 2 hectares	37%	31%	29%
Total	100%	100%	100%

Programmes and measures:

1. A project, "Consolidation of land in Romania with the support of Regional Land Cartels" (the second stage of the "Land security and land management" project), funded by a German government body, the GTZ, was recently carried out. It assessed the current situation, and the use made of "land banks" in consolidating agricultural land. It also launched pilot land consolidation schemes in two Romanian districts, centred on Sighisoara and Odorheiul Secuiesc, and drew various conclusions from the experience gained, e.g.:

- Land consolidation is a social problem in Romania.
- If they had guaranteed pensions, most pension-age farmers would give up farming, creating the conditions required for consolidation.
- An information and awareness-raising campaign, encouraging farmers to accept retirement schemes, should be organised as an integral part of the land consolidation process.
- Consolidation should be a "bottom-up" process, with definite contributions from agricultural communities and other local institutions.
- Setting up regional land trusts has proved an effective way of promoting the consolidation process.
- To prove that retirement schemes are an integral part of this process, the Romanian Government should set the ball rolling by launching two or three pilot schemes in key regions.

2. The project for an Integrated Management and Monitoring System (IMMS) in Romania covers a series of activities which illustrate the importance of various aspects of the land/land use complex. The main requirements for institutional organisation of the proposed twinning scheme are:

- Implementation of the master plan for an Integrated Management and Monitoring System in Romania;
- reinforcement of the IMMS management team, and deployment of suitably qualified staff in the regional offices responsible for implementation of the master plan;
- training for the management staff of the regional offices and other institutions concerned;
- help with technical specifications for the basic IT equipment to be purchased for the management team and the local and regional offices.

3. Law No. 247/2005 on property introduced a number of subsidiary measures, including:

- life annuities – main provisions:
 - life annuities will be introduced to foster the consolidation of agricultural land;
 - they will be paid to farmers over the age of 62, who own 10 hectares or more of agricultural land, recovered in the post-1990 restitution process, which have not been the object of any transaction since then;
 - the annuity will amount to 100 euros per annum for each hectare sold, and 50 euros per annum for each hectare leased, and will be added to the sums obtained by selling or leasing the land;
 - a National Agricultural Life Annuity Office, with branches in every district, will be set up under the authority of the State Property Department.

4. The EU PHARE programme is providing help with the planning of a policy to consolidate farms and related pilot projects.

A national land consolidation plan, based on EU best practice, will be drawn up and used to disseminate pilot projects which have already been successful in similar regions. It will necessarily include:

- a description of the current situation, supported by statistics and highlighting disparities, shortcomings and development potential (including SWOT analysis);
- a description of the proposed strategy, with alternative options and presentation of measures for implementation of the plan, including a description of supporting measures to illustrate the impact of implementing the plan;
- a prior assessment of the proposed strategy, evaluating its economic, environmental and social impact (including effects on employment and competitiveness of farms).

The project's second aim, which is to foster the foundation and expansion of family-run farms, is one of the government's main goals.

Besides policies to support all farms, the 2005-2008 programme includes:

- state aid to promote land exchange and purchase, backed by appropriate laws and regulations;
- measures to promote investment in livestock and cereals on new farms, and in consolidation of existing farms;
- priority grants for young farmers (under 40 years of age);
- guarantee life annuities of 100 euros per annum for every hectare of farmland sold to registered farms by landowners aged 60 or over.

5. A project to promote consolidation as a means of improving farms, and establish a computerised data system (general land register, register of farms, measures to bolster the landed property market, data to support the organisation and classification of farmland, land reclamation, etc.).

Aims:

5.1 To set up a data base on:

- registered land;
- registered farms, covering area, job types, land quality, legal status, market value, taxable value, etc.;
- land use;
- number and area of farms;
- current and projected rural development projects.

5.2 To conduct 6 pilot projects for the consolidation of farm holdings and property, based on the schemes for organisation and classification of agricultural land.

Anticipated results:

- setting up a land register and archiving land documents presuppose correct and effective implementation of the laws on landed property;
- a strategy to reduce fragmentation of holdings, and so create economically viable farms, will be devised;
- a basis for taxation of farmland will be laid;
- simultaneity of the various elements will reduce the cost of collecting, processing and incorporating data.

