

## **Recent development in land consolidation in Macedonia and land valuation issues**

EMERALD(2008-2009)-Encouraging  
Macedonia's Endeavours to Rural Land  
Development and  
STIMERALD(2010-2012)

### **Origin of Emerald**

- Need for a sustainable Strategy towards Rural Land Development
- MAFWE ambitions for a solid institutional framework (legislation, strategy, policy) for land development
- Develop Macedonian expertise on Land Consolidation (preparation, implementation, regulation)
- Cooperation with several (public,foreign EU) partners

## **Over all goals and project purpose of Emerald**

- Building expertise and strengthen the institutional capacity of MAFWE
- To learn from field experiences, performing some pilots projects
- Initiate a policy framework for succesful implementation of a future land consolidation programme in Macedonia
- Meeting EU standards

## **Approach and process**

- Active stakeholder involvement
- Cooperation and teamwork
- Creating awareness (on local and political level)
- Mobilizing best European and regional practices (stimulating exchange in SE Europe)
- Study visit
- Guidelines towards Rural Development

## **Important process steps in Emerald**

- To get real life experiences, three pilot areas were selected
- On forehand proper criteria for the baseline survey were defined
- Interviewing stakeholders as part of the selection process was very important (with focus on attitude and opinion towards land consolidation)
- To invest in proper information activities (leaflets, active communication)
- Study and learn from experiences in other EU countries (training, international study visit)

## **Activities in pilot areas**

- Baseline survey: crops, soil, population, market, size of plots, ownership, irrigation etc.
- Interviews, questions on the field
- During the Emerald project, on several occasions the project team met with farmers/stakeholders and organised meetings
- Digital data:
  - - Contract for delivering data and orthophoto's
  - - Checking and updating of cadastral information and maps
- Analyses of baseline survey data and feasibility survey

### Field assesment for pilot area selection



## Main output and results

- Basic training programme for land development
- Methodology for proper analyses of threats and opportunities (base line survey)
- Experiences in pilot areas (leading to follow- up steps):
  - reparceling plan for C.C. Taor designed
  - valuation methodology developed
  - relevant information and practical knowledge on arondation cases
  - experiencing the difficulties regarding proper ownership registration
- Policy recommendations for Rural Development
- Proposals for capacity building within MAFWE to prepare and implement Land Consolidation

## **Recommendations for rural land development in Macedonia**

1. General recommendations to assure a legal framework to stimulate the land market
2. Strategic use of state land-improved land use structure
3. Priorities for ending arondation procedures
4. Measures for active involvement of private land on the market

## **conclusions**

- The Emerald project was mainly a learning pilot
- Focuses mainly on thorough analyses of all hampering factors to rural land development
- Awareness raising needs proper and ongoing attention
- Capacity building is a precondition for success (MAFWE)
- A follow up (second phase project) is foreseen towards strategy development, legal arrangements and instrument development (STIMERALD, 2010-2012)

### EMERALD

**Encouraging Macedonia's Endowments to Rural Land Development**

In Macedonia as in many other East European countries, problems of small farm size and fragmentation of land ownership hamper rural development. The Government of Macedonia supports, as stipulated in its agricultural and rural development strategy, the need to develop rural land development policy and approach in support of the strategy of Agriculture, Forestry and Water Economy, together with DGD Government for Rural Land and Water Management. The Netherlands are implementing a project on land consolidation.

The project time frame is from September 2008 till December 2009.


The overall goal of the project is to facilitate effectively the restructuring of agricultural holdings by establishing of rationalized agricultural and rural policies.

The project purpose is to assist and strengthen the Macedonian Government in setting more directions for developing a comprehensive rural land development policy.



The project will focus on getting field experience with land consolidation and derive main directions for development from that.

**The project will have three major outputs:**

1. Results and experience for scaling up of land consolidation of land plots have been successfully investigated analyzed and evaluated in two pilot areas.




Beneficiaries in rural areas are used to receive landowners' consultations, a multi-stakeholder and participatory process with the results create understanding and consensus. Results survey will provide clarity on land ownership and land use situation. The feasibility survey serves to check the need for and feasibility of land consolidation. In a selected sub-area of both pilot areas detailed planning of land consolidation will take place. The relevant stakeholders will be consulted in closing the agreements regarding their own plots, doing necessary measurements etc. The whole process will be documented using a framework for analysis and evaluation.

### EMERALD

**Encouraging Macedonia's Endowments to Rural Land Development**

#### WHAT IS LAND CONSOLIDATION – KONSOLIDACIJA





- KONSOLIDACIJA is about enlarging land properties, it leads to changing the structure of the land properties
- KONSOLIDACIJA is open and voluntary based process
- BENEFIT from land consolidation is bigger property size which leads to:
  - less cost to work on the land
  - better planning in agriculture measures
  - focus on irrigator area
  - improvement in infrastructure road access, irrigation


#### WHAT ACTIVITIES ARE GOING TO BE PROVIDED IN YOUR AREA



- TESTING KONSOLIDACIJA on pilot area
- ATTEMPT to enlarge private land properties through voluntary exchange
- FIRST Land properties in pilot community will be offered to the private
- PREPARE infrastructure planning (road, irrigation)
- PREPARE contract, legal procedures during the project testing
- REPORT of learning in the project of land consolidation within 1.5 year

