

# **Setting up a strategy for land consolidation in Albania: scope, objectives and legal framework**

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## **Outline**

- ☑ General view of Albanian Agriculture
  - ☑ Land Reform and Privatization
  - ☑ Land Consolidation Project in Albania
  - ☑ Project approach
  - ☑ Some main findings
  - ☑ National Strategy for LC in Albania
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# Country Profile

- ❑ 3.8 million inhabitants
- ❑ 50 % Rural Population
- ❑ Total surface 28 000 km<sup>2</sup>
- ❑ 24 % Agricultural Land
- ❑ The lowest amount of agricultural land per capita (0.2-0.3 hectares) in the region
- ❑ 19 % share of agriculture in GDP



## Situation with land fund after the land reform

	Land category	Ha	%
1	Total area	2 875 000	100
2	Forest, pasture, forest land, etc	2 179 000	76
3	Arable land	696 000	24
4	According to slope		
4.1	Flat (0-5%)	300 000	
4.2	Hilly (5.1-25%)	337 000	
4.3	Mountain (over 25%)	159 000	

### Soil quality according to bonittet criteria

Nr	Soil quality	ha	%
	Class I-IV	277 000	(40%)
	Class V-VII	266 000	38%
	Class VIII-X	62 000	9%
	Without evaluation	92000	13%

# Land Reform and Privatization

## Land Privatization:

- Has started at 1991 and finished at 2008;
  - There are 445000 agricultural families which have benefited from the reform
  - The average holding size 1.2 hectares;
  - Very fragmented (2-8 parcels)
- **80% of total agricultural land belong to private owners**
- **20% of the total is state property**
- About 20 000 ha are for ex-owner compensation;
  - 110 000 ha, are refused from agricultural families to take in their ownership because: low natural fertility; not irrigated and far away from the urban centers; (This surface is in the administration of local government and it can be lease out to physical persons (Albanian or foreign))
- The first registration has been completed in 2392 rural cadastral zones out of 2920 total zones or ( 82%).
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## LAND MARKET AND Land CONSOLIDATION ACTIVITIES in Albania.

- The agricultural land market is still not as developed as it should be.
  - During the year 2010, about **3 600 land transactions** have been recorded for:
    - a surface of **830** ha agricultural land
    - with a total registered value of 37.8 million €. (**4.4 Euro/m<sup>2</sup>**)
  - However, the land transactions for the year 2011, based on preliminary data have shown an increasing trend, (the final evidence will be available by the end of February, 2012)
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## Land parcels in the central part of rural Albania



## Land Consolidation Project in Albania

Since 2010, a project titled: **Support to the Preparation of a National Land Consolidation Strategy and a Land Consolidation Pilot Project TCP/ALB/3301** has started in Albania.

### Project main outputs:

- **Pilot activities in three villages**

*Land re-parceling through voluntary exchanges, selling, buying and leasing between individual owners in order to create amalgamated parcels*

- **Developing a National LC Strategy**

## Project objectives:

- Contribution to sustainable rural and agricultural development in Albania through **the longer-term improvements to rural land tenure arrangements** by implementing a national strategy for land consolidation;
  - **Test the demand** and feasibility of **land re-parceling** with small landowners as the primary target group;
  - Use the **pilot exercises** as the basis for providing the valuable experiences for strategy formulation and, including techniques, resource requirements and legislative framework;
  - **Assess the impact of re-parceling** at the local level, including on land markets, agricultural production, and equity.
  - Preparation of a **community development plan** for the selected pilot commune based on a participatory approach as a tool for integration of the re-allotment of parcels (land consolidation) in a broader local rural development context
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## Project approach

- Total duration of the project - **18 months** (started 1 October 2010, and will finish by 31 March 2012);
  - **Simultaneous** implementation of land re-parceling pilots in three pilot villages;
  - **Voluntary** participation of farmers, landowners and other stakeholders;
  - Land **valuation** based on local land market price;
  - The main target group for the strategy will be **family farms with potential for commercial agricultural** production during the strategy period. At the same time it doesn't mean expulsion of other types of family farms.
  - Land re-parceling as an integrated part of local **rural development**.
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# Project activities

- Selection of pilot community for the implementation of LC
- Develop and carry out a training program.
- Develop a public awareness campaign
- Review and revise ownership maps for the baseline situation in each pilot village (prepare Plan 1).
- Develop and put in place an approach for valuation of land in the project areas.
- Preparation for land re-parceling planning
- Land re-parceling planning
- Registration and implementation of signed agreements
- The preparation of National Strategy on LC;
- Preparation of community development plan

