

The management of state agricultural land in Albania: the role of central and local governments

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Key words: Albania, agricultural land, privatization, management.

SUMMARY

Albania is a small country with a total area of 28 748 km² with more than 75% being hilly and mountainous. The agricultural land represents 24 % of the total area of the country.

The land privatization reform started in 1991 and finished in 2008. As result, about 561,000 ha of agricultural land or 80% are now privately owned.

While 20% has remained under state property. A part of it will be used as fund for physical compensation of owners expropriated by the previous communist system. The rest is used by agricultural research institutions, by joint venture enterprises, for leasing etc, while some other areas are occupied by illegal constructions.

More than 100 thousand ha are already transferred under administration of the local government units. They can be leased out to physical and juridical persons either local or foreigner for periods up to 99 years. State land can also be given by concession for a period up to 35 years.

The socio-economic development of the country during last twenty years has brought a lot changes to land resource categories, including the reduction of agricultural land fund.

The main role and responsibilities of central government include the development of legislation and policies. In addition, implementation of a number of programs contributes to sustainable management of agricultural land.

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1. GENERAL DATA ON AGRICULTURAL LAND IN ALBANIA

Albania is a small country with a total area of 28 748 km² with more than 75% being hilly and mountainous. Nevertheless topography displays great variability.

The agricultural land represents 24 % of the total area of the country. The rest includes forest, meadow and pastures and other categories like as unproductive land, urban land, waterways etc.

With a total of about 695,000 ha, Albania is among countries with the lowest amount of agricultural land per capita. The definition of agricultural land includes areas planted with field crops, fruit trees, vineyards and olive groves.

The amount of cultivated land was greatly increased from 391 thousand ha in 1950, to around 700 thousand ha in 1991. Only about 50 thousand ha was gained through land reclamation and the rest by pasture and forest conversion. Shallow soils and low fertility of these lands could not justify the investments made and they suffer from serious erosion problems (Agolli, 2000).

About 43% of agricultural land (or 304,000 ha) is in lowland areas with high productivity capacity, about 34% (234,000 ha) is in hilly areas and about 23% (159,000 ha) is in the mountainous areas.

Agricultural land is divided into ten classes, which reflect the agricultural potentials. The class 1 is the best for agriculture crops. Classes 1 to 4 occupy nearly 40% of total agricultural land.

2. PRIVATIZATION OF AGRICULTURAL LAND

Until mid-1991, the agricultural land was 100% owned by the state. The land privatization, which consists of a radical reform in the field of ownership right transformation, has started in 1991 and finished in August 2008. As result, about 561,000 ha of agricultural land or 80% of the total area are now privately owned.

Members of agricultural cooperatives and employees of state agricultural farms benefited agricultural land without payment (for free) from this reform. The land was distributed (privatized) according to soil quality and productivity and family members. The rate of the agricultural land for each inhabitant was subject to the size of the land area available for privatization in proportion to the number of all village inhabitants.

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About 445,000 families or about 65% of population benefited from privatization of agricultural land at an average of 1.2-1.3 ha/family.

Land privatization was conducted by land commissions of each village, setting up in accordance with law provisions, under the monitoring of central and local government bodies. As soon as the land was transferred under ownership, the owner of the land was provided with the ownership document (land title).

However, a small number of families (about 3%) do not still possess the ownership documentation. For that reason, some amendments of the respective legislation have been adopted recently aiming to complete this process within 2013.

The new owners of agricultural land have the rights of inheritance, use and exploitation for their benefits, transactions, leasing, etc. as well as obligations for its good administration and protection.

Purchase/selling of private agricultural land is allowed only for national physical and juridical persons, while renting is allowed for national and foreign physical and juridical persons for a period up to 99 years.

2.1 Farm size and fragmentation

Farms are characterized by very small surface of agricultural land (averaging 1.2 ha) and very fragmented (averaging 3.8 parcels/farm), which has a negative impact in the improvement of agricultural productivity and in the efficient development of the agricultural sector in general. Smaller farms are more common in the mountain and northern areas of the country.

3. STATE AGRICULTURAL LAND

After privatization reform, about 20% of agricultural land (or 134 000 ha) has remained under state ownership. This fund can be divided in two groups:

-About 26 thousand ha, which have been used by former state farms and in generally they have good quality. Major part of them is under administration of National Agency for Compensation and Restitution of Properties and will be used for physical compensation of old owners, expropriated by the communist system. The selling of agricultural land in state ownership is not allowed until their compensation. The rest is used by agricultural research institutions, by joint venture enterprises, for leasing etc, while some other areas are already occupied by illegal constructions.

-The rest of the state owned land with an amount of 108 thousand ha, was refused by the agriculture families during the privatization process (mainly due to lower fertility and distance from inhabited areas). These lands were used by previous agricultural cooperatives, mainly gained by conversion of pasture and forest areas.

They are located in all country's territory, but most of them are in mountain and hilly areas, without irrigation and drainage infrastructure, less accessible by roads etc. Major part is

composed by small and fragmented parcels in sloped terrains, which make potential mechanization very limited. Only around ¼ of these lands are in blocks of parcels with a size of more than 10 ha.

They are already transferred under administration of the local government units (communes/municipalities).

Despite from abovementioned shortages, these lands (or at least “blocks of parcels”) should be considered as a valuable asset for cultivation of various crops, especially fruit trees, medicinal and aromatic plants, etc. The conversion back to pasture and forest in some areas, where is possible, it is an option that “might correct” the mistakes done, although very late.

