

Land Fragmentation and Land Consolidation in the Czech Republic

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Introduction

Czech agriculture still carries the stigma of the situation of the Czech countryside in the period from 1948 to 1990. Under the influence of the Soviet example, the Czech village underwent an exceptionally complex development, especially in the field of legal regulations. From 1949, up to, and including, 1990, the basis of agricultural enterprise was the socialist form of co-operative farming, or state enterprise on state agricultural property. Forty years of communism left people's access to property rights in the Czech Republic highly restricted. The repression of property rights severely impacted nearly 3 million Czech landowners, who could not farm on their own farm and fields. Property rights redistribution and restitution has been one of the main economic changes after velvet revolution in 1989. However, the renewal of land ownership rights and private farms after 40 years of communist regime has been no easy task.

Immediately after the enactment of the Land Act in 1991, the restitution of agricultural and forest property became a core activity of the district land offices. In the Czech Republic, nearly 232,000 restitution requests were submitted. By January 1, 2000, the district land offices had resolved, or nearly resolved, 96.3 percent of these cases, 85.1 percent of cases being completed. Overall, they have made decisions on 1,556,300 hectares of land, i.e. 1/5 of the land in the entire Czech Republic. From these decisions it follows that the Land Fund of the Czech Republic, who administrate State fund, has still to release 117,800 hectares of scarce substitute lots of land.

Land consolidation is viewed as the most rational instrument for arranging ownership relations to agricultural and forest land, not only with regard to prudent and rational management but also with respect to landscape requirements and needs.

Current situation in land fragmentation

In the CR natural physical fragmentation of the landscape is not considered to be a major constraint to production; however, problems exist regarding fragmentation of land ownership rights, the identification of parcels and environmental damage etc. From the point of view of legal ownership, the land of the CR is very fragmented. Between 1990 and 1996 approximately 3,798,000 owners were registered and the area was divided into 12,625,000 plots.

The Land Resource Institutions comprise 13,066 cadastral units, 6,288 communities and 76 districts, excluding the capital, Prague. Private individualised holdings predominate, accounting for over 3,400,000 Ha. Various private societies and associations also exist. The remainder of agricultural land is still owned by the State. Although legally fragmented in physical terms, individual privately owned land plots are still incorporated into the larger land structures that still represent the old structures of the production cooperatives of the communist era. This situation does not enable private landowners to use their land for farming efficiently. This is because the process of land consolidation is time consuming and is a physically and technically complicated, thus, it is a reason of many problems and difficulties. Many recipient farmers cannot use their own land due to technical impossibilities. They have to use other land, because complex land consolidation does not exist. It also inhibits land market development, investment in land and the completion of the restitution process.

A major prerequisite for the development of a land market is the determining of plot boundaries in the cadastral units by land consolidation, or by geodetic mapping. The need to complete land consolidation, as an instrument for settling ownership rights with respect to land parcels, is part of an on-going debate about land reform and is detailed in many policy documents related to the agricultural sector. According to the Czech Statistical Office "Agrocensus" of 1995, the average size of a farm in the CR is 131 hectares. Since the 1990's, the average area of State-owned farms has decreased from 6,259 hectares in 1983, to 660 hectares in 1995. Cooperatives and private associations maintain, a relatively large average area of 1,447 hectares. There are more farms of less than 10 hectares, because many farmers own an area of less than one hectare, and are engaged in subsistence production.

Land consolidation process

Since 1991, land consolidation has been carried out in the Czech Republic pursuant to Act No. 284/91 Coll. on land consolidation and land offices. Under the Act, land consolidation is pursued and implemented by a variety of the following activities: ownership rights to parcels are arranged, spatial and functional characteristics of land are adjusted, plots are merged or divided, access to plots is ensured and boundaries are straightened. An objective of land consolidation operations is to create conditions for rational land management, for the protection of soil quality and fertility improvement, and for the increased stability of the ecological landscape. Comprehensive land consolidation makes a significant contribution to the use and organisation of agricultural land. Land consolidation is a prerequisite for the completion of the restitution process and restoration of private land ownership, and is referred to in the Position Paper of the Czech Republic as the main instrument for ensuring real and identifiable ownership and for settling ownership rights with respect to land parcels.

