

International Symposium by FAO, GTZ, FIG, ARGE Landentwicklung and TUM
„Land Fragmentation and Land Consolidation in CEEC:
A gate towards sustainable rural development
in the new millennium “
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LAND FRAGMENTATION AND LAND CONSOLIDATION IN BULGARIA

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GOAL OF THE STUDY

**TO STUDY AND TO ANALYSE THE
EXISTING LAND FRAGMENTATION IN
BULGARIA, AS WELL AS POSSIBILITIES
AND ADJUSTMENTS FOR STARTING A
LAND CONSOLIDATION PROCESS**

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HYPOTHESES

- **IN BULGARIA EXISTS LAND FRAGMENTATION AS A RESULT OF THE ONGOING LAND REFORM, WHICH INFLUENCES THE ECONOMIC EFFICIENCY OF AGRICULTURAL PRODUCTIVITY**
- **INITIAL STEPS IN THE DIRECTION OF LAND CONSOLIDATION HAVE BEEN UNDERTAKEN BY LAND USERS**

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GENERAL TARGET IN

AGRICULTURE

- **MORE EFFICIENT AND COMPETITIVE AGRICULTURE (MOBILITY OF FACTORS)**
- **DEVELOPMENT OF VIABLE AND PROFITABLE OPERATING UNITS**

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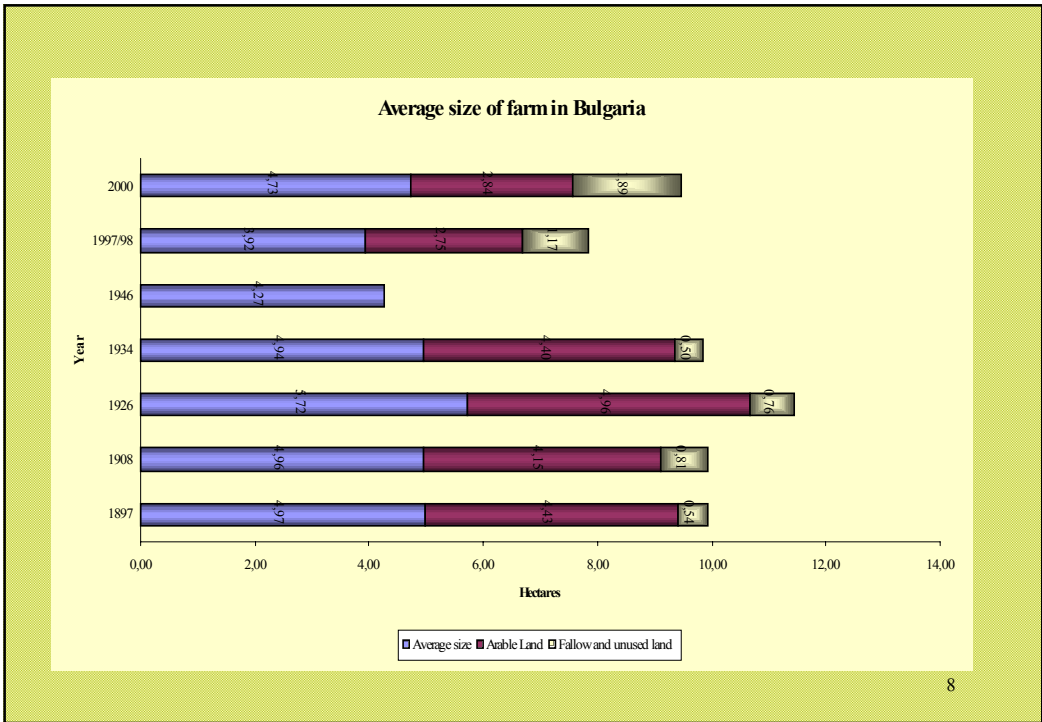
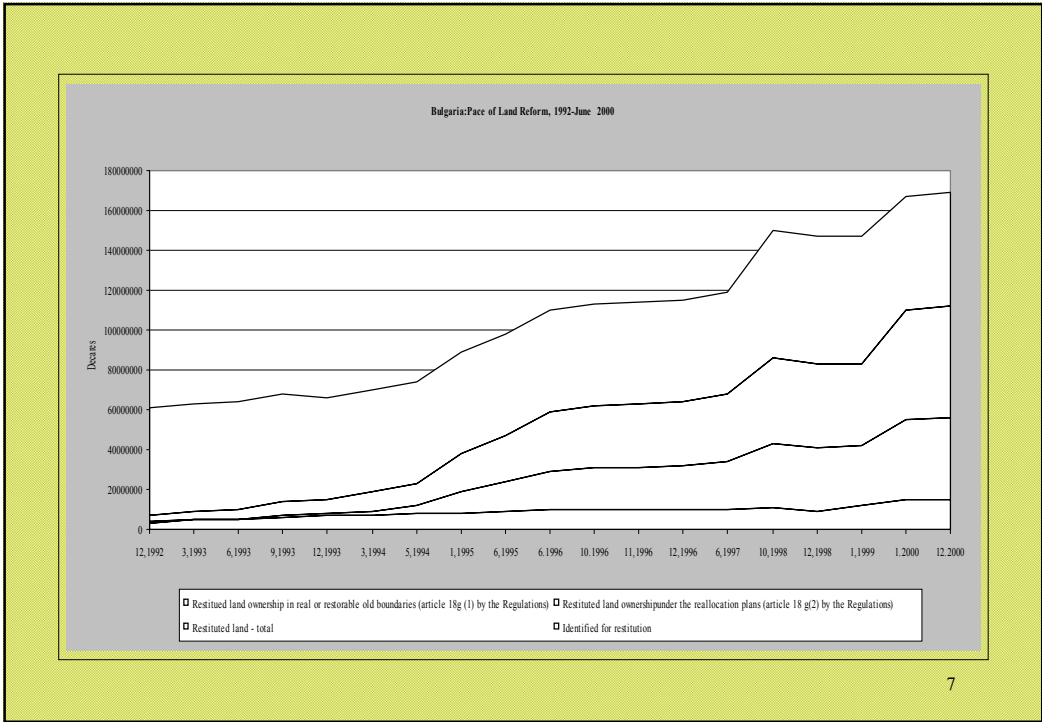
FOCUS OF THE PRESENTATION