#### EXAMPLES LAND CONSOLIDATION

BEFORE ... .. AFTER



## Emerald-Valuation method

System used in Emerald:

- Concept of relative value: use of points
- Basis: soil quality
- Adjustments for: size, access, shape, slope, cultivation condition, water availability, drainage

(recommendations FAO, experience NL)

## **Emerald-Valuation method**

### *Developing a basic method*

- In case all of the participants find commitment on the use of the method, each individual parcel can be valued.
- The absence of valuation has a limiting effect on the dynamics of the process.
- Therefore a valuation method need to be developed and it is essential to agree upon the valuation system itself.. If there is no agreement on the system of valuation there would be no transfers of land in the project.

### ***Basic elements of valuation***

The system is based on the concept of relative value, using a “100 point” soil system, with adjustments for slope, size and shape, etc. Points are assigned in steps of 10 to each land parcel (100 = best land; 50 = lowest quality).

Adjustments will be made for:

- Size: bigger parcels are higher valued than smaller ones.
- Access to road: the preparation of the parcels and the use of mechanisation makes that direct access is valued higher than access via property of others;
- Shape: perfect square is valued higher than irregular shape;
- Slope: if the parcel is steep: points are deducted;
- Cultivation condition;
- Water availability during growing season;
- Drainage during growing season.

### ***Basic elements of valuation***

- Each of these items are given points (+ or -/-). Relative values and points are elaborated using the input from farmers.
- Adding up all points that result gives a total between 50 - 100 points; dividing by 100 provides a factor: 0,5 till 1,0 which will be multiplied by the m2.
- On top of that, additional 0,1 or 0,2 can be added to the factor in case of investments or multiple-year crop.
- After a plan is made which parcels are to be swapped, a table is made to give an overview of all compensations in points:

### ***Basic elements of valuation***

- a table to give an overview of all compensations in points:

OWNER (Name)	PropList	Parcel	Acreage (m <sup>2</sup> )	$\Sigma$ Acreage (m <sup>2</sup> )	Valuation Factor	Weighed Acreage (m <sup>2</sup> )	$\Sigma$ weighed acreage (m <sup>2</sup> )	TO (name)	BALANCE



## ***Basic elements of valuation***

Adjustments (few examples) :

<u>Access</u>	direct	2
	via 1 or more parcel(s)	0
	others have excess	-1
<u>Shape</u>	irregular	0
	"semi" square	2
	perfect square	4
<u>Slope</u>	flat < 5%	0
	steep 5 < % < 15	-1
	very steep > 15 %	-2

### **Group meetings and discussions**



**Land related issues, market, crops, other issues**

### Land valuation method using scoring



### Check the data accuracy



## A photograph of three men standing in a grassy field. The man on the left, wearing a blue jacket and jeans, is pointing towards the horizon. The man in the center, wearing a pink shirt and khaki pants, is holding a large white sheet of paper, likely a map or plan. The man on the right, wearing a blue jacket, jeans, and a hat, is looking at the paper. The background shows a flat, open landscape under a cloudy sky.

[illegible]

### **Existing legislation for determining the value of agricultural land**

- According to the article 12 - Law on Property Taxes (Official Gazette no. 50 of 27.06.2005) in determining the market value of agricultural land is taken into account: land use, cadastre class, steep slope, depth, erosion, the possibility of irrigation, use of mechanization, water absorption ... . While the next article of the same Regulation states that the market value of agricultural land, pastures and forests are made according to the average price of sold properties in the year preceding the year for which the property tax is determined.

### **Existing legislation for determining the value of agricultural land**

- The value of agricultural land which is subject to the exchange determines the Committee established by the municipal council according to the market value of the area in which is the agricultural land-Law on agriculture land.
- Given that within RM there is no real market existing for agricultural land and that only the cadastre class is taken in to account during evaluation, determining the value of land by the municipal council is unreliable instrument for the implementation of a comprehensive land policy.

## **STIMERALD-Strategy and Institution Building for Macedonia's Endeavours to Rural Land Development**

### **Intended Result 1. Comprehensive strategy and operational programme to deal with rural land development prepared.**

- Develop operational rural land development strategy that fits in the National Strategy on Agriculture and Rural Development, the Forestry Strategy and other relevant strategies. As part of the strategy (among other points):
- International study visit for land bank functioning
- Develop operational programme for 2011-2013 that is well tuned to the rural development programming and that includes:
- Two national workshops to discuss draft and final strategy and operational programme

## **STIMERALD**

### **Intended Result 2. Capacity developed regarding organisational, technical and community involvement issues.**

- Training workshop on technical and organisational skills
- Training curriculum development
- Gaining field experience and testing of new procedures in existing pilot areas
- On the job training sessions and exchange sessions with other regions

## **STIMERALD**

**Intended Result 3. Concrete action plan for proper institutional embedding by legal and organisational adjustments prepared and (partially) implemented.**

- Develop options for organisational development
- International visit to study organisational models
- Elaborate organisational model
- Support adjustments in the legal framework for various measures and procedures

**Thank you**