As a consequence of collectivisation and large-scale land cultivation under communism, field roads, natural structures, such as, water lines and vegetation belts, and other landscape features suited to individual farming were destroyed. The ecological stability of the landscape was disturbed, biodiversity was reduced and the overall landscape was affected.

An integral part of the current land consolidation process is the implementation of the so-called 'common' facilities, pursued through the Territorial System of Ecological Stability (TSES). Act No. 114/1992 Coll. on nature and landscape conservation, defines TSES as "a mutually interlinked group of natural, as well as altered, but closely resembling natural, ecosystems, which maintain the natural balance". TSES contributes substantially to the fulfilment of the International Convention on Biological Diversity, to which the Czech Republic acceded in 1994.

Common facilities, as a part of land consolidation, also include anti-erosion measures, anti-flood measures, the building and renovation of field roads providing access to lands and other technical measures.

The implementation of the above measures creates the conditions for rational land management, conservation and increased ecological stability of the landscape.

Land consolidation activities are closely connected to the activities of surveying and cadastre. Besides the actual objective of comprehensive land consolidations, one of the results of the proposals for the new arrangements of proprietary ownership is a brand new digital cadastre map. The replacement of the existing, inaccurate and obsolete cadastre map is a very important goal. The present problems that surveying and cadastre must overcome are very well known. The improvement of the condition of the cadastre is one of the most challenging and pressing tasks. That is why the law, in its current form stipulates that the results of land consolidation (especially complex land consolidation) are to be used for the renewal of the cadastral operations. Since March 2000, the new law has been in effect, supporting the renewal of cadastral operations by way of land consolidation. This law is Government Decree No. 4/2000 Coll., on the Execution of the Act on Land Consolidation and Land Offices. It is basically a code of practice for land consolidation and gives guidelines for the exchange of plots of land. At the present time 126 complex land consolidations on 40,992 Ha are completed and another 636 are in various stages of implementation. Complex land consolidations are the most complicated activities of the District Land Office, and only in the last three years have they become more experienced in their implementation.

Types of land consolidation

Simple land consolidation

After 1989, it was considered necessary to transfer land quickly to those owners who requested it. This specifically required ensuring access to plots of land locked inside large blocks of land by providing access paths. In the early stages of reform it was not practically possible to pursue formal or "complex" procedures for land consolidation proper, in the sense that complementary provision of public facilities (e.g. roads, water management and anti-erosion, ecological and other measures) would take a long time.

Thus, it was necessary to implement a temporary solution, introducing widespread simple land consolidation (SLC), and the establishment of the temporary-use rights. In simple land consolidation an owner acquires the use-rights of another owner's accessible plot of land. The latter is typically not interested in managing the land, thus, is happy to exchange his land for another piece so that it is easier for the person acquiring the land to farm. For instance, the latter land may be more accessible or even contiguous to other land plots of the person who wants to exchange. The exchanged value of these plots of land should be equal. The State, through its land offices, plays the role of middleman, or clearing house, in an effort to speedily provide the use of land to owners in particular areas. SLC was implemented from 1991 with the purpose of making it possible for newly created private farmers to farm on partially consolidated plots of land. Simple land consolidation provides the settlement of user relations to land – not an arrangement of permanent ownership relations.

Unfortunately, SLC was carried out haphazardly in the first few cases after 1990. Sketches of allotment plans providing a basis for the handing over of the land to farmers were executed very simply and inaccurately. These plot boundaries were marked out in a permanent manner by erecting land markers, thus making it complicated to later correct any inaccurate measurements for legal purposes. An attempt to overcome inaccurate surveys of the plots of land and bring "order" to the land registry was supposed to be implemented at the expense of the State. However, these inaccuracies have been further exacerbated by the fact that historical and political developments after 1948 created disinterest in the accurate keeping of land books and, consequently, lists of allotted plots of land were not completed. In most cases only inaccurate, graphical allotment plans, without the proper marking out of allotted land and the delineation of new boundaries were drawn up. Many allotment plans were seriously damaged, or even destroyed, during the past decades. This made it very difficult to verify ownership documents with cadastre maps and with what was going on in reality.

