

## GTZ' experiences in Land Consolidation in CEEC

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GTZ is supporting several projects in CEEC dealing with land management. Specific (preliminary) experiences in land consolidation have been gained in two municipalities in Romania where an integrated approach to land management is promoted. The project includes the following main components:

- Updated digital cadastral system supporting urban administration, planning and tax/fee levying
- Updated computer-based land registry including networking with cadastre and notaries
- Development of an appropriate valuation system for urban and rural areas
- Investigation of need and feasibility of land consolidation for rural areas as well as of land readjustment (land conversion for urban purposes).

Preliminary investigations show clearly the need for a more systematic approach of developing land for urban purposes (residential, commercial etc.) in order to ensure a more harmonised development and higher cost-efficiency with regard to infrastructure. *Land readjustment* seems to be an appropriate instrument although the lack of a legal frame and of means for pre-financing land acquisition and infrastructure appear to be major obstacles. Due to the high demand and the increase of land values through such a conversion full cost recovery can be expected.

The consolidation of fragmented rural areas seems to be much more complicated since in particular the economic impacts on macro and on micro level are difficult to assess realistically. Although costs for *land consolidation* are roughly estimated at around 1.300 €/ha being low compared to experiences in Portugal or Germany (2000 to 4000 €/ha) external funding is required and has to be justified. In this context principle questions arise like:

- What are the macro-economic prospects of rural/agricultural areas in Romania (or other countries in CEEC) taking into consideration EU-integration and what are the consequences for the formulation of land policies
- What are criteria and factors that justify land consolidation for specific areas; when is land consolidation sufficient or what other measures are to be taken to promote development
- Is intervention by state needed at all and to what extent should 'normal' processes like keeping small parcels for subsistence agriculture or land concentration through leasing and purchasing not be left on its own.

Only when such overriding questions have been answered challenging issues like the creation of an appropriate institutional, legal, financial or administrative framework for land consolidation shall be tackled.