

EU CAP NETWORK FOCUS GROUP RECOVERY OF ABANDONED AGRICULTURAL LANDS

Ownership, farm structure and behavioural aspects of land abandonment

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1. Introduction

The connection between land tenure and land abandonment is often alluded to, but seldom explored in any detail.

The Food and Agriculture Organization of the United Nations defines land tenure as the relationship that individuals and groups hold with respect to land and land-based resources, such as trees, minerals, pastures, and water. Land tenure rules define the ways in which property rights to land are allocated, transferred, used, or managed in a particular society (FAO 2002).

In other words, land tenure arrangements, that is the rights people hold in relation to land, and their security in particular, can be a driving force in land abandonment (Rey Benayas et al. 2007; Terres et al 2013; Subedi et al. 2022). Alongside land tenure, farm structures characterised by excessive fragmentation and small farm/plot size, can also be a constraining factor in farms' viability and its competitiveness in the global and regional markets, and thus drive abandonment of land (Terres et al. 2013; Leal 2016; FAO 2023).

The abandonment of agricultural land is a complex phenomenon that is influenced by a diverse set of drivers. There is a common understanding in the literature about the complexity and interconnectedness of various drivers, grouped broadly into social, economic and environmental categories (FAO 2017; Pointereau 2008)⁴. It is usually difficult to distinguish and say which factor is prevailing because these are intertwined and self-reinforcing, and also because abandonment is a place specific phenomenon. Place specificity stems from the distinctive characteristics and properties of agricultural land as a commodity (Gorgan and Hartvigsen 2022). Agricultural land is clearly heterogeneous and may be categorized according to location, agricultural use category such as arable, pasture or perennials, fertility, and ownership structure. There are also nonmaterial values which can sometimes be deeply attached to land such as social, emotional, cultural, or even religious values.

Other important factors which cut across (the underlying drivers) are ageing rural population, outmigration and absentee landowners from the village where their land is located (sometimes for generations leading to a physical disconnection from land, as well as legal in cases when the formally registered owner is deceased and inheritance proceedings remain unresolved). Different legal procedures are required in cases when an owner(s) of the parcel is unknown and cannot be identified any longer.

Finally, agricultural land located in peri-urban areas are often under the pressure from speculation and abandonment. This factor will be further developed in another mini-paper (Mini Paper 5).

This paper is prepared as part of the EU CAP Network Focus Group 49 on Recovery of abandoned agricultural lands with the purpose to explore how land tenure and tenure insecurity can negatively influence land abandonment processes. The aim is also to emphasize on the role of the functioning agricultural land markets (of both ownership and use rights) in preventing land abandonment by timely redistribution of property rights for land, and to present a number of measures and land management instruments to more directly tackle land abandonment.

⁴ While there is a general understanding in the literature of the complexity and interconnectedness of these drivers, different authors group them differently. For example, Pointereau (2008) identifies six groups of factors, including geographic, ecological, agronomic, demographic, socio-economic factors, policy effects on farmland abandonment, and historical factors. On the other hand, Terres et al. (2013) classified the recurrent determinants of FLA in EU into three blocks, namely poor environmental/biophysical suitability for agricultural activity, low farm stability and viability, and negative drivers from the regional context. Leal (2016), in a literature review study, identified three groups factors, namely socio-economic, ecological, and political factors; while Subedi Y. (2022) seven groups, including demographic, household characteristics, farm characteristics, biophysical, economic, regulatory, and socio-political factors.



2. The role of tenure security, land markets and land management instruments in mitigating land abandonment

In this section, we first discuss the role of secure tenure rights for preventing land abandonment, how a functional land market can mitigate land abandonment, and what land management instruments can be used to improve the farm structures and make farms more viable and less prone to abandonment for the economic reasons.

1.1 Tenure security

Secure land tenure rights are essential to sustainable food systems, the realization of many human rights and a basic requirement to achieving the Sustainable Development Goals.

Tenure security refers to the degree to which individuals or communities have legal and social protection over their land rights. There are positive economic, social and environmental effects of improved tenure security (FAO 2002; GIZ 2019). In the context of land abandonment, tenure security can be a critical issue for those who remain on the land or are considering returning to it. Secure tenure rights (ownership and use) can have a positive impact on productivity and income in agriculture, and provide increased access to credit and enable investment in land, e.g., either in re-cultivation and improvements, or investments into high value-added crops and specialty products for which niche markets exist. Secure land tenure also leads to increased investment in soil conservation, and sustainable land management practices.