## Project launch workshop (October 2010)



## Preparation for land re-parceling planning

- Selection of three pilot villages;
  - Training & capacity building (prepared training program).
  - Public awareness campaign.
  - Ownership maps were prepared.
  - More than 750 landowners were interviewed about their interest in and wish for the re-parceling project.
  - Land Mobility Maps were prepared.
  - A Community Area Development Plan for all pilot Commune is prepared
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## Selection of pilot villages:

**Selection of good pilot villages are very important for the success of the project.**

**In total there are 17 criteria used where the most important are:**

1. Existence of **farms with potential for commercial** farming and a desire to form contiguous parcels and enlarge the farms.
  2. **High fragmentation of parcels** in relation to total land area.
  3. A **relatively clear situation in relation to registration of ownership to land.**
  4. An **existing land market** (presence of both potential sellers and buyers).
  5. **Public land available** (through sales and exchange) to catalyze the process.
  6. Initiative and commitment **from local government**, including the willingness and capacity of the Municipalities to take active part in the project implementation.
  7. Current and reliable land price information or a robust alternative for valuing land.
  8. A relatively small number of absentee owners.
  9. Few land disputes and no problematic ones.
  10. Low number of geodesic errors existing in the community.
  11. Soil with good potential for agricultural production.
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## Pilot Comune where the project is implemented



## First village workshop in Pilot Commune (January 2011)





## Interviews with landowners:

- We tried to **interview** all registered landowners in the three pilot villages about their interest & wish for the project e.g. sell, buy or exchange parcels, (there are ~750 landowners in total)
- More than **650 landowners** were interviewed in less than 3 months (between 79% and 100% of all landowners).
- 60 % of interviewed landowners indicated initially that they **were interested** in participating in the project.
- A **Land Mobility Map** *has been prepared for each pilot villages* indicating parcels for 1) sale, 2) exchange, 3) lease

