

Experiences with land reform and land consolidation in Moldova



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1

Experiences with land reform and land consolidation in Moldova



Land reform in Moldova (1/2):

- Most of the countries in Eastern Europe have been through a remarkable process of land reform after the political changes around 1990.
- As part of the Soviet Union, all agricultural land was State owned in Moldova.
- Land privatization in Moldova was made feasible through the adoption of the Land Code in 1991.
- First land was distributed in shares and later on in physical parcels.
- Village land commissions were established to determine “equivalent” land shares for eligible recipients.
- The exact size of the land fund for all villages of Moldova was confirmed by a Government Decree in 1994.

2

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Land reform in Moldova (2/2):

- During 1992-96, less than 10 percent of members of collective farms had left and were trying to farm individually.
- In 1997, the National Land Programme was launched to speed up the privatization process.
- Around 1.7 million ha was privatized to almost 1.1 million new owners.
- The average land holding size was 1.56 hectares, normally distributed in 3-4 parcels (arable land, orchard and vineyard).
- The land reform in the 1990s and post-land reform development has resulted in a polarized agricultural structure with few large corporate farms and many very small and fragmented family farms.

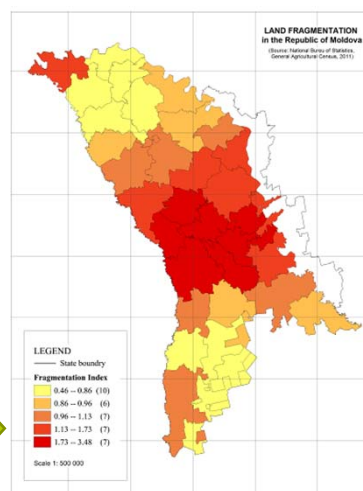
3

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Land fragmentation as a side effect of land reform:

- Land fragmentation occurred in Moldova as in many other countries in Eastern Europe as a side effect of the land privatization process.
- The level of fragmentation today remains almost the same as when the privatization process ended around 2000.
- Land fragmentation index (number of parcels pr. ha). →



4

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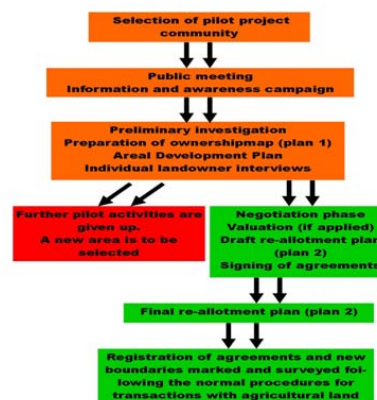


Introduction of land consolidation in Moldova:

- Many countries in Eastern Europe have over the last decade introduced land consolidation instruments.
- The World Bank funded 2005-06 in Moldova a feasibility study.

Proposed pilot project concept:

- Land consolidation pilots in six villages.
- Voluntary participation of the landowners.
- Selling, purchase and exchange at market price.



5

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Moldova Land Consolidation Pilot Project:

- Implemented in the period July 2007 – January 2009.
- Implemented by an international consortium: Niras (Sweden), Orbicon (Denmark), Terra Inst. (US) and ACSA (Moldova).
- The project was funded by the World Bank and SIDA.
- The specific objectives of the pilot project were to:
 - 1) Test the demand and feasibility of land consolidation with small landowners as the primary target group;
 - 2) Use the pilot experience as the basis for designing a potential national-level approach;
 - 3) Assess the impact of land consolidation at the local level, including on land markets, agricultural production and equity.
- The project had three main phases:
 - 1) Phase 1 - Preparation for land consolidation planning;
 - 2) Phase 2 – Land consolidation planning;
 - 3) Phase 3 – Registration and implementation of agreements.

6

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Moldova Land Consolidation Pilot Project:

- In total more than 7 000 landowners and almost 27 000 agricultural parcels were identified in the six pilot villages.
- Interview all landowners about their interest in and wish for the project (e.g. sell, buy or exchange parcels).
- More than 6 000 landowners were interviewed in less than 4 months.
- 49% of interviewed landowners were interested in participating in the project.
- The data collected during the interviews was used to prepare a Baseline Reports and a Land Mobility Map.
- Land consolidation was in the project seen as an integrated part of local rural development.
- A Community Area Development Plan was elaborated for each pilot community using participatory principles.