Tenure security can be safeguarded under various forms, which go beyond formalisation of land-related rights and include inter alia developing and implementing clear laws and policies, strengthening the rule of law and access to justice. In relation to land abandonment, security for the users can be achieved through clear long-term or short-term rental contracts.

1.2 Land markets

This section is largely based on the publication of Gorgan and Hartvigsen (2022) to provide a comprehensive theoretical framework behind land market and further build a linkage between the land market and land abandonment.

“A simple definition of a land market is that it is an abstract place where buyers and sellers of land rights meet (FAO, 2003). Broadly speaking, the land market includes a range of possible transactions transferring full or partial property rights, such as sales, exchanges, leases, mortgages or servitudes. Most often, a distinction is made between the sales (ownership) land market and the rental (use) market. Both sales and rental markets are important for agricultural and rural development by their ability to improve farm structures and the efficiency of land use, and by providing access to land for enlargement of farms including for new entrants (e.g. young farmers)” (Gorgan and Hartvigsen 2022, p.2).

Agricultural land markets by means of their transfer function are fundamental for agricultural development including in addressing the problems of inefficient farm structures, land abandonment, provision of land for public objective projects, provision of access to land to young farmers and farms to develop into commercial family farms, implementation of redistributive land reforms, and is a precondition for the application of several land management instruments such as land consolidation, banking and lease facilitation (Gorgan and Hartvigsen 2022).

“The theoretical expectation is that land markets can provide a low-cost means to carry out transactions that would transfer agricultural land to most productive use (Deininger and Feder 1998). Thus, the land



market can transform land ownership and use patterns by shifting land to more efficient users / uses or from landowners who are not interested in cultivating land, to active farmers interested in acquisition of more land” (Gorgan and Hartvigsen 2022, p.2).

Abandoned fertile agricultural land represents a lost economic opportunity. In the context of land abandonment, the land markets can stimulate the transfer of land (either ownership or use rights) from passive landowners, those willing to retire and not able any more to farm to active farmers and thus support the structural development and generational renewal of family farms. When land market is not functioning, landowners can't neither sell land nor lease it out, and the only option left to them is to abandon it. While dysfunctional land market is an obstacle in general, quite often landowners are not willing to sell or lease out land and “prefer” to keep it abandoned. Because of no regulations which would discourage abandonment (e.g., in the form of land taxes or administrative (punitive) measures) it literally does not cost anything landowners to keep land abandoned, and landowners have no stimuli either to start farming land themselves, lease it out, or sell.

A system of land market regulations needs to be in place to cater broader set of agriculture and rural development policy objectives and priorities (Gorgan and Hartvigsen 2022). Since agricultural land markets are imperfect markets, a system of regulations should ideally aim to alleviate these imperfections without slowing down too much the land market activity, e.g. avoid speculation, overconcentration of land and land grabbing. Depending on the prevailing land tenure arrangement underlying the farm structures, i.e. based on rent or ownership of land, either sales or rental market regulations will dominate (Swinnen et al. 2014).

There is a large variation in land regulations among the EU countries. First, there are governments that strongly regulate both sales and rental markets, countries with more moderately regulated land markets and countries with less regulated land markets.

In France, the country with one of the most regulated land markets in Europe, the Land Development and Rural Establishment Companies (Sociétés d'aménagement foncier et d'établissement rural, SAFER), based in each region, control the sales land market while the Ministry of Agriculture controls and facilitates the rental market through regional farm management schemes. In France, the land market regulations are very protective for the farmers. The "classic" contract is tacitly renewable for the duration mentioned in the contract. Automatic extension can only be prevented by the owner under certain specific conditions (e.g. when the owner or a (close) relative decides to cultivate the plot him/herself). Otherwise the rental contract is automatically renewed with the previous tenant. More and more voices in France are being raised decrying this type of regulation.

Weak or even dysfunctional agricultural land markets are unable to facilitate the necessary transformational changes towards sustainable local food systems. Small and fragmented land parcels represent an obstacle for the normal functioning of the market as small parcels (often without proper access to infrastructure) are not attractive to the buyers or lessors.

So there is a need to address these structural constraints first (e.g., through land consolidation), after which land market can start functioning. Also there is a need to introduce incentives (or counterincentives) for landowners such as land taxes, or punitive measures, to engage them in land market either through leasing or selling land which is not in use. For example, one way could be to introduce a tax waiver on the annual property tax for the utilized agricultural land, and to enforce the tax on all unutilized land. In France, taxes are levied on non-used lands. To avoid paying these taxes, owners plant poplars, which are exempt from taxation. In North Macedonia, according to property tax regulations, land taxes are collected on all unutilized land, while they are waived for the utilized land (FAO 2023). Formal land markets are constrained from a number of other issues as explained in the following section.

