




REPUBLIC OF SERBIA
MINISTRY OF AGRICULTURE
AND ENVIRONMENTAL PROTECTION

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FIAT PANIS

Session 7: Effective use of state land in land consolidation

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Structure of the presentation

- Zooming out
 - Government intervention in land markets
 - FAO paper on Land banking >
- Zooming in
 - Main objectives of land banking policies
 - Examples of the role of using state land
 - ‘Static’ versus ‘dynamic’ approaches
 - Issues that hamper effective use of state land
 - Questions for discussion



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Government intervention?

- Land markets are neither free nor perfect markets
- Evolving of land structures does not depend solely on cost efficiency
- Structural problems in Central and Eastern Europe need urgent emphasis
- Land banking is a well tested instrument, but requires careful design



LANDNET and Land Market Issues in Europe
Book authors: Richard Smith and Christine Dengel-Layne



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Land Banks and Land Funds - Instruments for Rural Development



**Land Banks and Land Funds
In Europe
Instruments for Rural Development**

Authors:
Pavel van Hest, Patricia Dengel-Layne, Richard Smith,
Bogdan Vitor and Vladimir Terevsky

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

http://www.fao.org/fileadmin/user_upload/Europe/documents/Events_2012/3LANDNET/04_en.pdf

Objectives land banking / land mobility policies

- Stimulating the land market to adjust to a liberalizing global market
- Guiding the land market for sustainable (regional and rural) development
- Complementing the land market by mediating in land use and guarantees

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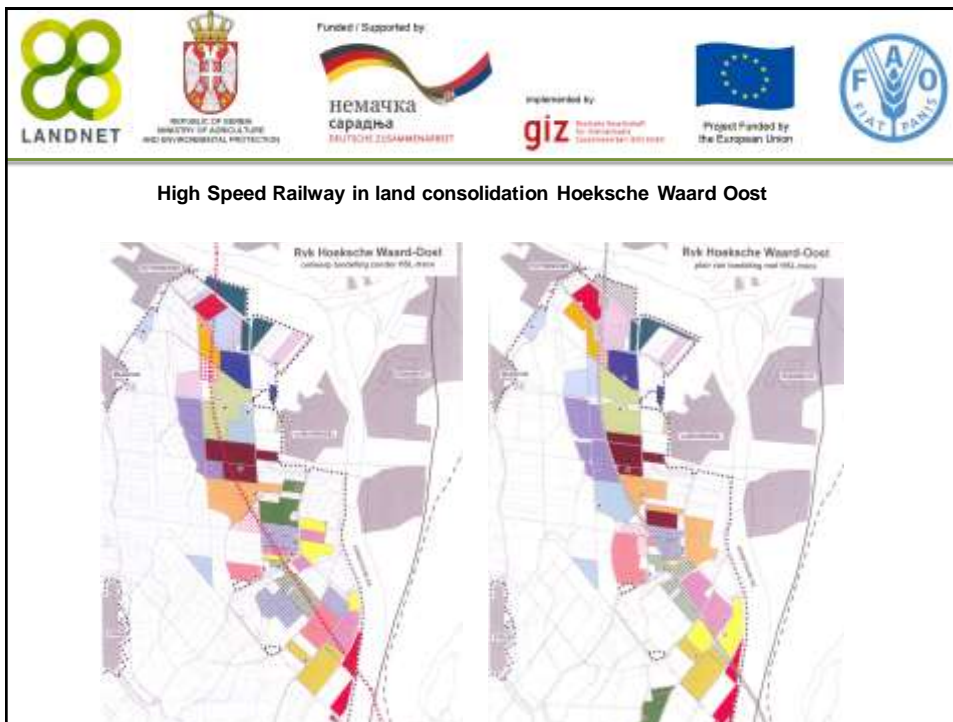


Use of state land in land consolidation / improvement of land structures

Guiding the land market for sustainable (regional and rural) development

- Support (supra-)national projects for sustainable development
- Facilitate integrated regional development projects
- Create a viable land structure for agriculture and forestry
- Stimulate diversification on- and off-farm