As for private ownership, the transactions of state land to foreign physical and juridical persons are not allowed.

3.1 The role of central government for management of state agricultural land

The main role and responsibilities of central government, notably of the Ministry of Agriculture, include the development of legislation and policies, which address a number of issues on management of state agricultural land.

According to the existing legislation, the state agricultural land can be leased out to the physic and juridical persons, either local or foreigner, in accordance with the respective legal provisions. It can be given also by concession for a period up to 35 years.

In 2009, Ministry of Agriculture concluded a concession contract with a local private entrepreneur for planting of about 970 ha with olives trees.

In the year 2004, a law on land protection was adopted by Albanian parliament. It includes provisions and obligations for owners and/or legal possessors of both private and state land. This law was approved much more recently than the law on privatisation of land. In the mean time, agricultural land has been continuously harmed by human activity and natural factors. Deterioration of agricultural land (included state owned) has been caused mainly by illegal constructions, enlargement of urban areas, erosion, salination, damage of river beds, the use of inappropriate agricultural practices, etc especially during the firs years of transition period. The illegal constructions on agricultural land still remain a problem, however this phenomena has a decreasing trend.

Land protection inspectors, which operate at regional level and offices of land management and protection in the local government units are responsible for enforcement / implementation of this law. A unit of land inspectors, based in Ministry of Agriculture monitor their activities, prepare reports and make proposals for actions/ measures to be taken to the State Land Protection Committee. It is composed by representatives of various ministries and other governmental agencies and is headed by Minister of Agriculture.

As far as the socio-economic development of the country has been very dynamic during last twenty years, it has brought a lot changes to land resource categories. The major negative impact has been on reduction of agricultural land fund, especially in lowlands areas, with best

soil quality. For this reason, the existing legislation has foreseen very strict criteria for land fund protection of classes 1-4, which can be allowed to be used for construction activities only in indispensable cases as following:

- national and rural roads,
- railways, airports and seaports;
- searching and exploitation of fuel and gas sources;
- hydropower plants;
- extending of dwelling centres areas, where is necessary etc.

Decision making authority for every case is only the Council of Ministers.

Changing of agricultural land of classes 5-10 to forest, meadow and pasture when good reasons are presented can be done for the surface up to 5 ha only by order of the Minister of Agriculture, for more than 5 ha approval is done by Council of Ministers.

When a request is submitted for conversion to urban land, mining activities etc for a surface up to 30 ha, it should be approved by Council of Ministers, for more than 30 ha should be approved by Parliament.

A number of programs, which are implemented by support of central government, also contribute to a better and sustainable management of agricultural land.

-Land registration. For the registration of ownership titles, in every district the Local Offices for the Registration of the Immobile Properties (LORIP) have been established. Their mandate is to register all legal ownership titles of the immobile properties, including agricultural land titles. In country level, this registration is completed until now for 2392 rural cadastral zones out of the total 2920 rural cadastral zones, or 82%. This figures cover all agricultural land, both private and state owned.

-Sustainable management of the agricultural land. This program aims to establish a land information system (LIS) and integration in GIS. This information, among others, will be used as an important tool for implementation of land use policies, etc. In the frame of this program, a new Agricultural Land Register was designed and is now being completed. It reflects the changes occurred in the types of land ownership after '90s. Digitalization of land information was completed for about 80 000 ha of agricultural land.

- Land consolidation. With technical and financial support provided by FAO, a project on land consolidation is implemented. It is assisting in developing a national strategy on land consolidation based on experience gained by a pilot project conducted in three villages, aiming at the exchange of land parcels, long term leasing, selling, buying of land parcels among farmers etc. However, using a state land reserve for land consolidation purposes seems to have little chances.

- National programs of olive and nuts trees planting. Since last three years government has launched national programs, by supporting farmers for planting of new plantations with olive trees, nuts, hazelnuts, chestnuts, pomegranate etc. The farmers are eligible to subsidies provided by the National Paying Agency even in case they have leased state agricultural land.

-Investments in irrigation, drainage and flood protection infrastructure. This program aims rehabilitation of irrigation and drainage systems, flood protection mitigation, erosion reduction etc. A continuous support has been provided in this sector by donors like World Bank.

3.2 The role of local governments

The local governments units are responsible for sustainable management of state agricultural land, which is under their administration. The Council of Commune/Municipality is the responsible authority for protection of agricultural land. According to the law, they should create “a fund for land protection” using not less than 40% of land taxes.

The local government units organize leasing procedures for state land within their territory. The renting is allowed for a period up to 99 years. Renting procedures are applied through auctions. A commission headed by Mayor, assesses requests and take respective decisions. Representatives of Regional Department of Agriculture and Land Administration & Management Directorate (cadastre office) are members of this commission as well. The main evaluation criteria include the investment foreseen to the irrigation, drainage and anti-erosion measures, number of employees, good agricultural practices etc.

The leasing terms are specified as the following:

- up to 10 years, for cultivation of field crops, medicinal and aromatic plants, etc;
- up to 35years, for greenhouses, nursery and vineyards;
- up to 99 years, mainly for fruit trees, and olive-groves.

So far about 1 000 ha of agricultural land have been leased out to other farmers for different periods of time. This low figure can be interpreted not only with low quality of land but in some cases with reluctance, delays and irregularities demonstrated by communes / municipalities.

A new governmental instruction recently approved regulates the cases when any request for renting of agricultural land was not assessed by Mayor within 30 days. This competence, which was given to the Ministry of Agriculture, will better respond to the increasing interest of farmers and other private entrepreneurs.

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