Up to the present, 20000 such simple land consolidations have been instigated. The temporary use-rights allowed the land offices some time to process the initial rush of applications (Act No. 284/1991 Coll. And Order of the Ministry of Agriculture No. 427/1991 Coll.) without severely constraining the agricultural sector. By the end of 1999, as many as 19,227 SLC cases were resolved in the CR. Overall, 309,326 Hectares of agricultural land (i.e. 7.2 percent of the Agricultural Land Fund) was taken up using this procedure. The remaining part of the Agricultural Land Fund is predominantly in the possession of the agricultural co-operatives, limited liability companies and joint-stock companies, having direct contracts with landowners for a limited period of time, usually up to 7 years. On lots of land leased this way, land consolidation is not being implemented, i.e. no changes in size and shape of lots are contemplated. In 2000, more than 800 simple land consolidations were supposed to commence, but this is significantly lower than in 1994 or 1995, when 5,000 were started.

Besides "non-formal" land consolidation implemented in this manner, there are an unspecified number of cases where owners' plots of land are leased out or let for use without formal agreement.

Complex land consolidation

The other solution to land consolidation is termed as "complex" or "comprehensive" land consolidation and this represents a longer-term solution to agrarian structure. Complex land consolidations aim to preserve and enforce the stability of farmland, in parallel with the preservation of habitation and harmony with agricultural production in the countryside. It aims to enhance the non-productive functions of agriculture and to enhance the activities in the design of countryside in general.

Contracts for the development of complex land consolidation are awarded by District Land Offices in competitive bidding under Act No. 199/1994 Coll., on Competitive Bidding Awards, as later amended. Under Act No. 284/1991 Coll., on Land Consolidation and Land Offices, it is the duty of District Land Offices, as land consolidation funds providers, to execute the plan of cadastral area choice. The choice of cadastral areas, where land consolidation is to be implemented needs to be discussed with the cadastral office a year in advance.

The criteria for the choice of cadastral areas where land consolidation is planned:

- Following requests from owners of more than one half of the cadastral area.
- The activity and diversity of farmers in the area.
- An emergency requirement for environmental protection.
- Obvious discrepancy between data of the real estate cadastre and the actual situation.

Complex land consolidations are usually implemented in those municipalities where land-use plans, zoning plans (of the built-up parts of a municipality) and rural renewal programmes (Program for Countryside Renovation – Ministry of Rural Development and other various programs of Ministry of Agriculture) are already prepared, or in an advanced stage of preparation. Both land-use plans and rural renewal programmes are usually developed in those municipalities where a significant increase in economic activity is expected. Requests for the drawing of subsidiary funds from the Ministry for Local Development and the Ministry of Agriculture usually coincide with this activity.

Institutional securing of land consolidation

The Central Land Management Office of the Ministry of Agriculture safeguards the methodology and financial backing for land consolidation in the Czech Republic. The private sector has no share in land consolidation financing. The Czech Land Survey and Cadastral Authority in Prague methodically and financially oversee reference documents detailing land

titles, in both written and map form. For this purpose a special Land Survey Office was established to centrally administer all cadastral data. In addition, the Land Survey and Cadastral Inspections were established, with powers of inspection over land survey works.

