

## **LAND CONSOLIDATION ACTIVITIES IN BOSNIA AND HERZEGOVINA-- ACCTUAL CONTEXT**

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### ***INTRODUCTION***

According to the Dayton Peace Agreement, Bosnia and Herzegovina is a decentralized country consisting of two entities, Republika Srpska (RS) and Federation of Bosnia and Herzegovina (FBiH). FBiH consists of ten administrative units called cantons. Additionally, the Brčko District was established as a unique local self-government administrative unit, which exists under the sovereignty of BiH. Constitution of BiH, which was enacted as integral part of the Dayton Peace Agreement, divides competences between state and entity levels of authority. Competences of the state of BiH were listed, while everything else that was not explicitly given into the jurisdiction of the BiH institutions, remains under the jurisdiction of entities. However, the BiH Constitution leaves a possibility for BiH institutions to take over additional competences provided the entities' agreement.

Adoption of regulations arranging relations in real estates, such as ownership and bonded relations, protection of all forms of property, marketing, planning, land use policy, etc., belong under the jurisdiction of entities. At the state level there are no laws that would address issues related to Land Books or Land Cadastre, neither there are any institutions charged to deal with such issues.

The institution of Land Book in BiH was established prior to the World War I, and it was based on Austrian-Hungarian land survey. In technical sense, Land Book even today relies upon old Austrian-Hungarian survey, except for a small part of the territory whose real estate cadastre is based on new cadastre survey. The level of up dating of Land Book is generally very low.

New Law on Land Book has finally rehabilitated Land Book in BiH and the process of its translation into electronic form is underway. Keeping, maintaining and establishing of Land Books, as well as entry of real property and rights to real property in BiH is structured by entity regulations, i.e. Law on Land Books of the Federation of BiH (Official Gazette of FBiH, No. 19/03 and 54/04) and Law on Land Books of Republika Srpska (Official Gazette of RS, No. 67/03 and 46/04), which are mutually harmonized. These laws stipulate that Land Books, i.e. records on rights to real property, be kept by courts designated by the Law.

Based on aforementioned laws on Land Books, three Regulations were adopted in each entity: Regulation on electronic maintenance of Land Books (Official Gazette of FBiH, No. 05/03), Regulation on acting in Land Book matters (Official Gazette of FBiH, No. 05/03), and Regulation on education and professional examination for land book officer (Official Gazette of FBiH, No. 05/03). Regulation on acting in Land Book matters, among other issues related to keeping Land Book, proscribes mutual cooperation of land book offices and services responsible for cadastre affairs.

A precondition for entering rights to real property is application form with a copy of cadastre plan issued by municipality administration for cadastre and legal-property affairs.

The law prescribes that administration agencies that were in charge of keeping Land Books on the date of its coming into effect, are obliged to hand over the subject Land Books along with all supporting registers and collection of documents to the relevant court. This pertains to the areas where Real Estate Cadastre is established pursuant to the Law on land survey and Real Estate Cadastre from 1984, which abolishes the authority of courts to keep Land Books and transfers it to the Municipality Administration for Geodetic and Legal-Property Affairs. The administration agencies in both entities were given a two-year deadline, starting from the date of coming into effect of Law on Land Book. It has to be mentioned that the process of establishing of Land Books is ongoing.

Land consolidation is a long known means for grouping-up of agricultural estates, and later on for its general arrangement.

The land consolidation activities were mainly implemented on economically more developed areas, while the intensity of their implementation was dependant on political situation. New conditions concerning ownership and management of agricultural land, as well as the necessity of its integral structuring, particularly on the areas involved in future construction of huge public facilities, called for the activation of land consolidation on modern basis.

For a long time, the agricultural development was a major objective of the land consolidation, which was achieved through grouping households into as few plots as possible. The quality of life in rural areas cannot be improved if their population is involved only in agricultural production. This effort requires development of other economic and service activities that could create employment opportunities for rural population.

The land consolidation is currently a particularly successful tool in rural development, and being such tool, it should provide the following:

- Improvement of living conditions in villages, not only improvement of primary agricultural production,
- Rehabilitation of rural areas through a continuous economic and political development of the community, protection and permanent management of natural resources,
- Proactive and democratic participation,

- Assistance to the rural area aimed at defining new use of the community resources and providing spatial reorganization,
- Linkage between the elements of rural development and elements of wider regional development, to include the rural-urban linkages.

Hence, the new concept of land consolidation requires a multifaceted, interdisciplinary and comprehensive approach for the purpose of combining the elements of agricultural and rural development. Plans for development at local levels and plans for land use should serve as a starting point in land consolidation.

