

The leasing of agricultural land in Albania

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GENERAL DATA

- Total area of 28 748 km²
- The agricultural land represents 24 % or 695,000 ha
 - 43% of agricultural land in lowland
 - 34% in hilly areas
 - 23% in mountainous
- A low amount of agricultural land per capita



Background

- High emigration rates
 - Distribution of all land on per capita basis in 1991
 - No functioning land market until today
 - Few land transfers
 - Valuable forest resources in mountainous areas
 - High reliance on firewood consumption
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Land Reform and Privatization

- Until 1991, the agricultural land was 100% state property
 - About 561,000 ha or 80% is now privately owned
 - Number of farms: 351 000
 - The average farm size 1.27 ha
 - High fragmentation (averaging 4.7 parcels/farm)
 - it has created a negative impact in the improvement of agricultural productivity and in the efficient development of the agricultural sector in general.
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Land parcels in the central part of rural Albania



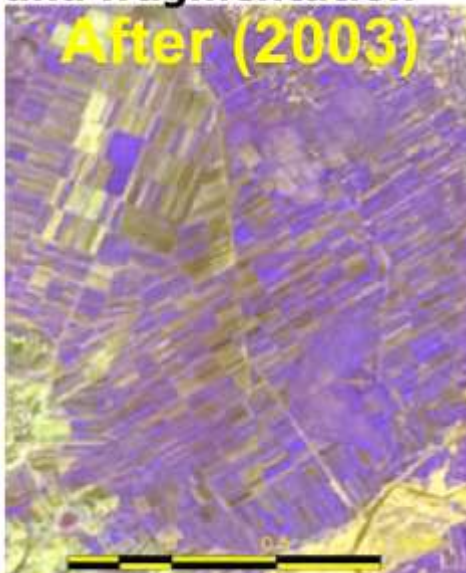
Influence of Land Reform

Land distribution and fragmentation

Before (1988)



After (2003)



Legal framework

- **The legal framework guaranties to the new landowners:**
 - the rights of inheritance, use, transactions, leasing, etc,
- **Selling of private agricultural** land is allowed only for national physical and juridical persons
- **Renting** is allowed for national and foreign physical and juridical persons for a period up to 99 years
- **Leasing** out at very low level: 6-10% (mainly informally)

Summury of Results on Pilot villages

Nr		Cerme e Siperme	Cerme e Vogel	Cerme Proshke	Total
1	Total no. of registered agricultural parcels	2071	615	691	3377
2	Identified no. of landowners	406	143	166	715
3	No. of interviewed landowners	334	82	112	528
4	Interviewed in % of all	84	58	67	
5	Average parcel size (m ²)	3.2	3.6	3.8	
6	Average number of parcels pr. Owner	5.1	4	4	
7	No. of landowners willing to participate in LC project	270	75	99	444
8	% of landowners willing to participate in LC Project	78	88	88	
9	Nr . of land parcels for sale	12	1	19	32
10	No. of land parcels for exchange	429	111	143	683
11	Nr of landowners who lease out land	4	1	6	11
12	Nr of landowners who lease in land	90	12	26	128
13	% e pronarve te tokes qe jetojne gjithmone ne fshat	68	84	80.7	
14	Public owned agricultural land available for project (ha)	14.2	10.7	0	24.9

STATE of AGRICULTURAL LAND

- 20% of agricultural land (or 134 000 ha) is state owned
 - About 26,000 ha, which has good quality:
 - will be used for compensation of former owners
 - available for research institutions,
 - for leasing etc
 - About 500 ha
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STATE AGRICULTURAL LAND (2)

An amount of 108 thousand ha,

- refused to be privatised by the agriculture families;
 - gained by conversion of pasture and forest areas;
 - lower fertility,
 - in distance from inhabited areas;
 - without irrigation and drainage infrastructure;
 - less accessible by roads;
- They are under administration of local government units
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The Institutions Involved

- The **Ministry of Agriculture** is responsible for the **development of legislation and policies**;
 - This land **can be leased out** to the physical and juridical persons, either local or foreigner
 - It can be given also by **concession** for a period up to 35 years
 - In 2009, a concession contract was given for planting of about 970 ha with olive trees.
 - Local government organizes **leasing procedures** for the state land within their territory.
 - A commission headed by Mayor, assesses requests and takes respective decisions.
 - It includes members from Regional Department of Agriculture, Land Administration Directorate (cadastre office) etc.
 - Renting time is up to 99 years
 - Renting is applied through auction procedure
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The evaluation criteria

- **The main evaluation criteria include:**
 - duration
 - investment to irrigation, drainage and anti-erosion measures,
 - number of employees,
 - good agricultural practices etc.
 - Reference price not less than **45 EURO/ha**
 - **The leasing terms:**
 - up to 10 years, for cultivation of field crops, medicinal and aromatic plants, etc;
 - up to 35 years, for greenhouses, nursery and vineyards;
 - up to 99 years, mainly for fruit trees, and olive-groves.
 - So far only 1 000 ha have been leased out
 - This is a low figure and demonstrates reluctance, delays and irregularities of local government units;
 - Recently a new instruction was adopted to address these concerns by giving more competences to the Ministry of Agriculture
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Thank you for your attention