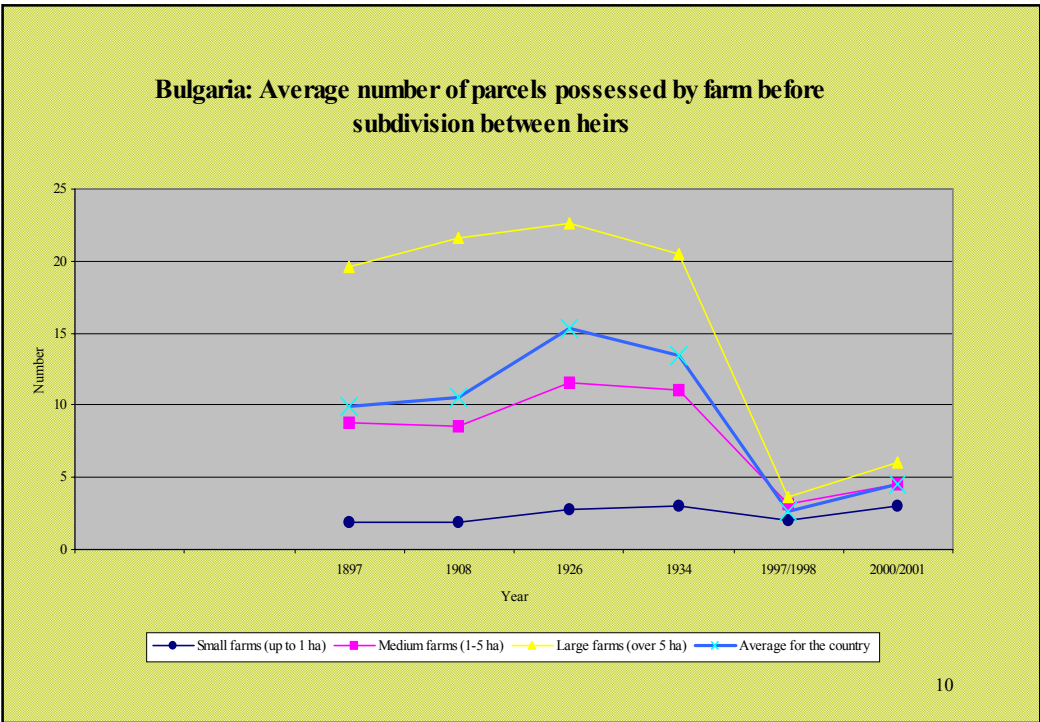
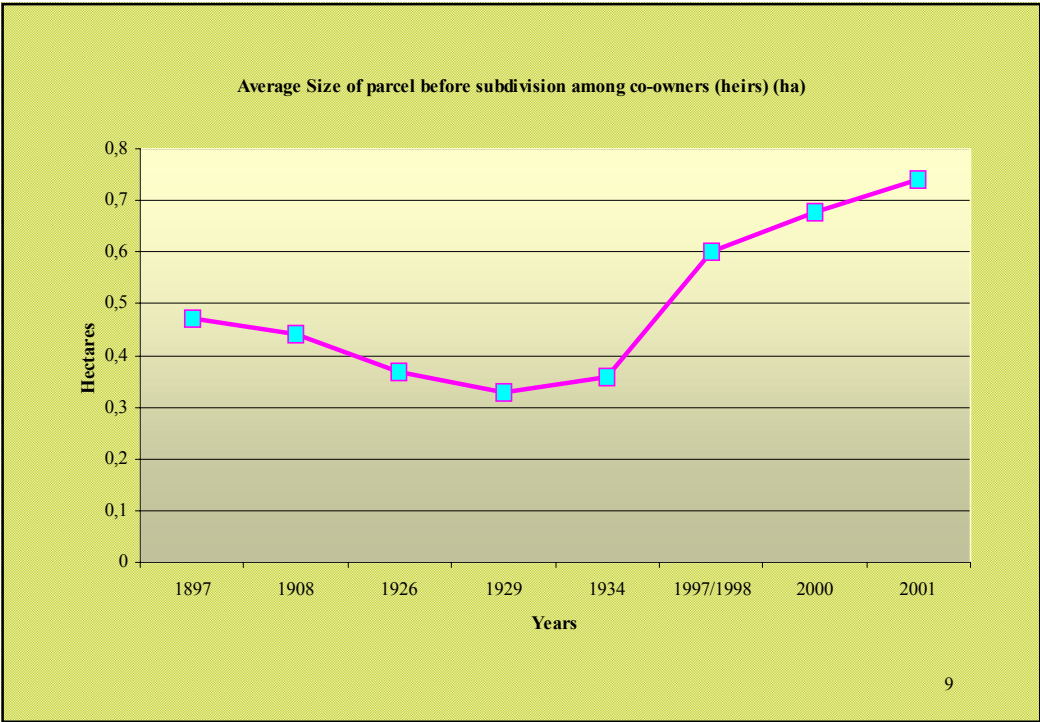
- **TO PRESENT THE EXTENT OF LAND FRAGMENTATION IN BULGARIA**
- **TO IDENTIFY THE EXISTING CONSTRAINTS FOR LAND CONSOLIDATION**
- **TO ANALYSE THE APPLIED METHODS FOR LAND CONSOLIDATION**
- **THE ROLE OF LAND MARKET FOR LAND CONSOLIDATION**