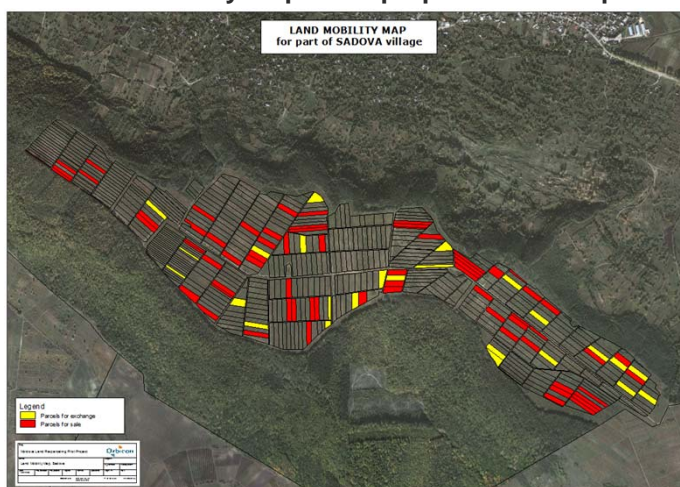
7

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Moldova Land Consolidation Pilot Project:

- A Land mobility Maps was prepared in each pilot community:



Small part of Land Mobility Map in Sadova village.

8

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Moldova Land Consolidation Pilot Project:

- The land consolidation process:
First change of ownership then long term lease as supplement

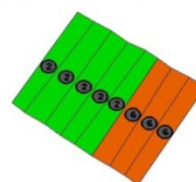
Plan 1.



Plan 2.



Plan 2.+ Lease



9

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Moldova Land Consolidation Pilot Project:

- In total, 2 908 landowners or 40 % of all landowners in the six villages participated in the voluntary land consolidation pilot project.
- Three villages were very successful, with the other three being less so.
- In total, 3 612 land transactions were conducted.
- Afterwards an external impact evaluation concluded (Agrex 2011):
“An overall conclusion of the assessment is that the first land re-parcelling pilot project in Moldova was a timely, excellent and modern tool to improve the land tenure situation in rural areas”.

10

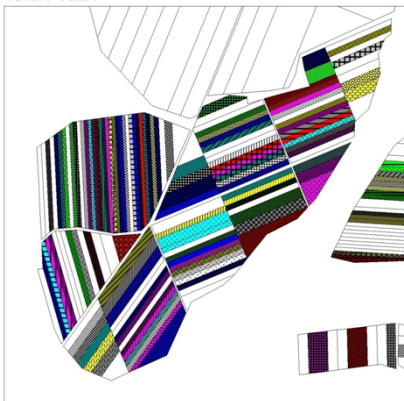
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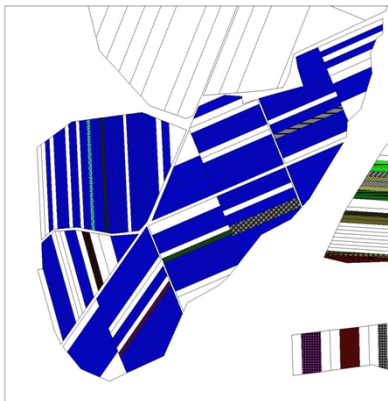
Moldova Land Consolidation Pilot Project:

Landownership before (left) and after (right) in small part of Bolduresti pilot village:

Area A - Plan 1



Area A - Plan 2



11

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Scaling up land consolidation in an additional 40 villages:

- After the pilot, the Government requested World Bank and SIDA to fund the scaling up of land consolidation activities.
- Land consolidation was implemented in 40 additional villages from May 2009 to January 2011 using the same concept as in the pilots.
- About 50 000 landowners and 168 000 land parcels were identified in the 40 villages.
- A total of 7 520 ha changed ownership, and around 2 600 ha were transferred through long-term leases.
- About 25 percent of all owners participated in the project.
- The average parcel size increased from 0.65 ha to 0.99 ha and the average farm size increased from 2.43 ha to 2.95 ha.

12

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Towards the development of a national land consolidation strategy in Moldova:

- In 2010, the Government requested FAO to support the preparation of a national land consolidation strategy.
- The FAO project was implemented during 2010-11.
- The strategy is intended to guide the further scaling up of land consolidation and its implementation in a national programme.
- The draft strategy is for a 15 year period.
- Emphasis is initially placed on agricultural development based on the consolidation of parcels and enlargement of farm sizes.
- It is anticipated that the focus will gradually shift towards more comprehensive rural development projects.
- The strategy is expected to be adopted by the Government in the Spring / Summer 2012.

13

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Conclusions :

- Moldova has gone through a remarkable land reform process in two phases during the last 20 years.
- In the 1990s, agricultural land was privatized.
- Land fragmentation occurred as a side effect of land privatization.
- The second phase began around 2004 with the first steps of land consolidation.
- The national land consolidation strategy will be implemented through the launch of a National Land Consolidation Programme.
- Land consolidation is still at a vulnerable stage in Moldova as activities are dependent on continued political support and funding.
- The experience has shown that it is possible to have projects with over one thousand landowners on a completely voluntary basis.
- Land consolidation should not be seen as a substitute for land markets, but can play an important role in making land markets function better.

14

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Thank you very much!



The presentation is based on an article accepted for the FAO Land Tenure Journal and will be published during 2012.