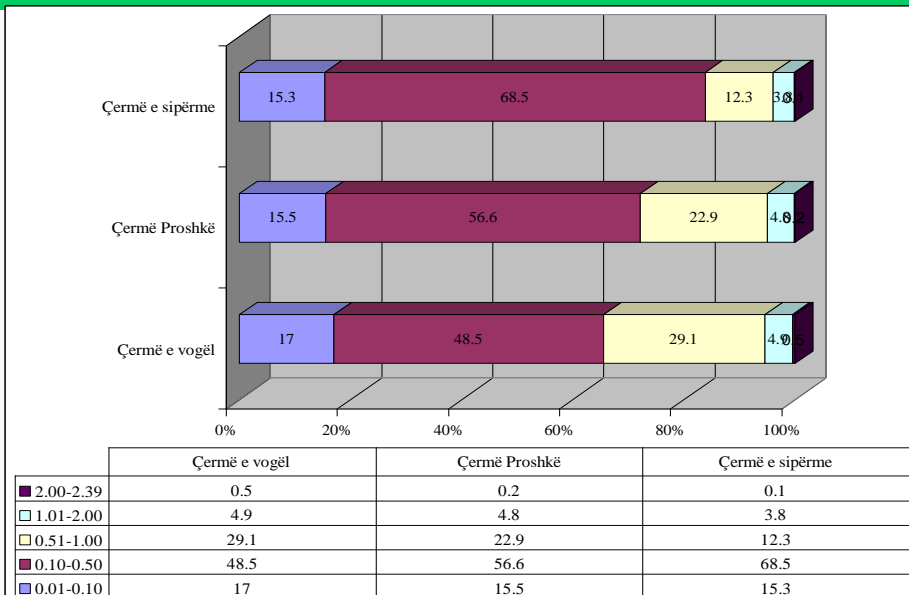
### Interview process with landowners



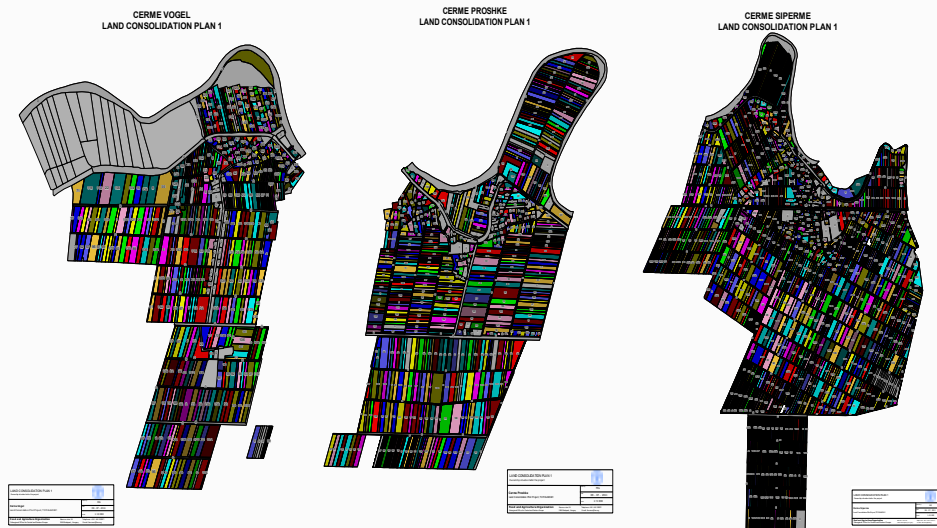
## Summury of Interviews in three pilot villages

Nr	Main issuess	Cermë e Siperme	Cermë e Vogel	Cermë Proshke
1	Total no. of registered agricultural parcels	2032	654	691
2	Identified no. of landowners	440	143	166
3	No. of interviewed landowners	347	143	166
4	Interviewed in % of all	78.9	100	100
5	Average parcel size (m <sup>2</sup> )	3368	3064	3794
6	Average number of parcels pr. Owner	4.6	4.6	4.2
7	No. of landowners willing to participate in LC project	198	71	99
8	% of landowners willing to participate in LC Project	57	50	60
9	No. of land parcels for sale	86	26	20
10	No. of land parcels for exchange	152	25	18
11	Nr of landowners who lease out land	42	0	6
12	Nr of landowners who lease in land	4	9	23
13	% of landowners who lives permanent in village	53	83	78
14	Public owned agricultural land available for project (ha)	13	10	3

## Farm size distribution in three pilot villages



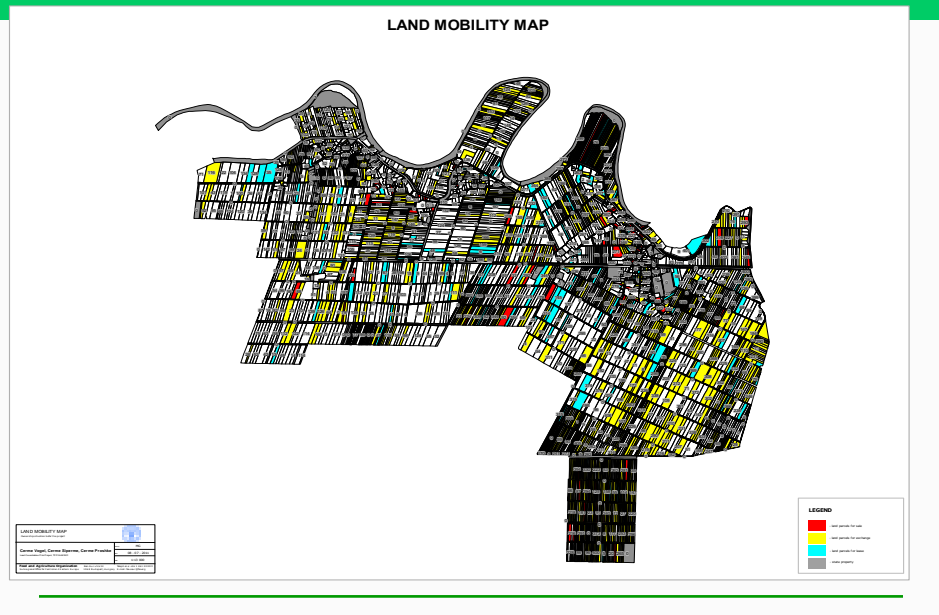
## Land Ownership Situation before the project (Plan 1)