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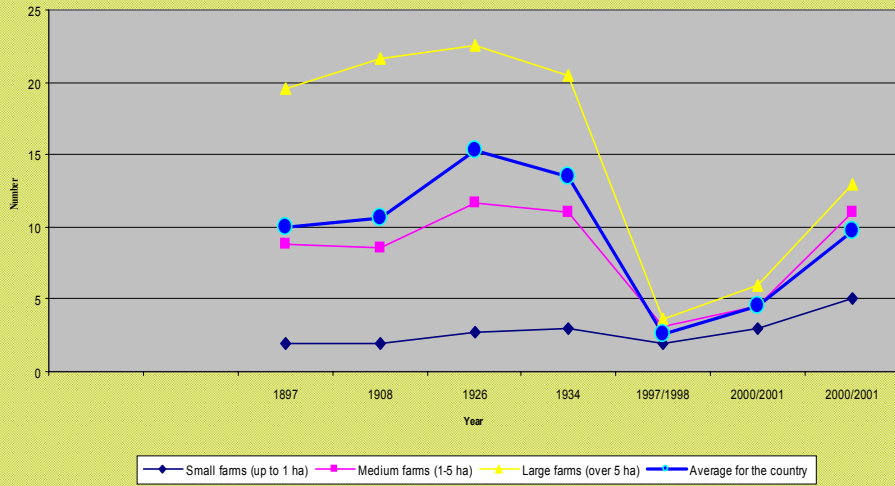
● **STATUS OF LAND FRAGMENTATION**

