ECONOMIC INCENTIVES IN LAND RECLAMATION SECTOR IN LITHUANIA

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Key words: drainage systems, economic incentives, investment, management

Abstract:

The study presents the critical evaluation of existing drainage systems from legal, economical, environmental and technical viewpoints. Nearly 80% of agricultural land in Lithuania drained by underground drainage systems covers around 3 million hectares. The prevailing large scale drainage systems with a complex of engineering structures such as conducting ditches, drains and collectors, local roads, bridges or farm road-crossings, dikes, dams, water reservoirs, pumping stations for irrigation and for drainage need today an efficient management solution in a new economic situation. The detailed analysis of legal and economic instruments adopted in transferring the management responsibilities of drainage systems to users has been carried out. The study resulted in a number of practical contributions towards the amendments in the Law on Land Reclamation in Lithuania and the establishment of a system of indicators that would allow rationalisation of subsidy allocations for the maintenance and improvement of the drainage systems. These subsidies from the state budget make at the moment the largest share among the investment sources. The financial and in kind contribution of drainage users is permanently increasing as are the allocations of the structural funds for public projects. The EU pre-accession programme SAPARD started in 2000 has supported some investments in rural areas. Unfortunately, it did not support the drainage infrastructure properly. A critical review of previous measures allowed suggesting new actions within the framework of the actual support from EU structural funds.