

## **Land consolidation and rural land development project proposal- EMERALD in MACEDONIA**

### **Encouraging Macedonia's Endeavours to Rural Land Development**

This memo presents some of main discussion points for formulating the scope and set up of a first project initiative in the field of rural land development. This project is focused on gaining field experience in order to 'feed' future activities for policy and strategy development on rural land development. For orientation, the project is supposed to last about 1,5 year and is limited in its financial resources

#### **Scope of the project**

The discussions and field visit have reconfirmed that problems with land ownership and the land market are multiple. The Cadastre is not accurate in many places. When the Cadastre work is finished there is still the problem that official owners are often not the real owners/users. Absentee ownership is present, undivided ownership due to inheritance is large spread, and there are different types of unsolved disputes regarding land ownership and the investments on the land. This is not only related to the 'de-nationalisation' process but also related to events further in the past.

#### **Example:**

A big wine producing company near Skopje faces many disputes with more than 10 private owners. Originating from a state company, this firm became a stock company in 1999. It produces for the export market, to many countries. It has a few hundred hectares on a long-term concession (30 year) from the state. In the middle of one of its fields, a private owner has marked several wine stocks as his ownership. He claims to be rightful owner, which he can prove by official documents and he started working his plot. This piece of land has always been his ownership. About 30 years ago (when the company was still a state company and the land was still an orchard) his land was exchanged non-voluntarily with another parcel. This exchange was never formalised.

This is an example of a situation, which causes problems for both sides and is not easily solved. Should the private owner be offered an alternative parcel? How to find a parcel of comparable value and quality? What to do with investments on the land in case the land is not exchanged, but changes user?

The current project proposal is a next step in getting the issues more clear and to define the main priorities for strategy and instrument development. But also the current phase should be carefully defined to avoid unrealistic expectations.

The project will last about 1,5 year and in that period it is unlikely that two pilot areas can fully be finished in a way that an inventory of use, ownership and wishes is made, that people are made aware of advantages of joining a land consolidation, that possible disputes are solved, that a plan for a new parcellation is made, that plots are measures, rights are registered.

So we should be careful (both among stakeholders and policy makers) to create the expectation that two pilot areas will completely be finished.

There are some options to deal with this:

- limit the pilots to a very small area (50-200 ha, 5-15 owners). This has the advantage that the whole process could possibly be finished. The disadvantage is that it may not reflect all issues to deal with in future policies and in this way not giving a representative picture.
- Have bigger pilot areas (300-800 ha, 50-70 owners). This has the advantage that it will reflect more the future projects, it gives a more realistic picture of all issues to be dealt with. The disadvantage is that probably the pilot should be limited to the planning phase only. In this way it is closer to a 'feasibility study' than a pilot land consolidation.
- A 'smart' combination of the two by working in a bigger area and finishing the whole process for a small – relatively simple - part of the area.

What do we prefer? What is realistic?

### **Criteria for site selection**

Two pilots are considered.

Possible criteria for selection:

- location: not in marginal areas but in economically viable areas (preferably not too much travel time from Skopje, within 'triangle' of Tetovo – Kumanovo – Veles ?)
- size: between 100 and 800 ha (max. of 60 – 70 farmers) ?
- land use: two pilots should be distinctive in main crops produced
- ownership: availability of state land, variation in farm size
- type of problems: representative for Macedonia or choose for a relatively 'simple' area to start with? (little disputes, little absent owners)
- interest: proven interest in agricultural development
- leadership: strong / charismatic local leadership available
- land registration: availability of up to date Cadastral information
- soil quality: preferably quite uniform (to avoid complicated valuation)

What do you think about the criteria?

Should ethnic composition (for example one of the two pilots in Albanian majority area) be an explicit criterion?

### **Share / nature of capacity building**

The project will focus on gaining field experience with land consolidation but it will have an important second target of building capacity in MAFWE.

Capacity building could have three main components:

- on the job training: in each phase of the pilot, training / orientation will be provided relevant for the current phase. This will take the form of short preparation sessions for a certain phase and deal with more 'technical' (method level) skills (for example: site selection, stakeholder involvement, community facilitating skills, land valuation techniques etc.). This is focused on staff of MAFWE – land registration sector and provided by the project core team.
- 3-4 day training workshop: giving orientation about how EU member states deal with land development on instrument level: different types of land consolidation, land banking, links with EU policies. This training is focused on

- about 25 MAFWE / SAGW staff (broader than land registration) and provided by various experts from DLG's European network. A team of trainers with experience from for example Lithuania, Bulgaria, Portugal, Spain and the Netherlands will organise a very interactive workshop).
- study tour to a relevant European country (to be decided) to experience the practice of project implementation and project management. Target group is about 6 persons from MAFWE (different departments).

In this set up, capacity building will take about 15-20% of all project inputs. Is this a right share?

Do you agree with the different forms of capacity building?

What are main subjects for training?

### **Organisational set up**

Some initial ideas:

Financing agency is the Embassy of the Netherlands.

A high level **steering committee** is formed to set main directions and to monitor the project. The steering committee is composed by MAFWE (deputy minister level), the Dutch Embassy and .....

The Steering committee is the 'gatekeeper' towards the national land committee where main outcomes of the project will be discussed.

At operational level two bodies will be formed:

A small **core team**, consisting of DLG, MAFWE and SNV is formed. In this core team the daily operational activities will be planned and carried out. Frequent contact is maintained. Members are: Henk Moen, Boska Stoyanoski, Kiril Georgievski and Peter Kampen.

Main division of responsibilities between the **core team members**:

**DLG** is contract holder and project manager. It will lead the project, set the main directions of capacity building and fieldwork and it will be prime responsible for all outputs. It will take the lead in the different phases in the pilot areas (site selection, introduction to main stakeholders, baseline study, reallocation planning and proper evaluation of lessons learnt) and in capacity building activities.

**MAFWE**, is the Macedonian counterpart and this capacity responsible for proper coordination between Macedonian institutions. The land registration sector will be responsible for activities in the pilot areas. It will make sure that field activities under the project will be properly carried out. This involves the different process steps in the pilots like performing the baseline study, discussion various options for land exchange, involving various local and national level organisations in building support and partnership. MAFWE will also mobilise the Macedonian participation in different capacity building activities.

**SNV** will support MAFWE in the pilot areas. With its experience in multi stakeholder involvement, it will ensure that farmers are involved in a proper way that various institutions are involved timely. It will very actively join MAFWE in the baseline study and negotiations and discussions with farmers and ensure that all pilot related actions are followed up properly.

Besides this a **project team** is formed including the core team, added with representatives from the SAGW, the MAFWE Rural Development Department, the

MAFWE Advisor for Land Issues and two representatives of the pilot areas (mayors?). This project team will meet at some crucial stages of the project (mostly linked to concrete activities).

Any comments, opinions, additions?

### **'Branding' the project**

A proper 'marketable' name of the project helps in 'selling' the project and its objectives. For the time being the name of EMERALD is chosen, standing for **Encouraging Macedonia's Endeavours to Rural Land Development**. It is clear that different project interventions are needed. To mark the link between these projects they could be 'branded', like:

EMERALD Field : The first phase of gaining field experience

EMERALD Policy : Dealing with strategy and instrument development based on the lessons from the field.

EMERALD Legal : Dealing with the institutional part (legal and organisational issues)  
Maybe the two latter can be combined.

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**Skopje, 26 March 2008**

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**P.S. I hope that I will be able to send you more complete project document in written description soon, regarding Preparation of Proposal on State Land Management in Rural areas of Macedonia.**

**Best regards,**  
**Kiril Georgievski**