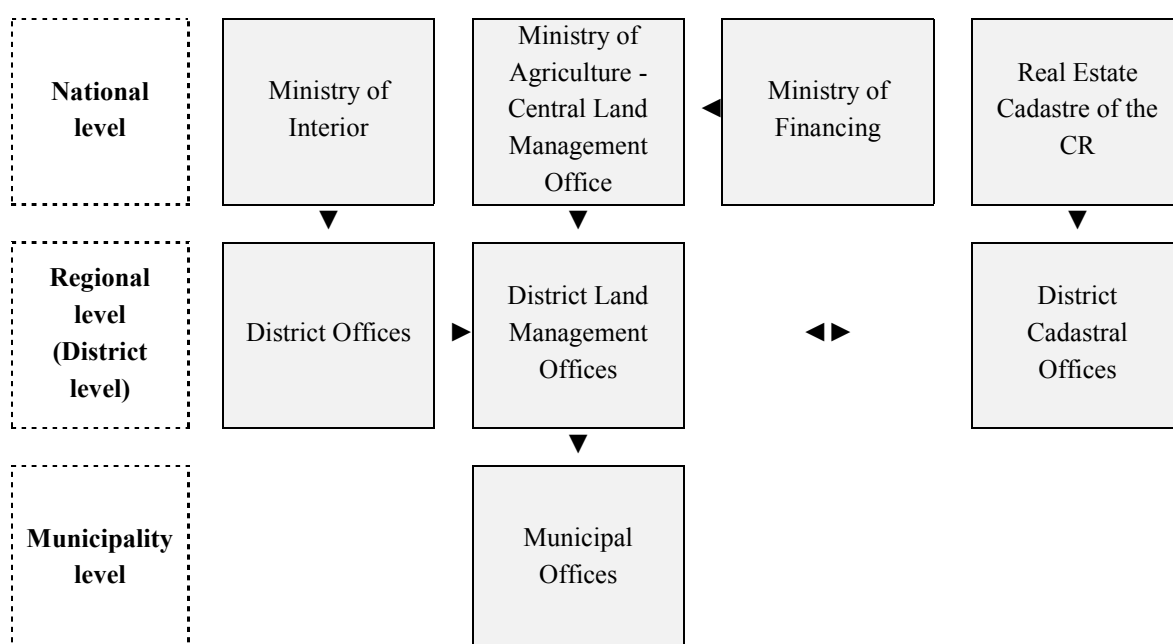
The Ministry of the Interior established District Offices operate at a regional level. The Central Land Office supervises the land office departments. In each region, or district, there is a Land Register Office, which, according to the size of the district, can contain several branches and manages the written and graphic database of land owners in a particular cadastral areas and the municipalities within each district.

At a local level there are Municipal Offices which manage one or more cadastral areas. With land consolidation, especially complex land consolidation, municipal offices make decisions in their sphere of authority on:

- Changes of cadastral boundaries.
- Safeguarding the public interest on the structure of the road network, water-management facilities, anti erosion measures and ecological measures such as bio-corridors and bio-centres, in a given location.
- Town and country planning and its connection to land consolidation outside built-up areas of the municipality.

The District Land Office ensures the preparation of land consolidation proposals with privat designers. The project designers, or executors of a land consolidation proposal, can only be legal entities or physical persons, who are certified for land consolidation design. The conditions for granting such certificates are stipulated by the Ministry of Agriculture of the Czech Republic in strict legal regulations.

Organizational model of land consolidation



In 76 districts of CR 1,350 civil servants work in land offices dealing with the agenda of the restitution of property and land to original owners and land consolidation. There are 35 employees in the Central Land Management Office of the Ministry of Agriculture. These civil servants run the District Land Offices, secure the financing of land consolidations and geodesic work in progress, connected to restitution. They also design the methodology, decrees and source materials for legislation. Private companies design land consolidation projects. By April 2000, more than 450 authorisations for the design of land consolidation were issued. It can be assumed that 1,200 people work on land consolidation design in the CR. There are also around 1,000 people who carry out geodesy projects connected to restitution and land consolidation. Overall in the CR, there are approximately 3,600 people working in the field of land consolidations.

Land consolidation procedures

Act No. 284/1991, Coll., and Government Order No. 4/2000 Coll. determine the organization and regulate the speed of implementation of land consolidation. The procedure is as follows:

1. The District Land Office requests competitive bids for the selection of the most suitable land consolidation project designer. The actual awarding of the contract is usually takes from two to six months, assuming that the statutory time limits under Act No. 199/95 Coll., on government contracts, are adhered to.



2. The Land Office Department of the District Authority summons an initial meeting of all the landowners which takes place 14 days after the sending out of invitations.



3. Some of the participating land owners depending on the number involved in the initial negotiations are selected to form a board of deputies.



4. In cooperation with the land office the designer delineates a perimeter of the area to be consolidated, including boundary changes of lots of land and cadastre. Both landowners and municipal representatives of all concerned municipalities should approve the changes in the cadastre boundaries. This can take more then 6 months.