### ***LAND CONSOLIDATION IN POPOVO POLJE-Feasibility Study***

Document dubbed «*Consolidation of land in Popovo polje-Feasibility Study*» was developed for the purpose of surveying the current status and recommending the models for initiation of land consolidation process on the territory of Popovo polje.

The Study's general goal was to develop a concept for launching and implementation of the land consolidation process in the area of Popovo polje.

«*Consolidation of land in Popovo polje-Feasibility Study*» is the result of the agreement signed between the Movement for Peace, Spanish Non-governmental Organization-MPDL, as the ordering party, and Faculty of Agriculture and Food Science University of Sarajevo, as implementing party.

**General objective of the Study** is to develop a concept for initiation and implementation of land consolidation in the area of Popovo polje. This Study should support land consolidation and rural development of Popovo polje, as well as improve social and economic status of agricultural producers in rural communities and protect and improve the environment.

#### **Individual objectives of the Study:**

- To identify and define several applicable models;
- To define and harmonize legal and organizational measures as necessary requirements for the application of the land consolidation model;
- To define entities in the land consolidation process and establish the principle of responsibility.

Principles of the way of implementation of the Study are the following:

- The Study should enable immediate implementation of a land consolidation pilot project in Popovo polje, under the existing conditions;
  - *Study should enable simplification of legal and administrative requirements,*
  - *Study should be feasible from the economic point of view.*
- The Study should recognize various options (models) of land consolidation. It should be «flexible», i.e. it should avoid «take it or leave it» approach, but embrace grades and nuances;
  - *It should recognize participation options, e.g. mandatory or voluntary,*
  - *It should recognize scope options, e.g. comprehensive, simple, «something in between»,*
  - *It should recognize time planning options, e.g. not everything has to be done in the first round in the community.*

- The Study should recognize economic benefits and cost effectiveness of the land consolidation;
- The study should emphasize the need of spatial planning in rural areas of Popovo polje;
- The Study should recognize various institutions and requirement of connecting them in the land consolidation process;
- The Study should take into consideration the existing legal framework, as well as projected future legislative reforms;
  - *Legal framework should make the implementation of different options possible,*
  - *The Study should identify limitations that need to be avoided in any legal documents.*

The land consolidation study is based on five basic principles that were set at the beginning of the development of this document: applicability, flexibility, economic feasibility, continuity in rural development and harmonization.

For the purpose of conducting a comprehensive analysis of the situation and providing a good response to the set task, it was necessary to analyze available/submitted cadastre plans.

Cadastre, as well as ortho-photo images on Popovo polje, were obtained in the cadastre office in the Ravno municipality. The company “Geometrika” which was the winner of the tender issued by MPDL has prepared the ortho-photo images. In addition, a detailed analysis of cadastre, i.e. number of owners and their structure, was conducted.

## CONCLUSIONS

The main purpose of this Study is to get an insight into BiH's experience in land consolidation, analyze the existing legislation and situation in the area of Popovo polje in order to determine the suitability of Popovo Polje for the implementation of a pilot project in the national context.

The rural sector in BiH is still undergoing transition process. The producers in BiH are faced with a series of related problems which obstruct their development. The agricultural products market is underdeveloped, and purchase prices are low and have destabilizing effect on production. Besides a limited number of market-oriented farms, there are many agricultural holdings that produce food primarily to meet their own needs and have very small offer for the market.

According to all relevant analysis, the land consolidation in Popovo polje area represents one of essential factors of development.

Small holdings and small land parcels have become limitation to development. This can be concluded from the results of a poll conducted among the farmers.

According to the poll results, 88% of the total number of farmers included into the poll is interested in participation in land consolidation, while 12% showed no interest. This is a very good result for such a poll and it supports the idea of implementing the land consolidation process in Popovo polje, which would be a powerful developmental measure in the area of agriculture. Within the land consolidation project, 69% of polled farmers are willing to

exchange land parcels, i.e. 26% would accept some of the offered option which would result in enlargement of their holding. Only 3% of polled farmers were interested in selling and 2% in purchasing the land parcels.

We should take into consideration the fact that only 7% of polled farmers are currently in the process of registering their holdings, while 93% are not registered and furthermore, they do not see any reason for doing it, as they believe that it is important only for the government to be able to collect the taxes. The significance of registration, in terms of incentives, credits and creation of cooperatives and small-range companies, is not entirely clear to the majority of farmers and farming structures in Popovo polje so they have no understanding of what should be worked on in the future. The Pilot project that would be implemented on two locations in Popovo polje covering the total area of 160 ha, should show and prove all advantages of such an approach which is recognised worldwide.

