



Land Banking - an Overview of Approaches and Experiences

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Overview



- **Introduction**
- **An attempt to systematize**
- **Approaches to Land Banking**
- **Governance of Land Banking**
- **Objectives of Land Banking**
- **Institutional Framework for Land Banking**
- **Conclusions**

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Introduction



- **Why again land banking?**
 - Tonder WS 2004 – *“International Workshop on Land Banking / Land Funds as an Instrument for Improved Land Management in CEEC and CIS”*
 - Prague WS 2008 – *“Land Banks and Impact Assessment”*
 - Galicia WS 2009 – *“Land Development Instruments and Information Tools to Assist Land Structure Reforms: the Galician Experience”*
- **Because**
 - fragmentation and land consolidation still an issue
 - continued interest in land consolidation (e.g. Alb, BiH, Ukr, etc.)
 - since Tonder new approaches developed and others gained experience

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An attempt to systematize



- approach (land = \$)
- governance (level of decentralization)
- objectives
- institutional framework
- ...

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Approaches to Land Banking



- **“living from the capital”**
 - state land that needs to be privatized (e.g. Arm, Bul, Cro, Cze (), East-Ger, Hun, Kos, Pol, ...)
- **“trading”**
 - buying, selling and leasing land for different purposes, mostly LC (e.g. Cro, Bul, Den, Pol, ...)
- **“savings and credits”**
 - maintaining property rights, but transferring use rights (e.g. BanTeGal in Spa)
- **“facilitating trade”**
 - specific credit lines, guarantees and bonds for mortgage (e.g. Ukr proposal)

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Governance of Land Banking



- **state**
 - national (Bul [State Company Land], Cro, Cze, Est [Land Reserve], Geo, Hun [National Land Fund], Kos [Kosovo Land Trust], Lit, Net, Pol [APA], Swe)
 - regional (New Laender Germany)
 - local (Arm, Aze)
- **para-statal**
 - BanTeGal (Spain)
- **private sector solution**
 - Bul, Ger

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Objectives of Land Banking



- **support land consolidation**
 - reserves for land exchange
- **support land market**
 - increase land mobility
- **influence land market**
 - control land and lease price
 - pre-emptive purchase against speculation (loss of land to non-farmers, etc.)
 - prevent concentration of agricultural land

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Objectives of Land Banking



- **manage structural adjustment through rural development measures**
 - facilitate early retirement
 - support young farmers for purchasing land
 - social function => purchasing land from old people and paying life pension
- **support public land management**
 - leasing of state land
 - privatization and restitution of state land
- **facilitating public intervention in rural areas**
 - support implementation of infrastructure
 - support implementation of flood control schemes, water shed protection, renaturation schemes etc.

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Institutional Framework for LB



- **state company**
 - Bul, etc.
- **as part of the MoA**
 - Denmark
 - Croatia
- **independent, but reports to Moa**
 - Hungary
- **independent agency**
 - e.g. Germany
 - e.g. Poland
 - BanTeGal; Galicia
- **private agency**
 - Bulgaria

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Conclusions



- **basic requirements**
 - clear objective
 - mandate
 - competence
 - legal framework
 - quick and clear procedures
 - transparent procedures
 - appropriate budget

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Conclusions



● positive

- 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

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Conclusions



● negative

- state one more player on the land market
- how to handle corruption
- does the state buy and sell at market prices and not distort the market ?
- land can be bought for projects, that will never be carried out

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