5. The project designer carries out an area survey and land quality evaluation. Changes in the land quality of lots of land must be clarified with the Research Institute of Amelioration and Land Protection. This can take up to 12 months. The determinations of the perimeters of the consolidated area, its marking out and collection of basic maps are done by the project designer, in cooperation with the Commission of Representatives of Land Office and Cadastre. Depending on the size of the consolidated area this takes around 6 to 8 months. The marking out of the area of land for consolidation usually takes place outside the growing season.



6. The project designer, in cooperation with each participant, determines the initial claims of landowners. It is necessary to determine the following facts:

- The area of the claim – i.e. the size and dimensions of the lot of land.
- The quality of the claim - i.e. the price of the lot of land.

Original claims determined in this manner, are processed into comprehensive summary tables called "claims balances". The approval of the claims of landowners who participate in land consolidation can take from 2 to 8 months, dependent on the quality of the base documents and the extent of the landowners' cooperation.



7. The project designer charts a summary map of "claims", i.e. plots of land before the land consolidation adjustments. The activities work usually take from 1 to 2 years. Before the exchange of plots of land proper, the project designer works out a plan for the multifunctional framework of complex land consolidation, in which he takes into account the broader social interests of all the parties to the land consolidation project.

The multifunctional frame of land consolidation contains the following requirements:

- The delimitation of the transportation system, (e.g.. the network of field roads).
- The delimitation of the systems of ecological stability (e.g. bio-corridors, bio-centres).
- The delimitation of anti-erosion measures (e.g. the reconstruction of drainage facilities and the revitalisation of water courses and water reservoirs).
- The delimitation of protected strips of land (buffer zones) and the resolution of ownership relations.



8. The board of deputies, the municipal board and other relevant organisations and institutions then approves the compiled plan of the multifunctional framework. The necessary work for the drawing up and approving of plans for the multi-functional framework usually takes from 6 to 8 months.

The exchange of plots of land requires the elaboration of exchange plans in maps of scale 1 : 5,000 or 1 : 2,880. There are usually 2 to 4 alternatives to be considered by the board of deputies. If the board of deputies approves a particular alternative, it is then discussed with individual landowners.



9. The proposed "new-for-old" compensation plan has to be discussed with the owners individually. The basis for this is a comparison of the "input", the area and value of old land parcels in situation, and the intended "output" (register and map). The proposed new-for-old compensation plan includes total land needed. Not only for land ownership but also for other common use. It means waterlines, roads, landscape elements and so the total land needed for common facilities, waterlines, roads, landscape elements, etc. also in situation, area and value (register and map).



10. After the consideration and approval of plan of newly proposed plots of land, the preparation of written and graphical documentation is completed. Based on this documentation, the land office makes a decision regarding the changes in lots of land ownership. The owners of more than two thirds of the overall area of land in the project must approve this decision.

If any of the participants expresses disagreement, after the decision of the land office, the Central Land Management Office of the Ministry of Agriculture reviews the project of land consolidation proposals. In cases where a landowner disagrees with their subsequent decision The Court decides the proposal. The overall time for the resolution of complex land consolidation is at least 2 years, but can take as long as 6 years. Assuming smooth implementation at all stages, exchange of lots of land and their entry in the land register takes about three years.

An estimation of required resources

From their establishment in 1996, up until 1999, the District Land Offices have spent Kc 5.6 billion in the process of the implementation of the Act on Land Consolidation and Land Offices. The financial situation is not healthy, since the initial needs have not been fully provided. For the years 1998 and 1999, the State budget allocated the amount of Kc 847 million annually to the District Land Office for complex land consolidation, but the actual requirement is around Kc 2 billion per year.

It means that the land offices, in an effort to maintain the progress in completing land restitution and the most crucial geodetic activities, must limit their activities to only the renewal of field roads, a necessary condition for making owners' plots of land accessible. In the entire CR 450 km of field roads were built or renewed in recent years. Water management and anti-erosion measures were carried out in a number of cases as an exception rather than a rule.

There are about 30 cadastral areas that can be considered as models, which means they have had common facilities put into place. There is a need to implement as many land consolidation proposals so far approved as possible. In many cases there are some obstacles in the commencement of land consolidation for the people in the municipalities in question, who, in accordance with the law, expected tangible improvements in the rural landscape. Merely the minor problem of completing consolidation by specifying and reconstructing allotments requires an expenditure of Kc 2.6 billion. The major part of the estimated expenditure is primarily on the activities and analysis of the results of the surveys in hand, the minor part is the project design work.