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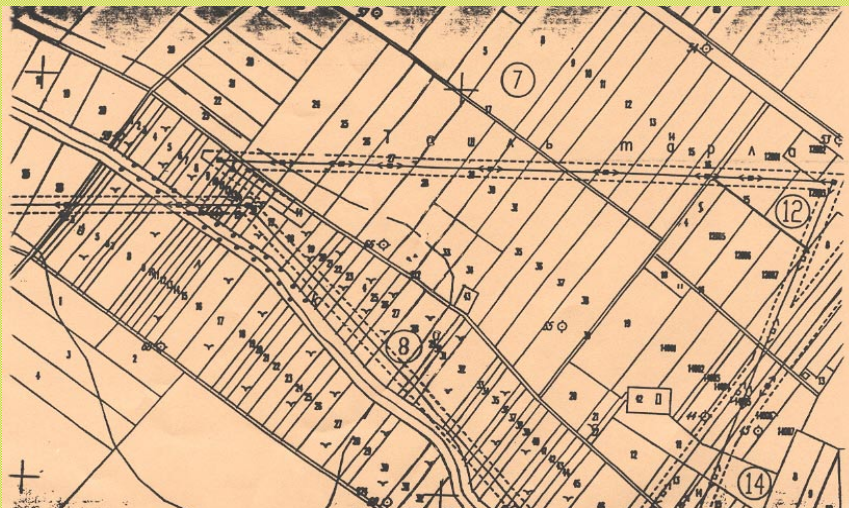


Bulgaria: Average number of parcels, possessed by farm after subdivision between heirs



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MAP OF TBS BEFORE SUBDIVISION



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MAP OF TBS AFTER SUBDIVISION



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- ✚ TOTAL AGRICULTURAL LAND – 6.1 MLN.HA
- ✚ ARABLE LAND – 4.6 MLN. HA (75.4%)
- ✚ ESTIMATED NUMBER OF PARCELS – 12 mln
- ✚ AVERAGE SIZE OF PARCEL –
 - 0.383 ha arable land
 - 0.51 ha agricultural land
- ✚ TOTAL NUMBER OF LANDOWNERS – 5.4 mln
(estimation)

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Basic Findings

- **LAND FRAGMENTATION IS ACKNOWLEDGED AS A PROBLEM BY DECISION MAKERS**
- **THE CURRENT LAND POLICY CAN NOT ADDRESS THE PROBLEMS**
- **LAND FRAGMENTATION AFFECTS EFFICIENCY, VIABILITY AND COMPETITIVENESS OF AGRICULTURAL PRODUCERS**
- **LAND FRAGMENTATION HAMPERS INVESTMENTS IN AGRICULTURE**

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LEGISLATION FRAMEWORK

- **LAW OF OWNERSHIP AND USE OF FARM LAND (LOUFL)**
- **REGULATION ON IMPLEMENTATION OF LOUFL**
 - ☞ **MINIMUM SIZE OF FIELDS – 0.3 HA**
 - ☞ **MINIMUM SIZE OF ORCHARDS AND VINEYARDS – 0.1 HA**
 - ☞ **MINIMUM SIZE OF PASTURES – 0.2 HA**
- **LAND LEASE LAW – MINIMUM DURATION 4 YEARS**
- **OBLIGATIONS AND CONTRACTS ACT – ANNUALLY BASED CONTRACTS**

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- **INHERITANCE LAW – VERY LIBERAL**
- **CADASTRE AND PROPERTY REGISTRY ACT (ENTERED IN FORCE FROM 1 JANUARY 2001) – DEVELOPMENT OF UNIFIED CADASTER**
- **REGULATION ON THE TERMS AND CONDITIONS FOR ESTABLISHMENT OF THE CURRENT MARKET PRICES OF THE AGRICULTURAL LAND**
- **DRAFT LAW FOR LAND CONSOLIDATION**

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LAND CONSOLIDATION CONSTRAINTS