1.3 Land markets' constraints

A number of constraints prevents land parcels from accessing formal land markets, and thus also hamper other initiatives aiming at recovering abandoned agricultural land (i.e. through public action). These are absentee landowners, the delayed or uninitiated inheritance procedures after the formally



registered landowner has passed away. The formalization of one or more heirs to be registered as the new formal owner entails certain costs and can be a complex and lengthy process. The implicit costs in the process of formalization of inheritance represent efforts in the families to discuss and agree on the future of the property, e.g., should the estate be divided equally among the heirs (if legally possible), or one of the heirs could buy out the shares of the other heirs uninterested in farming. Inheritance processes are often associated with a severe risk of conflicts in families. Land in co-ownership is more likely to be used by less efficient farm organizations or to be left abandoned (Swinnen et al. 2014). To enforce the co-ownership provisions in the legislation, all adult family members are required to be present in front of the notary or provide a power of attorney before any land transaction can take place. Co-ownership may be seen as internal fragmentation, and be especially increasing in cases where there are limitations on the subdivision of land parcels.

In addition, a number of more “technical” land registration problems exist in many countries, which are also slowing down or even preventing formal land market activities. Even if land rights are registered, subsequent transactions might be hampered because of the low quality of the recorded information. Some of these registration problems, such as misspelled names of owners or new name of the owner after marriage, are easy to resolve, while others, for example, inconsistencies between the property titles/cadastral maps and the situation on the ground, inaccuracies of boundaries etc., are more complicated and more costly to solve, also because they often require land surveying and the involvement of owners of neighbouring parcels. Such situations exist with different frequencies in all the EECA countries with private ownership to agricultural land.

The situation is becoming even more complex when different problems overlap, for example, inheritance with informal land transactions. When the level of informality reaches a certain share of the land parcels, the entire community, as discussed, sinks into a “swamp of informality”, negatively affecting all agricultural and rural development in the community.

1.4 Certain behavioural aspect of land abandonment and mobilization of abandoned land

Mobilization of abandoned land may be hindered not only by various legal or technical constraints, but also by social and behavioural characteristics of landowners and communities.

Socio-economic background and individual characteristics are important drivers of interest and attitude and eventually influence decision-making (Petit 2019). Personal characteristics involve the influence of a wide set of physiological and socio-demographical determinants and relate to lifestyles. The main attributes include age, gender, ethnicity, life-cycle stage (regardless of age, certain moments in a person’s growth trajectory), education level, social status (level of respect, competence, authority position, etc.), poverty level, religious affiliation, household composition, possible disorders and alcohol/drug use. These overarching background elements directly influence the psychological drivers (Petit 2019).

Individual characteristics influence the way each individual look for and act upon information (Morgan and Munton 1971 as quoted in Coelho et al. 1996). For example, due to their more advanced stage in their life cycle, older farmers are generally less willing to take risks, as it may look so in the case of a land consolidation project.

As mentioned in section 2.2, landowners are often reluctant to either sell or lease out their land, which they cannot farm any longer. Some of the common reasons landowners often choose not to sell or lease out land include:

- There exists a profound emotional connection to the land, as it is perceived as an integral part of personal or family legacy and heritage
- Landowners are concerned about the potential tax implications associated with selling or leasing their land, such as the obligation to pay capital gains or income taxes
- Landowners highly value the control they possess over the utilization of their land and may hesitate to sell or lease it out if they lack trust in the proposed use or lessee. They prefer maintaining control to ensure that land is used in a way that aligns with their values and interests



- Landowners wish to avoid disturbances near their households or farmsteads, which could arise from the sale or lease of their land
- Personal reasons may prevent landowners from renting their land to a local farmer, even if there is a desire to do so
- Concerns about potential liability issues related to their land, such as environmental contamination or public access
- Landowners intend to pass their land on to their heirs and may be hesitant to sell or lease it out as they want secure family ownership for future generations. The aim is to preserve land for a son or a grandson, who may return to it one day
- Uncertainty surrounding the future value of their land also contributes to landowners' hesitation to sell or lease it out, particularly if they believe that the value will increase over time
- Landowners' may have inflated expectations regarding the value of their land, setting an expected price that is too high for potential buyers to accept.