To solve this problem by 2006, as demanded by Government Decree, Kc 400 million would have to be spent in 2000 alone. But despite all this, the State budget allocated for the overall activities (all activities of District Land Office, not only for land consolidation) of the land offices is only Kc 652.2 mil. This amount is 23 percent lower than in 1999. There is much talk of the problem of ownership being a key to solving the agrarian structure problem, but the State does not pay sufficient attention to it. It is not allocating the needed resources, which would make it possible to resolve at least the most problematic areas of ownership. Without improving this situation, the fulfilment of the tasks in response to effective rules, regulations, or Government Decrees cannot be expected.

Conclusion

Some general characteristics of the land consolidation are as follows:

Strengths

- The interest of landowners to participate in the land consolidation programme.
- The extensive experience of the District Land Offices with the land consolidation programme.
- The experience of the District Land Offices with the implementation of the TSES elements.

Weaknesses

- The widespread use of short-term tenancies.
- The incomplete transformation of land ownership rights.

- The lacks of defined land ownership in regions where consolidation and land transfer are incomplete (e.g. in border regions).
- A lack of physical access to some land parcels.
- The acquisition of agricultural land for infrastructure and TSES elements.

Land consolidation has created opportunities for:

- The participation of local authorities in the implementation of the programme.
- The participation of landowners in the maintenance of the local infrastructure and TSES elements.

While at the same time producing threats such as:

- The non-adherence to the agreed land consolidation programme.
- A lack of maintenance of the local infrastructure and TSES elements.

The latest amendment to the Act of Land Consolidation and Land Offices makes possible more exact procedures in cases of allotment areas, i.e. the reconstruction or specification of an allotment. However it provides a solution only to problems connected with unfinished consolidation. There still remain some questions, which can only be competently assessed, in a fixed legal environment by the courts. In the course of land consolidation proceedings, District Land Offices can stipulate only in those cases in which it is necessary to take legal action over ownership disputes. Without this intervention the ownership of an unclaimed plot of land would never be resolved.

In the process of land consolidation a substantial part of the cadastral area can be renewed by new mapping or land survey operations (especially "extravilan" - village land that is located outside the legal urban perimeter of the village – usually agricultural land). The built-up parts of a cadastral area (especially "intravilan" – village land located within the legally defined urban area) remain in an original, un-renewed condition and this is undesirable. For these reasons, it would be possible to link the new mapping to the land consolidation procedures; so one entity could carry out the mapping of an entire cadastral area, i.e. both extravilan and intravilan. Such a firm would be subject to a selection procedure, as determined by provisions in the Act on Public Tenders.

By law, there is no legal obligation to start land consolidation at the behest of a particular applicant. This means, that initiating land consolidation in a particular cadastral area is at the discretion of a District Land Office. In the past, some District Land Offices came under pressure from landowners who requested land consolidation implementation, under the impression that it was obliged by law to resolve their ownership problems at once. A District Land Office is required to begin comprehensive land consolidations only at the request of the owners of more than half of the overall land area in a particular cadastral area. In an effort to

help owners, the District Land Offices were starting simple land consolidations and implementing temporary usage in a majority of cases, especially where the tentative owners were unable to reach a settlement with current users, or other owners. District Land Offices are using their powers under the law to issue decisions on temporary allocation of land into temporary usage in cases opposed by some owners not managing land themselves.

In some districts (even in some cadastral areas) there are frequently quite different conditions for implementing land consolidation, and that is why owners have different experiences of District Land Office policies. Also, land offices themselves have very different experiences of the implementation of the practice of temporary usage. At present, the growing body of experience shows that temporary usage can solve the most pressing problems, but there are more and more cases where temporary users are failing to manage the land in question.

Also some landowners, having thus far failed to manage their plots of land, have decided to try again rather than endure temporary users on their land. This creates the necessity to fully complete complex land consolidation in many cadastral areas.