## Land Ownership Situation (Plan 1)



# Land Mobility Map



## Land re-parceling planning

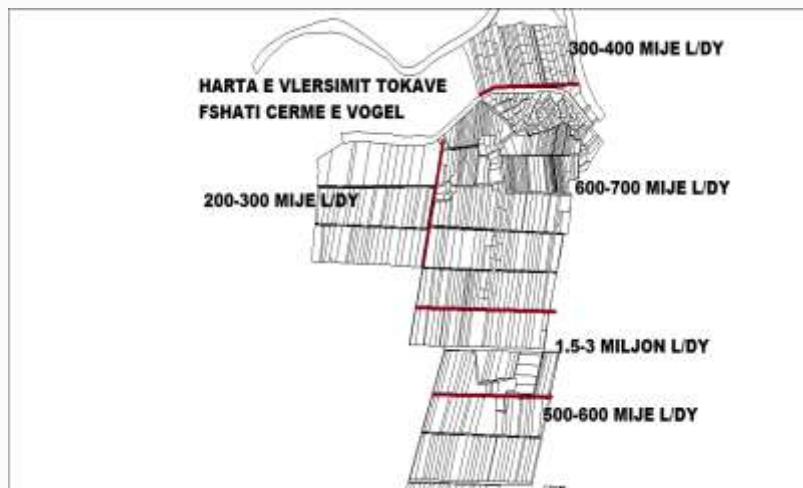
### Main activities:

- Land valuation (giving guidance to the landowner negotiations about local market price in sub-areas);
- Preparation of land re-parceling agreement form;
- Preparation of draft land re-parceling plan (Plan 2) through negotiations with landowners and farmers.

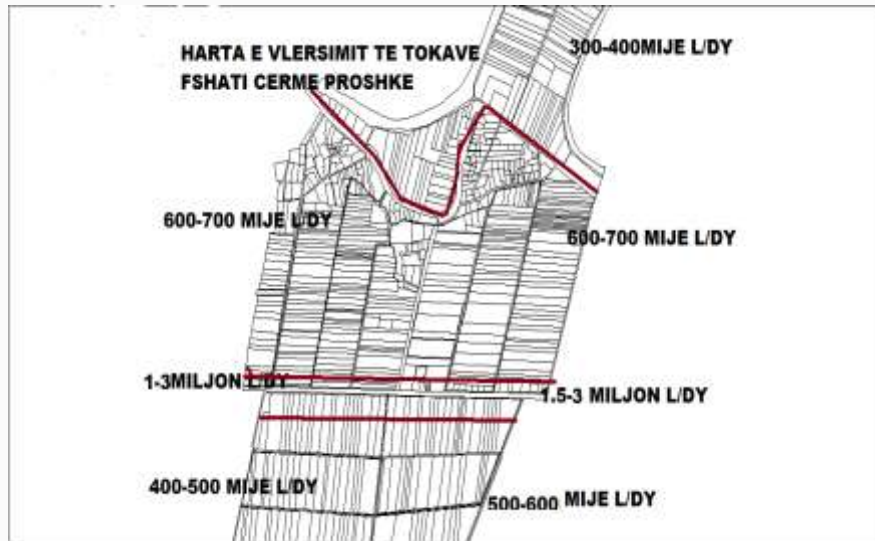
## Land valuation:

- The role of the local land consolidation staff have among the other tasks been to **facilitate agreements** on the price between sellers and buyers (if any?)
- The objective has been to establish a framework for land valuation to be used as **guidance in the negotiations** between landowners and farmers on selling, buying and exchange of parcels (not the objective to make precise valuation of each land parcel).
- Divide the pilot villages in **sub-areas**.
- For each **sub-area** define the re-parceling design goals together with the local committee of stakeholders.

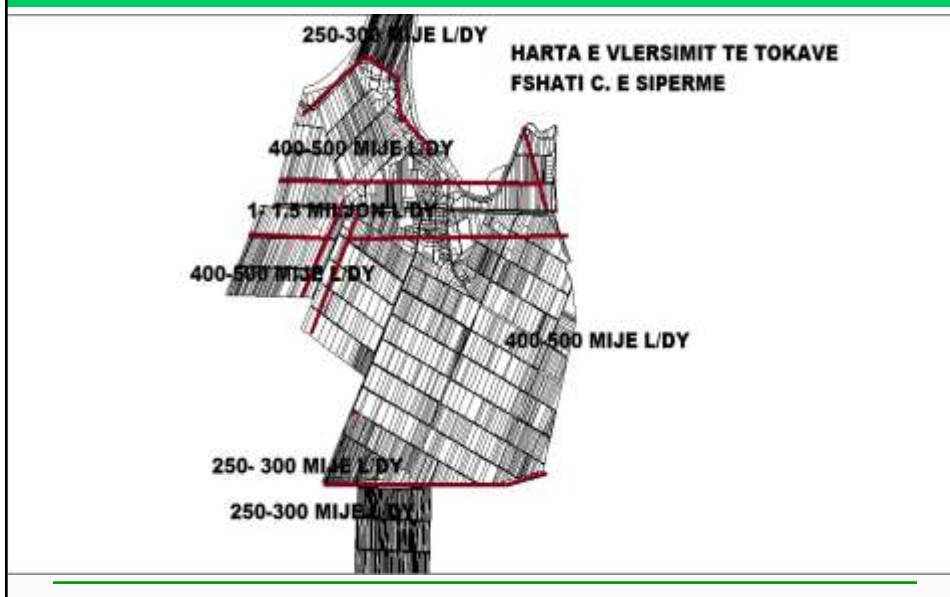
## Land Value Map for Cerme e Vogel Village



