The Danish experience with Land Banking

by Erik Blaabjerg

Historical background

1849: The Danish privatization act was amended and supported creation of the independent peasantry with use of state owned land and church land.

1921: The Danish Land consolidation Division was given the possibility to buy land in the free market and use it for creation of smallholdings.

1941: The Land consolidation Act was amended in all of Denmark.

2004: The Land Consolidation Act and The Land Acquisition Act were merged into one law.

Purpose of the Land bank:

1849 – 1941:

Creation of smallholdings.

1941 – 1995:

Improving the farm structure.

1995 – 2008:

Facilitating public intervention in rural areas.

Public intervention can be:

Highway Construction.

Afforestation.

Nature restoration.

Protection of water resources.

Implementation of the EU Water Frame Directive.

Implementation of the EU Habitat Directive.

Implementation of the EU Wild Birds Directive.
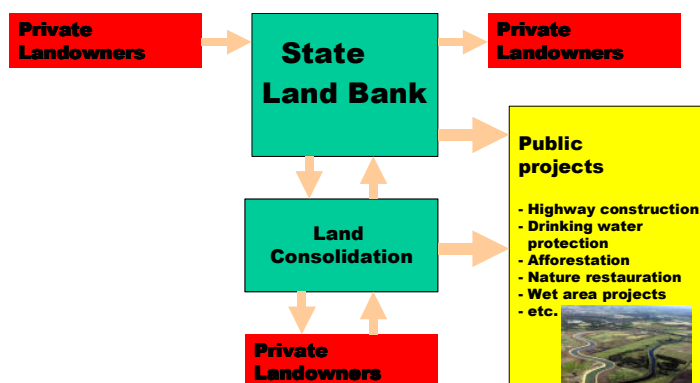
The use of the Danish Land Bank:

Can only be used for the purposes mentioned in the state budget and only within the amount allocated in the state budget.

Except 1.5 mill. euros that can be used for general purposes.

At the moment 30 mill euros are allocated for the purpose of restoration of wet areas.

The land flow in the Land Bank

Private Landowners → State Land Bank → Private Landowners

State Land Bank ↔ Land Consolidation

Land Consolidation ↔ Private Landowners

State Land Bank → Public projects

Land Consolidation → Public projects

Public projects
- Highway construction
- Drinking water protection
- Afforestation
- Nature restauration
- Wet area projects
- etc.

Positive aspects:

- Can reduce the costs for public intervention.
- Solve conflicts in land use.
- Increases the numbers of voluntary agreements/projects.
- Changes the landowners focus from the "project" to the personal land use.
- Land banking can be initiated prior to the project.
- Essential for carrying out a successful voluntary Land consolidation .

Negative aspects:

- The state is one more player on the land market.
- How to handle corruption.
- Does the state buy and sell at market prices?
- Land can be bought for projects, that will never be carried out.

Thank you for your attention.