On the other hand, there are places where land is managed without legal title, because the user does not deem it necessary to identify the location and make contracts with all the owners of used plots of land. It must be said, that for a sizeable group of owners this situation is convenient, and they are basically content not taking care of their land themselves. This situation is an aftermath-of-the-revolution state of affairs, a transitory period that must be replaced by complete transparency in ownership and users relations to land.

Summary

Land improvement and parcel restructuring are accepted as the two of the main challenges in agriculture and rural development in the Czech Republic (CR). The primary objectives of land consolidation in the CR are:

- To complete the transformation of ownership rights.
- To enable farming on people's own land.
- To organize land resources in the best possible way and to make them accessible.
- To facilitate investments in land with the aim of protecting the land while enhancing the landscape.
- To clarify the operational and clear identification of ownership titles required for development of a land market.
- To improve ecological stability.

Land consolidation (LC) objectives, and other related activities of land management (land bank, leasing, land use directives etc) are aimed at mobilising and developing land as a central factor in the development of the economy.

The main advantages in the course of designing and implementing land consolidation in CR are:

- The legislature concerning land consolidations is at a very good stage and is already harmonised with EU legislature.
- The Private sector is active and ready to do more, although consultancy work is necessary.
- Landowners are interested in direct and indirect use of their land and also in land values.
- There are marketing opportunities presented by the proximity of central Europe's large markets, but access to more information about them is necessary.
- Technical knowledge/expertise and personal skills are available.

Experience from Land consolidation and Land and Geographical Information Systems (GIS), pilot projects already exists. Land consolidation experiences are already widespread (mostly simple and fast, but with relatively modest reorganisation targets) and can easily be further developed. Also LIS / GIS experiences approved in pilot projects can be relatively easily extended to start creating the basis for a nation wide planning and multipurpose management.

- There already exists a well qualified human potential (survey and civil engineers, agricultural experts, environment specialists, machinery technicians and last, but not least, economists) that only need to be trained in the special 'know how' for target orientated new tasks.
- There is relatively good computer equipment, no older than 3 to 5 years.
- There is a relatively good institutional structure, from the Ministries to the Districts and Municipalities.

The main problems in designing and implementing land consolidations in the CR are:

- The great potential of thousands of square kilometres of state owned or state managed land is inhibited by possibly justified compensation claims and ancient owner rights, which have not yet been raised, but formally may still exist with original and later owners now settled on expropriated land.
- The purpose and results of the targets of land reorganisation are often so modest, that the administrative and survey costs are almost not justified (this could be soon be made more economically worthwhile by extending the results without considerably changing the expenses).
- The poor marketing structure, with problems that cannot be solved by a land market.
- The high fluctuation within leasing systems.
- The lack of software products for the creation of digital maps in cadastral offices and designers' offices.

- Ortho-photomaps are available, but often not consequently used in their extended variety of application. The special knowledge of foreign experts is needed in this area.
- The authenticity of property limits in map and book registration (land use) has been lost in around 2,200 cadastral areas. To reliably clear up these deficits for planning, reorganisation and land use in general is very time consuming and requires highly qualified and experienced staff.

The overall lack of financial means for implementing land consolidation at a rapid pace, which would harmonize with the needs of land consolidations in the CR with those of the countries of the EU is a limiting factor. It is assumed, that the shortfall of resources will be partly compensated from the resources of the SAPARD programme of international assistance for the candidate countries for EU admission. It is assumed that the EU contribution for this measure is 75 percent of public expenditure. This contribution is approximately 3.5 to 5 million Euros per year.

It will be necessary to ensure confidence in the cadastre and to correct the lack of clarity in ownership relations. The unfinished allotment process is very problematic. It creates great uncertainty over the owner or about the extent of ownership. A large percentage of owners is registered on the basis of dubious information. The consequences of the unfinished allotment process, which was executed in the post-war period, make it very difficult for the citizens of these regions. A very similar situation exists in the regions with an incomplete consolidation process, which was interrupted in the 1950's and has not been finished until the present day.

The consequences of the unfinished allotments and consolidations have a serious impact on the preparations of investment aims and on the development of cities and villages. It complicates regional planning and the construction process and could be an obstacle for the flow of foreign investment into the CR. It creates problems for the tax offices during tax collection from real estate and it also complicates the selling of State land.