## Land value map for Cerme Proshke village



## Land value Map for Cerme e Siperme Village



## Main Types of Problems

### Errors or inaccuracies in the registration

A large number of cases has reported errors or inaccuracies in the registration of personal information in the ownership documentation.

### Heritage cases

The reason for problems related to heritage is that the owner in the land register is deceased without a new owner- often heir of the former owner is registered. The main reasons being that, families want to save the costs for registration and also ignorance of registration procedures.

### Mistakes during registration process

Another typical trend constitutes cases when there is incompliance between the data registered by IPRO on the registered surface of the land plot and the factual on site situation. There is a high number of cases where discrepancies between the factual situation of land plots and records registered in the IPRO, disputes of border properties,

### “Simple” mistakes and errors in land registration and title documents.

Simple problems identified during interviews with landowners (e.g. different spelling of owners name in register and on title documents or wrong cadastral number). Such kind of problems will be solved within transaction registration procedure.

## Data from pilot villages

Nr	Problems	Cerme SIPERME	Cerme PROSHKE	Cerme VOGEL	TOTAL	%	Solutions
1	Wrong name/Surname/ father' name	6	8	10	24	11.1	Correction
2	Inheritance	9	12	7	28	12.9	inheritance certificate
3	Persons not present	31	30	35	96	44.4	Power of attorney
4	Property separation	27	19	33	79	36.5	Topographer
5	Unregister property	6	6	8	20	9.2	Registration
9	Land more than in land title (AMTP)	30	31	49	110	50.9	Evaluation in land commission

## The main findings so far :

- The agricultural land is strongly fragmented and it is hindering the normal development of the agricultural land market and agricultural development.
- Landowners in Terbuf pilot municipality are generally interested in consolidation of parcels.
- The land mobility is very limited (few want to sell – no public land reserve – exchange is difficult because landowners always want exactly land of the same value, nothing less or more).
- Land transaction costs are **very high and procedures complicated**. Again it hinders the development of the normal land market and encourage farmers to do informal transactions without proper registration.

## A National Strategy for LC in Albania- Reasons for developing it?

- **Unstable** development of agricultural sector due to inappropriate farm structure, undeveloped rural infrastructure, unstable development of the family farms;
- Lack of **competitiveness** for majority of farms due to very small holding size;
- Creation of commercial households' structure meeting the modern market-economy requirements **is imposed as a strategic** objective priority for Albanian government;
- Aggravating **environmental** conditions as a result of implementation of conventional agriculture, and lack of application of economically viable and environmentally friendly agricultural practices in current conditions of excessive land fragmentation.



## Strategy objectives

### The overall objective:

...to facilitate the sustainable rural development, to ensure the rational use and infrastructure development of land in rural areas, create conditions to increase the farm competitiveness, the protection of environment and landscape and to develop alternative agricultural activities, and support development of family farms through equal opportunities for both man and women and a brighter perspective for young generation.

### The specific objectives:

...to develop the conditions for successful land consolidation so as to provide the reduction of fragmentation and enlargement of farm sizes, rational use of natural resources, protection and restoration of valuable natural areas and the development of rural infrastructure.

## Elaborated goals of the strategy

- The **improvement** of agricultural sector and the amelioration of local agricultural structures are a strategic priority in the short run.
- Strategy period of **15 years** is divided into 2 phases: **first phase** 1-10 years and **second phase** 10-15 years.
- The objective of the **first phase: mainly** focused on agricultural development and implementation of simplified land consolidation projects (without major infrastructural measures).
- The objective for the **second phase:** implementation of the comprehensive land consolidation projects, combined with public infrastructure works, nature protection, environmental purposes, etc.
- **The main target group:** family farms with potential for commercial agricultural production. (At the same time it doesn't mean expulsion of other types of family farms).