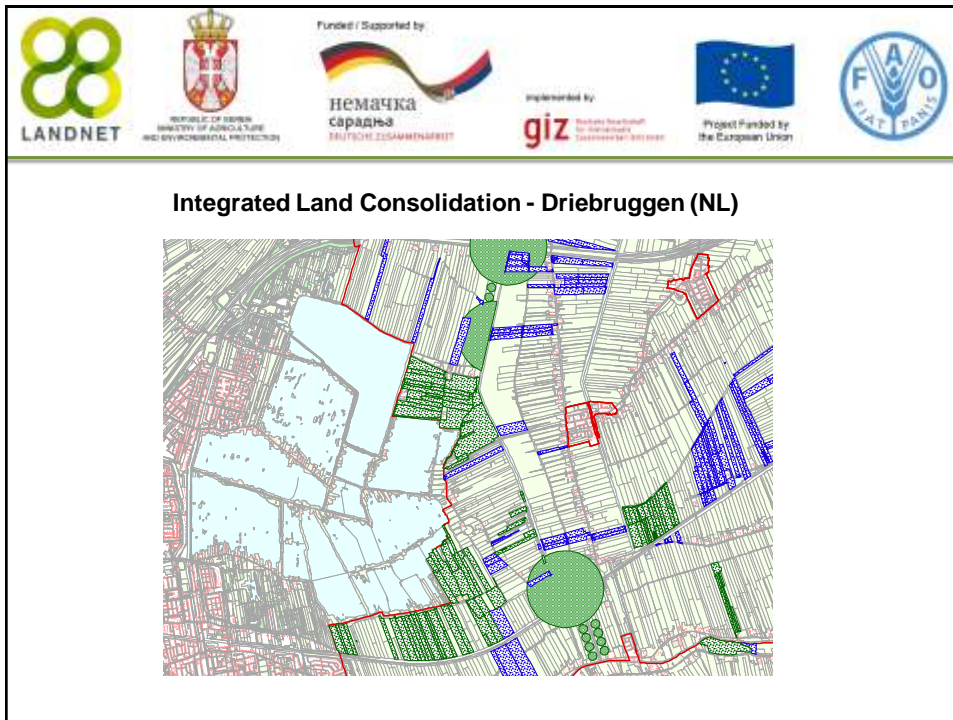
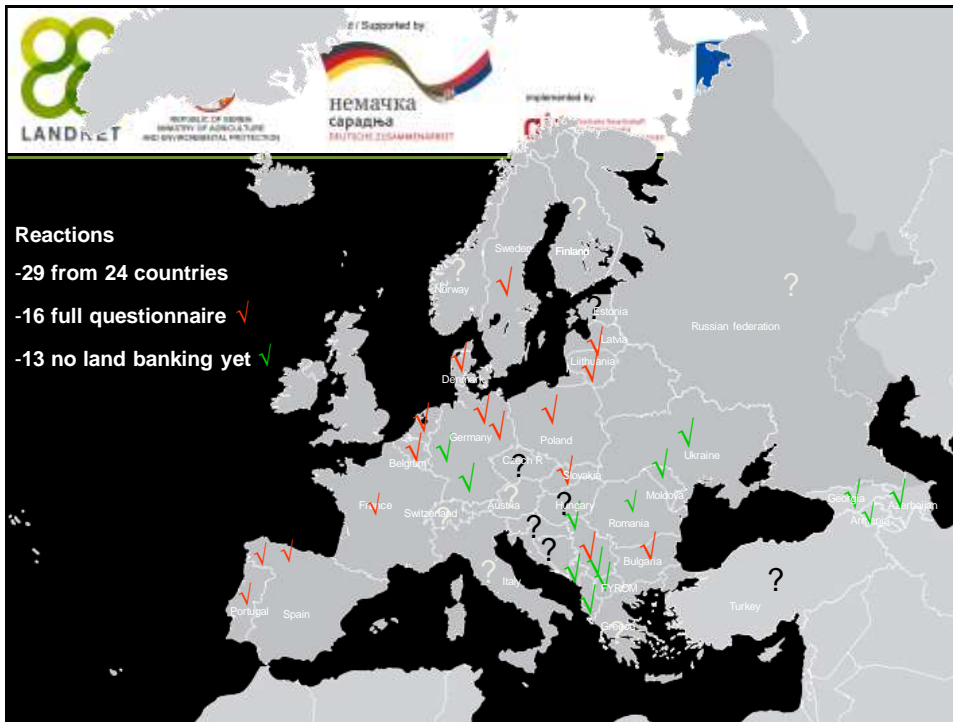