Based on the poll conducted in Popovo polje, 60% of all polled farmers work solely for their own needs, 20% produce for own needs and market as well, while 6% produce only for market.

Processing of agricultural products in Popovo polje is reduced to only ten small-scale wineries, so that the space for development of smaller processing capacities is not even remotely utilized. Employment opportunity outside agricultural sector is almost nonexistent.

Most villages in Popovo polje are almost deserted. Old age population is predominant in rural areas. A number of inhabitants moved from the villages to the nearby bigger towns (Dubrovnik, Čapljina, Mostar, Trebinje), but regularly come to work on their estates over the weekends.

The land consolidation in Popovo polje also has its justification in the fact that human resources required for cultivation of numerous small farms are limited. Big farms, agricultural machinery and attraction of labour from other areas are the only chance for initiating the cost-effective agricultural production and expand it on the entire Popovo polje.

Another important indicator is the soil as a resource. The soil in Popovo polje has very little, if any, limitations. Mostly, it is flat, deep and fertile soil suitable for growing numerous and diverse crops. This was shown in the previous study dubbed «Pedologic study of Popovo polje» conducted by MPDL-2007. With plenty of sunshine, long vegetation period that enables wide range of optional crops and irrigation possibilities, they have all preconditions for achieving high yields. However, in order to organize a successful irrigation system by sectors, as it is planned by the MPDL's project which is in the stage of development, it is necessary to have the land parcels of appropriate size and crop system so that irrigation could maximize its effect. The only way of achieving efficiency in future production is to enlarge the holdings and execute land consolidation on bigger areas.

The land consolidation in Popovo polje should be given advantage also because it would be a chance to finally enter the land cadastre, developed after the WW II, into the court register and thus improve further unimpeded economic development of this region.

Despite exceptionally favorable natural conditions in Popovo polje, the agricultural production cannot be improved without a significant enlargement of agricultural holdings. Judging from the analysis of data on Popovo polje, it can be concluded that the land is extremely fragmented and that average size of arable parcel ranges from 0.09 ha to 0.37 ha.

BiH, as well as other former Yugoslav republics, has a tradition in land consolidation activities.

The land consolidation process in Popovo polje could be linked with a series of possible problems and limitations. Yet, these are not limitations specific for this region only, as similar problems could be expected anywhere else. By this we primarily refer to the organization of this type of work and readiness of all levels of authority to strongly support such projects. This is particularly important at the time when land price is very low, while the land consolidation costs are always relatively high or constant regardless of land prices or economic trends. Such works have always been regarded as public projects and works of special interest for entire community, therefore, economic valorization doesn't always come in the first place.

During the execution of the land consolidation project it is necessary to create a good environment and trust among the farmers and institutions in charge of the implementation of the land consolidation project. In Popovo polje, the land consolidation has been the subject of discussions among the farmers for a long time, so the conditions for its eventual implementation are becoming more favourable every day. We have to admit that this is the case thanks to the MPDL projects that are implemented here. Even those land owners who were not interested, are now considering some of the options, be it selling, leasing or some other kind of transaction.

Insufficient number of experts, such as lawyers, surveyors, soil experts, all types of agronomists, sociologists, experts for spatial planning, rural development, etc., required for the execution of the land consolidation project in Popovo polje are viewed as a major problem. Only with their engagement, the land consolidation project could become sustainable and provide actual contents. The supporting contents in rural area represent the key to development and sustainability, regardless of agricultural production capacity per se. The implementation of such projects are normally followed by financial difficulties, however, if the aspect of rural development is included, it would have better chance of succeed. This would facilitate solving the issues of not updated land evidence and land register as well as legal-property affairs. Certainly, the Law of Restitution would be a valuable step in regulation of this very significant social and development issue not only in Popovo polje area, but entire society as well.

The current legal framework is not an obstacle to the new land consolidation concept. This would initiate resolving many issues, not only in Popovo polje, but other rural communities as well.

During visits to the municipalities of Trebinje and Ravno, their representatives as well as farmers in attendance showed a great deal of interest in land consolidation. However, bearing in mind the fact that due to the past war no land consolidation was conducted since 1991, it can be stated that in BiH there are hardly any experienced experts who could successfully implement a land consolidation project within the existing legal framework. Therefore, proposal includes the following activities:

- **Implementation of land consolidation pilot projects on two selected pilot areas;**
- **Preparation of BiH Land Consolidation Strategy;**
- **Education of local experts to be involved in the pilot project implementation team, as well as relevant individuals from the ministries and municipalities on whose territory the project is implemented.**