Nicolae Flaviu Lazin
State Secretary

Blenesi Dima Attila
Director

APPENDIX 4

Contribution by the Ministry of Public Administration and the Interior of Romania, and Mr Cezar Preda, member of the Committee on the Environment, Agriculture and Local and Regional Affairs

With regard to the above-mentioned draft, which was prepared by our Swiss colleague Theo Maissen, and was on the agenda of the Council of Europe Parliamentary Assembly's Committee on the Environment, Agriculture and Local and Regional Affairs, I should like to make the following points:

After 1989, Romanian agriculture saw a number of major changes in the structure of land ownership and its workforce. These changes were partly the result of legislation in this area. The restoration of private ownership is based on several laws: Act No. 18/1991 on land ownership, Act No. 169/1997, amending and supplementing that act, and Act No. 1/2000 on the restitution of agricultural land and forests, amending both those acts.

Small landowners are still in the majority, and cannot afford to irrigate and fertilise their land, or use modern technologies.

Agricultural land will soon be reorganised to produce optimum results through the sale of small farms, the forming of associations and leasing. This will happen because Romanian law makes it possible.

Act No. 36/1991 on agricultural companies and other forms of agricultural association is the first step towards larger-unit farming. It allows owners of farmland, to whom the Act on land ownership applies, and also other landowners, to set up various simple types of association to work their land.

These associations are based on agreements between two or more families on working the land, raising livestock, growing, storing, processing and selling produce, providing services, and other activities.

Act No. 16/1994 on land leasing, with its subsequent amendments and additions, marked a second step towards larger-unit farming. Under Act No. 276/2005, which amends Section 3 of that act, land may be leased by Romanian or foreign nationals. This rule will take effect when Romania joins the EU.

Act No. 566/2004 on co-operation in agriculture provides a legal basis for the organisation and functioning of co-operation.

Act No. 1/2005 on the organisation and functioning of co-operation also regulates that area. It covers: agricultural co-operatives - associations founded by individual farmers, for the purpose of working and improving their land together, sharing equipment and machinery, and marketing their produce collectively; forestry co-operatives - associations founded by individual owners, for the purpose of working, regenerating and conserving their forest holdings. In so doing, they must comply with the conditions laid down by the National Forestry Office.

Act No. 247/2005 on property law reform and associated measures were published in the Romanian Official Gazette No. 653/22.07.2005, and covers 17 points. The provisions on land ownership amend and supplement Act No. 18/1991 on land ownership (with later amendments and additions), Act No. 169/1997, amending and supplementing Act No. 18/1991 on land ownership, and Act No. 1/2000 on the restitution of agricultural land and forests, which amends Act No. 18/1991 on land ownership and Act No. 169/1997, and Act No. 7/1996 on publication of land and property registers, with later amendments and additions, in accordance with new laws, such as the Property Transactions Act and the Life Annuities Act.

The amendments and additions to the Act on land ownership are designed to complete the restitution of property to original owners. They include procedural rules to expedite application of the land ownership

laws and completion of the current process, and also substantive rules to ensure that the principle of *restitutio in integrum*. If respected. Romania agreed to comply with that principle in April 1997, when the Council of Europe's Parliamentary Assembly adopted Resolution 1123.

Section XI of Act No. 247/2005 introduces agricultural life annuities. The aim is to consolidate holdings, so that they can be worked efficiently. The necessary modernisation of Romanian agriculture depends on this, and Romanian farming methods must also be brought into line with those current in EU member states (Section 1). Any individual over 62 years of age, who owns up to 10 hectares of arable land, is entitled to a life annuity if he/she sells the holding or leases part of it. The National Office for Agricultural Annuities has been set up within the State Property Agency to supervise, organise and co-ordinate implementation of the act. It operates through local branches.

Act No. 231/2005 on promoting investment in agriculture is another law aimed at rehabilitating agriculture. On the initiative of the Ministry of Agriculture, Forestry and Rural Development, a special fund has been set up under the act to foster investment in agriculture, the storage, processing and marketing of produce, and other farm-related sectors. This fund provides loans for specific purposes. These are available to registered farmers, family-run farms, private-law agricultural associations, public-law farming co-operatives, and commercial companies with private capital.

There are also laws which provide incentives for farmers by giving them direct state subsidies. For example, Government Emergency Order No. 72/2003 gave farmers working farms of up to 5 hectares a direct state subsidy of ROL 2 million per hectare for the agricultural year 2003/2004.

At government level, there are institutions which discharge the main tasks in this sphere, and also agencies which work on the institutional reform programmes with ministries and specialised central and local government departments.