➤ **POLITICALLY SENSITIVE ISSUE - POSSIBLE LACK OF ENTHUSIASM AND PRESENCE OF SKEPTICISM ON BEHALF OF THE LAND OWNERS**

• **LACK OF A STRATEGY FOR LAND CONSOLIDATION**

• **RURAL DEVELOPMENT IS STUDIED SEPARATELY FROM LAND CONSOLIDATION AND SPATIAL ORGANISATION - ITS IMPACT ON ECONOMIC GROWTH AND SOCIAL STABILITY IN RURAL AREAS IS LARGELY UNDERESTIMATED**

• **LACK OF CALCULATIONS FOR THE VALUE OF THE LAND CONSOLIDATION PER UNIT OF LAND**

• **LACK OF UNIFIED CADASTER AND LAND REGISTER – TOO SLOW PROCESS**

• **LACK OF INFORMATION AND TRANSPARENCY – NO PR CAMPAIGN EXPLAINING WHY THIS IS IMPORTANT AND HOW THE LAND OWNERS/FARMERS WILL BENEFIT**

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PROCESSES IMPEDING THE LAND CONSOLIDATION

- **THE SUBDIVISION BETWEEN THE HEIRS;**
- **THE PURCHASE OF LAND FROM THE STATE LAND FUND USING A NOMINAL COMPENSATORY BONDS**
- **THE PURCHASE/SALE OF PRIVATE PARCELS OF AGRICULTURAL LAND OR PARTS OF THEM**
- **LAND SETTLEMENT OF THE INDIGENT AND LANDLESS POPULATION**

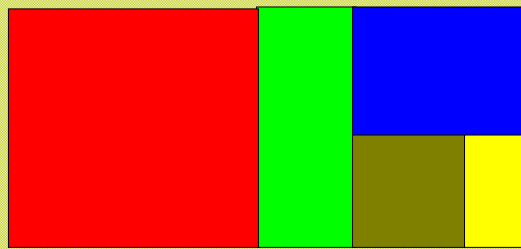
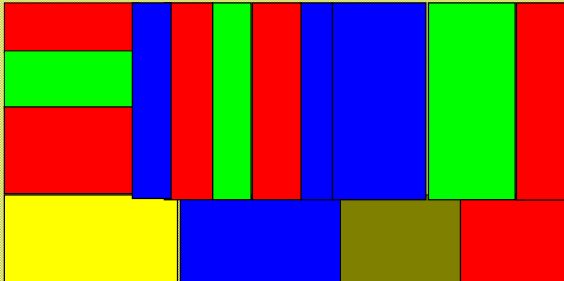
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APPLIED METHODS FOR ECONOMIC LAND CONSOLIDATION

- **LEASING OF LAND FROM THE STATE LAND FUND FOR A PERIOD OF 10 YEARS OR MORE**
- **INTERCHANGE OF PRIVATE LAND PARCELS BETWEEN THE INDIVIDUAL PRODUCERS, OWNERS OF THE LAND -**
- **DIVISION OF THE ARABLE LAND IN THE TBS AMONG THE PRODUCERS WORKING IN IT**

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Schemes for division of land



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APPLIED METHODS FOR LEGAL LAND CONSOLIDATION

- PURCHASE OF AGRICULTURAL LAND FROM THE STATE LAND FUND USING NOMINAL COMPENSATORY BONDS;
- THE EXCHANGE OF SCATTERED PLOTS OF PRIVATE AGRICULTURAL LAND FOR CONSOLIDATED STATE LAND FROM STATE LAND FUND;

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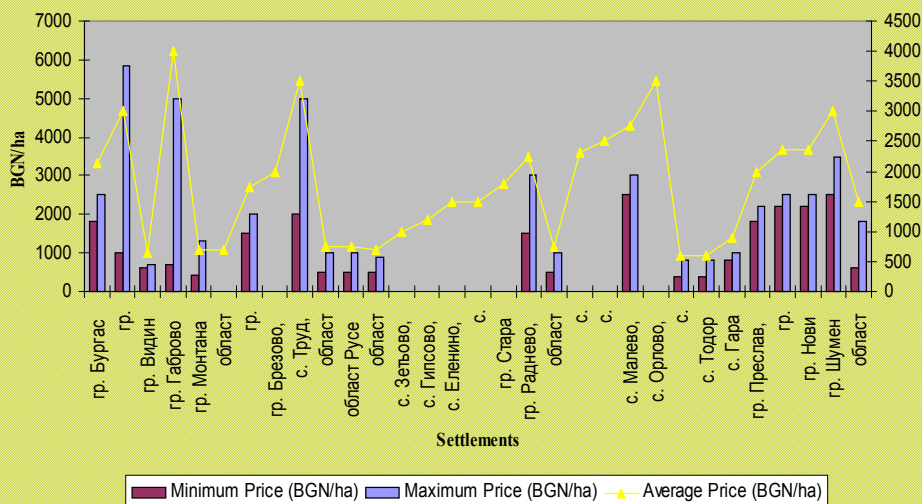
● PURCHASE OF LAND FROM THE STATE LAND FUND – STILL NOT WORKING