## Land Consolidation methodology

### Preparatory phase :

- Selection of project sites and implementing entity
  - Concluding the **Agreement on Cooperation** between the LGA and project implementing entity.
  - Organize **community workshop**;
  - Review and revise cadastral and ownership information and develop property maps (Plan 1 and Land Mobility maps).
  - Organize interviews and identify specific landowner's interests in relation to land consolidation.
  - Organize village meetings with various groups of stakeholders and group/individual's interviews on community development, aiming to relate findings to land consolidation.
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## Land Consolidation methodology

### Implementation phase :

- Negotiations between landowners and preparation of draft re-allotment/re-parceling plans.
  - Accomplish the valuation of land parcels.
  - Public consultations regarding the draft re-parceling/re-allotment plan and EIA.
  - Prepare draft land re-parceling/re-allotment plan.
  - Implementation and registration of the final re-parceling/re-allotment plan.
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## Capacity building and public awareness

- A well-design **training program** is very important pre-condition for the successful implementation of a national land consolidation program.
  - Responsible for the preparation, monitoring and revision of the training program and materials will be **Land and Water Management Department** at MAFCP.
  - **University curriculum** for land consolidation specialists shall be develop and implemented.
  - Upon the finalization of the course participants **obtain certificates** which make them eligible to participate in the project implementation.
  - A Land consolidation planner is sufficient to have knowledge and **experience** in agriculture, land law, cadastre expertise and GIS.
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## Funding sources and implementation scenarios

The government will finance the agricultural LC activities directly by funding project implementation and indirectly using financial and credit mechanisms, subsidies, taxes, etc. Funding of future land consolidation activities may come from different sources like state budget, RDP program, line ministries budgets, as well as donors. Farmers may also initiate and finance LC projects to their full cost.

**Scenario 1:** State budget: Government is implementing land consolidation activities which are financed only from state budget. Annually 3-4 project. (Annual funding requirements would be around 240 000 USD)

**Scenario 2:** Government is implementing land consolidation activities which are financed in proportion of 25 % from state budget and 75 % being external funding (loans and/or grants) from the European Commission's Instrument for Pre-Accession (IPA).

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# The Implementation Plan

## Immediate actions (0-3 years)

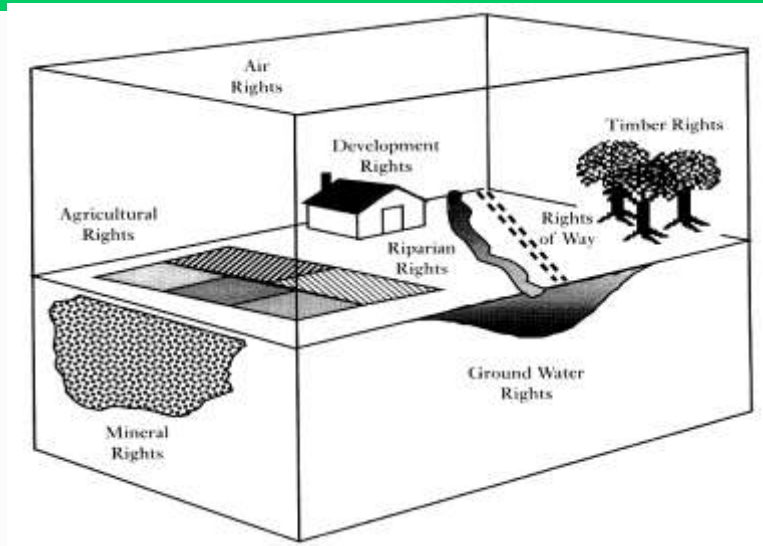
- The first actions involves
  - the establishment and equipping the National Unit for LCO employment and training of Land Consolidation Unit staff,
  - establishment of contacts and cooperation with interested partner institutions;
  - elaboration of methodological aspects on land consolidation program,
  - legal and institutional frameworks,
  - discussions with different partners in terms of financial support options/possibilities, seek additional funding sources;
  - initial steps for implementation of land consolidation
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# The Implementation Plan

## Long term actions (3-15 years)

- Review periodically& adjust the National Strategy on LC;
  - Revise the project methodology and related guidelines;
  - Ensure to involve and integrate the agricultural and rural development in the land consolidation projects
  - Ensure to combine the measure of land consolidation project with measures of other national strategic documents;
  - Gradual change of strategic objectives from agricultural development to public infrastructure and environmental protection.
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## Cadastral parcel and ownership information



Source: Land Administration (Peter Dale and John McLaughlin)



**OK, that's it.**

**I hope you enjoyed it and**

**Thank YOU**