Image Reallotment for Growth

- *To be added...*

Source of state land: two main models

- Living from the capital: management of publicly owned land
- Trading: revolving fund management



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	Type		Obj	Source						
	Static Land Reserve	Dynamic Land Bank		Guiding the land market	Voluntary buying	Buying low other	Pre-emption	After restitution / reserve	Trust rights	Underline ownership
Belgium (FL)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Bulgaria	Y	Y	(Y)	Y	Y	Y	Y	Y	Y	Y
Germany (FEG)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Germany (MV)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Denmark	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
France	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Spain (Galicia)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Lithuania	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Latvia	Y	Y	(Y)	Y	Y	Y	Y	Y	Y	(Y)
Poland	Y	Y	(Y)	Y	Y	Y	Y	Y	Y	(Y)
Portugal	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Serbia	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Sweden	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	(Y)	Sometimes / Not all								

Revolving fund management

- Actively buying, exchanging and selling land
- In service of particular objectives / projects
- More or less continued size (income from selling is used for new acquisitions)
- Sometimes in combination with pre-emption rights (e.g. France)
- Requires budgetary form that allows re-investing
- Needs to operate close to the market

Attention for possible market distortion

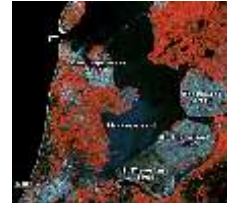
Tabel A. Samenvatting van resultaten van de NL, t.o.v. de totale markt, geprojecteerd naar het marktaandeel in openbare en naar de gerealiseerde transactiewaarden in 2009

Resultaat NL, t.o.v. totale resultaat in 2009

	Retrospekt openbare en niet-openbare			Gemiddelde grondprijs		
	WB	Totaal	Marktaandeel WB (%)	WB	Totaal	Gemiddelde prijsverschil
1 Groningen	366	2.121	17	39.433	39.547	115
2 Noordland	747	2.859	26	42.197	39.991	226
30 Drenthe	800	2.449	33	36.879	33.947	2.932
4 Noordwest Overijssel	576	1.191	48	43.544	46.532	3.088
5 Zuidland/Tweente	371	875	42	35.831	35.814	17
6 Drenthe/Gelderland	330	1.414	23	46.719	48.367	1.648
10 Noordelijke Veluwe	131	249	53	48.439	50.100	1.661
10B Westergoed	75	494	15	52.809	48.329	4.480
10B NOP	112	384	29	55.997	54.198	1.799
4 Dv Noordwestland	141	867	16	64.933	72.845	7.912
10B West-Schelde (West)	184	213	86	65.002	62.921	2.081
10B Westland (West)	119	988	12	63.719	66.307	2.588
10B Noord in Holland	32	1.381	2	62.816	60.122	2.694
10B Gooi + Westergoed	87	371	24	79.897	76.502	3.395
10B Westland Holland	141	326	43	68.871	75.831	6.960
10B Westland 2-Holland	800	1.309	61	34.099	48.261	14.162
10B Noord	174	1.336	13	48.009	50.137	2.128
10B Breda	201	2.009	10	54.773	57.430	2.657
10B Noord-Limburg	881	1.886	47	63.237	65.696	2.459
10B Zuid-Limburg	59	465	13	41.866	44.746	2.880
Resultaat NL	6.846	28.475	24	66.356	67.661	1.305

Existing publicly owned land - Sources

- Land for privatisation
 - Land over after restitution
 - Land reserves not needed anymore
 - Legacies
 - New land
-
- Not only the state also other (semi-) government institutions



Issues that hamper proper use in LC in CEE

- Privatisation processes not linked to land use / consolidation strategies (if present)
- Privatisation processes prior to setting up land consolidation instruments (political pressure)
- Little institutional capacity to plan strategically (manpower, information, technology)
- Different government institutions involved with different responsibilities
- Sensitivity to sell state land
- Procedures to sell state land too complicated
-??

Wrap up

- Specific characteristics of rural land markets justify active government intervention
- Government intervention to facilitate land mobility has different forms
- Guiding the land market towards specific development objectives is broadly practised
- Use of state land has a crucial role to work in a cost and time effective way
- 'Static' land reserves in CEE offer enormous potential to improve land structures
- Many issues hamper proper use of state land to improve land structures in CEE

Questions

- What are hampering factors for use of state land to increase land mobility and support LC?
- What are effective solutions?
- How can the LANDNET contribute?