The Ministry of Agriculture, Forestry and Rural Development is responsible for agriculture. Its aims are: to complete the reform and consolidation of land ownership; to encourage farmers/landowners to turn their farms into modern commercial businesses; to establish and consolidate the middle classes in rural areas; to allocate funds efficiently to farmers; to promote the processing of farm produce, and use free market measures to give it added value; to develop and modernise rural areas; to promote fisheries and fish farming; and to ensure efficient forestry management. The Ministry is also working on a strategy and regulations for the areas it covers, as part of the government's general policy, and in accordance with EU regulations.

In accordance with Act No. 63/2003, with amendments and additions, the Ministry of Public Administration and the Interior is working with the other ministries, and with relevant central and local government departments, on preparation and implementation of the institutional reform programmes by the ministries and other government agencies.

Mircea Toader, State Secretary for Local Authorities
Ministry of Public Administration and the Interior

Cezar Preda,
Deputy, Member of Committee on the Environment,
Agriculture and Local and Regional Affairs, Parliamentary Assembly

Reporting committee: Committee on the Environment, Agriculture and Local and Regional Affairs

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Members of the Committee: Mr Walter **Schmied** (Chairman), Mr Alan **Meale** (1^o Vice-Chairman), Mr Renzo Gubert (2^o Vice-Chairman), Ms Elsa **Papadimitriou** (3^o Vice-Chairperson), Mrs Marisa **Abbondanzieri**, Mr Ruhi **Açikgöz**, Mr Gerolf Annemans, Mrs Sirkka-Liisa **Anttila**, Mr Ivo Banac (alternate Mr Miljenko **Dorić**), Mr Rony **Bargetze**, Mr Jean-Marie **Bockel**, Mrs Pikria **Chikhradze**, Mr Valeriu **Cosarciuc**, Mr Osman **Coşkunoğlu**, Mr Alain **Cousin**, Mr Miklós Csapody, Mr Taulant **Dedja**, Mrs Maria Manuela **De Melo**, Mr Lluís Maria **De Puig**, Mr Hubert **Deittert**, Mr Tomasz Dudziński, Mr Adri Duivesteijn, Mr Bill **Etherington**, Mrs Catherine Fautrier, Mr Adolfo **Fernández Aguilar**, Mr Christopher **Fraser**, Mrs Siv Fridleifsdóttir, Mr György Frunda, Ms Eva **Garcia Pastor**, Mr Fausto Giovanelli, Mrs Maja Gojković, Mr Peter Götz, Mr Vladimir **Grachev**, Ms Aynur **Guliyeva**, Mr Poul Henrik Hedeboe, Mr Mykhailo **Hladiy**, Mr Anders G. **Högmärk**, Mr Rafael **Huseynov**, Mr Stanisław Huskowski, Mr Jean **Huss**, Mr Ilie **Ilaşcu**, Mr Mustafa **Ilicali**, Mrs Fatme Ilyaz, Mr Ivan **Ivanov**, Mr Bjørn **Jacobsen**, Mr Jaroslav **Jaduš**, Mr Gediminas **Jakavonis**, Mrs Danuta Jazłowiecka, Mr Ivan Kalezić, Mrs Liana Kanelli (alternate: Mrs **Kanellopoulou**), Mr Karen Karapetyan, Mr Orest **Klympush**, Mr Victor Kolesnikov (alternate Mr Valerij **Sudarenkov**), Mr Zoran Krstevski, Mr Miloš **Kužvart**, Mr Ewald **Lindinger**, Mr Jaroslav **Lobkowicz**, Mr François Loncle (alternate: Mr Guy **Lengagne**), Mr Theo **Maissen**, Mr Giovanni Mauro (alternate: Mr Pasquale **Nessa**), Mr José **Mendes Bota**, Mr Gilbert **Meyer**, Mr Goran Milojević, Mr Vladimir Mokry (alternate Mrs Svetlana **Smirnova**), Mrs Carina **Ohlsson**, Mr Pieter Omtzigt, Mr Cezar Florin **Preda**, Mr Jakob **Presečnik**, Mr Jeffrey Pullicino Orlando (alternate: Mr Joseph **Falzon**), Mr Maurizio **Rattini**, Mr Marinos **Sizopoulos**, Mr Rainer **Steenblock**, Mr Gábor **Szalay**, Mr Nikolay **Tulaev**, Mr Iñaki **Txueka**, Mr Geert Versnick (alternate Mrs Marie-José **Laloy**), Mr Rudolf **Vis**, Mr Klaus Wittauer, Mr G.V. Wright, Mr Kostyantyn Zhevago

N.B. The names of those members present at the meeting are printed in bold.

Secretariat to the Committee: Mr Sixto, Mr Torcătoriu and Mrs Trévisan