● PURCHASE OF LAND FROM THE MUNICIPALITY LAND FUND - STILL NOT WORKING

● PURCHASE/SALE OF PRIVATE AGRICULTURAL LAND

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Bulgaria: Land Prices in 2001 (BGN/ha)



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THE EFFECTS THAT CAN BE ACHIEVED BY LAND CONSOLIDATION

- **THE GROUPING OF THE SCATTERED PARCELS OF LAND, THE PROPERTY OF ONE PERSON IN ONE OR TWO PARCELS OF LAND WITH CORRECT AND SUITABLE FORM FOR AGRICULTURAL WORK, SPECIFIC BORDERS AND ALWAYS FREES PASSAGE TO THE NEARBY ROAD.**

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- **PROVISION OF OPPORTUNITIES FOR THE USE OF HIGHLY PRODUCTIVE TECHNOLOGY AND EQUIPMENT**
- **FREEDOM FOR DECISION-MAKING AND MEASURES MADE ON TIME AGAINST DISEASES AND PESTS**
- **INCENTIVES FOR KEEPING THE PEOPLE IN THE VILLAGES.**

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● **INCREASE OF ARABLE LAND FROM LAND CONSOLIDATION OF FORMER BOUNDARY STRIPS, INTER-LAND SPACES, AND BOUNDARIES OF THE NUMEROUS SEPARATE ALLOTMENTS, AS WELL AS TRACKS.**

● **LAND DEVELOPMENT – DIRECTING RIVERS, BRIDGE CONSTRUCTION, DRAINAGE, WELLS, SPRINGS, PUMP STATIONS, AND RESERVOIRS, STRENGTHENING RIVERBANK FACILITIES, IMPROVEMENT OF LAND CONSOLIDATION OF THE ROADS, LAND RECLAMATION, AND OTHERS.**

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● **INCREASE OF THE CROPS PER UNIT OF LAND AND A CORRESPONDING INCREASE OF REVENUES IN THE AGRICULTURAL FARM**

● **INCREASED OPPORTUNITIES FOR THE USE OF AGRICULTURAL LANDS AS PROCUREMENTS AND COLLATERAL, AS WELL AS OPPORTUNITIES FOR THEIR MORTGAGING (UPON THE PROVISION OF CHANGES IN THE EXISTING LEGISLATION).**

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● **INCREASED MARKET VALUE OF THE
NEW LAND CONSOLIDATED
PROPERTY**

● **DEVELOPMENT OF THE MARKET OF
AGRICULTURAL LANDS.**

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CONCLUSIONS

- **Land issues were and continue to be politically sensitive – land owners fear to lose their property**
- **Land policy should be linked to a government policies for economic growth and development of competitive structures**
- **Rural development ⇔ land consolidation**
- **Land development comprises a wide range of activities and measures in the rural area, it hampers sustainable development**

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● **Land consolidation ↔ land market**

✓ LAND CONSOLIDATION AS A STIMULI FOR LAND MARKET ANIMATION

● **To start land consolidation is necessary to have:**

✓ WELL DEVELOPED INFORMATION SYSTEM FOR LAND MARKET

✓ DEVELOPMENT OF LAND VALUATION SCHEMES

✓ ADEQUATE LEGISLATIVE FRAMEWORK – IN THE BEGINNING FOR SIMPLE LAND CONSOLIDATION

✓ LAND BANK

✓ CLEAR VISION ABOUT LAND DEVELOPMENT AND LAND MANAGEMENT

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✓ To rise public awareness about positive effects of LC

✓ To start LC - projects on a pilot level

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