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Non-profit rural associations (Gemeinnützigen Landgesellschaften)

The non-profit rural associations have their legal basis in the Reich Settlement Act (Reichssiedlungsgesetz -RSG) of 1919. In 1949 it was taken over by the new Federal Republic and since the Unification Treaty of 1990 is also effective in the new federal states.

The act constitutes that the federal states can found non-profit rural associations as well as their special position, their rights and special tasks.

Rural associations are joint-stock corporations with the legal form of a limited liability company. The public utility is established in the statutes of the associations.

The *Laender* are main shareholders of the rural associations. Besides, in some of them the Federal Republic of Germany, the Federal Land Utilisation and Administration Association (BVVG), the German Settlement and Land Mortgage Bank (CDSL Bank), the Landwirtschaftliche Rentenbank, partly regional banks (*Landesbanken*) and other public corporations like corporate counties, rural districts, municipalities and regional farmers associations have equity participation.

For their activity in public interest the associations received capital resources. Contributions of capital were mainly effected in cash, from some *Laender* as well in so called land contributions.

Rural associations are agencies of regional Land policy responsible for the development of rural areas. They are subject to the specialist supervision of the respective department in the Ministry of Agriculture in charge. Other *Land* ministries are represented in the supervisory bodies. Rural associations working for public interest can be audited by the General Accounting Office.

Corporate objective of rural associations is the strengthening of economic resources and the improvement of living conditions in rural areas. Their task is the implementation of the structural policy for agriculture and rural areas. Rural associations work in planning, financing and implementation of measures to improve the structure in rural areas. These measures are predominantly promoted by public authorities. With their range of services rural associations complete tasks of the public administration and act partly on their behalf.

The main tasks or range of services offered by rural associations are

- 1. Land procurement, land utilisation and land reserve** for measures to improve agricultural structure as well as for local and regional development projects, ecological and other public projects. The rural association's land resources of about 30.000 hectares serve these purposes. To avoid land speculation and according to the Law on Real Estate Transactions rural associations are entitled to pre-emption.

2. **Improvement of farm structure** by planning, filing of applications and taking care of proceedings regarding facilities for investment programmes on farm site.

- Improvement of cultivable surface by area extension

- Improvement of company premises by building operations in old farms

- Resettlement from cramped living conditions in villages as well as construction of new company premises and dwellings

- Re-establishment and restructuring of agricultural farms in the new *Laender*.

3. **Advice and implementation of multiform measures of farm land consolidation and re-arrangement of ownership structure** by means of voluntary agreements for land exchange and speedy merging according to the land consolidation act as well as land use system proceedings and reuniting of building and land property in the East-German federal states. Furthermore the associations assist in rental and exploitation of former nationalized areas in East-Germany.

4. **Project management for village renewal, regional and municipal development, especially in context with interaction of municipal and agricultural structure development.**

- Agricultural structure development planning and technical planning on local and regional levels

- Plans for zoning of rural areas and zoning ordinance, other technical planings

- Planning for environment structures and environment protection

- Village development

- Land reserve for supply of building ground

- Development of building lots for housing, industry, trade and recreation

- Rural building of homecraft

- Purchase of area for nature protection programmes.

5. **Other services**

- Verification of property and preparations for land purchase for public service companies and transportation projects

- Administration of rural areas for *Laender* and communities

- Planning, implementation and backstopping of projects of integrated rural development and common initiatives of the EC.

Rural associations establish links between the structural promotion measures of the European Union, the Federal Government and the *Laender* at the local level. They transcend departmental and administrative limits in their work. This is the pre-

requisite for an integral structural development taking into account existing specific capacities of the region in question.

Rural associations do not receive direct financial contributions from the government for their services. They finance themselves by means of incomes and fees for their services.

The regional field of activities of rural associations is specified in the statutes. In practice, the field of activity is limited to the respective federal state, so that the different rural associations do not compete with each other. Rural associations have branch offices which are organized according to the structure in public administration. Thus, area-wide advice and services in all rural regions is guaranteed.