Social capital and trust appear to be central in various development initiatives, including land consolidation, as it empowers individuals to organize themselves into groups in pursuit of common development objectives, can induce collective action, and reduce opportunistic behaviour and conflict (Gorgan and Bavorova 2022). Social capital is most frequently defined in the groups, networks, norms, and trust people have available to them for productive purposes (Grootaert et al. 2004). Trust is a crucial factor for enhancing individual well-being and socio-economic development at the community level (Yokoyama and Ishida 2006).

1.5 Farm structures and land management instruments

Excessive land fragmentation and very small farm and plot sizes pose significant challenges to farm productivity and competitiveness, impeding the adoption of more sustainable and environmentally friendly agricultural practices and may lead to land abandonment. Similar to land tenure, inefficient farm structures are frequently cited as primary factors of abandonment.

The structural issues of land fragmentation and small farm sizes are among the root causes of low farm profitability, which restrain farm profitability and their further development, leading then to extensification of the agricultural activity and eventually to land abandonment.

To address these challenges, various land management instruments can be implemented, including land consolidation, land banking, facilitation of lease, and active management and privatization of state owned agricultural land. These instruments are typically aimed at reducing land fragmentation and promoting voluntary farm enlargement. More consolidated and larger farms are positively contributing to further land market development, fostering its growth and efficiency.

1.6 Land consolidation

Land consolidation is a well-proven land management instrument traditionally used for farm restructuring.

FAO defines land consolidation as a legally regulated procedure led by a public authority and used to adjust the property structure in rural areas through a comprehensive reallocation of parcels, coordinated between landowners and users in order to reduce land fragmentation, facilitate farm enlargement and/or achieve other public objectives, including nature restoration and construction of infrastructure (Versinskas et al. 2020).

Land consolidation may differ in scale, scope and complexity. However, from the landowner's participation perspective the three main land consolidation approaches are: (i) voluntary, (ii) majority-based, and (iii) mandatory (or statutory) (Versinskas et al. 2020).

As a measure applied primarily for agricultural development and with its roots in Western Europe, land consolidation has evolved into a powerful multi-purpose land management instrument. It can aim at achieving several agricultural and non-agricultural objectives even in one process, e.g., re-allotment of parcels in part of the project and restoration of a wetland or afforestation in other parts of the project (Gorgan and Bavorova 2022).



To ensure that land consolidation does not have a negative impact on the environment, it is a legal requirement in many countries (as well as a good practice) to conduct either a comprehensive environmental impact assessment or an environmental screening during the initial stages of the project. The European Union's EIA Directive and the respective national legal acts implementing the Directive, regulate this aspect for its member countries (Versinskas et al. 2020).

European experiences show that land consolidation instruments through the improvement of inefficient farm structures can have a great potential to address land abandonment (Hartvigsen 2019; FAO 2021).

The main objective of land consolidation is to improve the local farm structures in the project area by reducing land fragmentation and facilitating on a voluntary basis the enlargement of farms. Both are equally important. The result is fewer, larger and better-shaped land parcels leading to increased productivity and competitiveness of the participating farms. International experiences also show that public investments in land consolidation enhance private investments in agriculture at farm level (FAO 2015).

Land consolidation projects can bring positive benefits of different nature both within the land consolidation project area and on a wider regional and national scale. The numerical expression of such benefits would largely depend on the specific country and projects.

Besides the improvement of parcel and farm structure, land consolidation can bring about other economic benefits such as reduced area of abandoned land and larger areas under crops; reduced labour costs for farmers; reduced machinery and fuel costs and reduced emission of green-house gasses; increased agricultural productivity; increased private investments in agriculture; and stimulated agricultural land market development (lease and sale).

In order to implement the re-allotment of parcels, legal certainty and formal clarity regarding the land ownership rights within the project area must be established. Therefore, land consolidation also brings legal benefits, leading to improved functionality of the formal agricultural land markets.

In addition, a positive side effect of land consolidation is that the land registry is "cleaned up" from informalities and land registration problems are solved integrated into the land consolidation process. At the same time these instruments have, when applied in a multi-purpose approach, a high potential not only to contribute to agricultural development but also to nature restoration, environmental protection and climate adaptation and mitigation

Many European countries have a long lasting land consolidation tradition. In France, the period when land consolidation was actively applied is between 1955 and 1975 and corresponds to the acceleration of agricultural modernisation after the Second World War with the main purpose to ensure food security.

Land consolidation is a public purpose instrument, therefore public funding plays a fundamental role. This is particularly important if land consolidation will be applied in marginal areas in the context of land abandonment. Many European Union Member States like Denmark, Germany, Spain and Lithuania fund their land consolidation programmes, at least partly, from the European Agricultural Fund for Rural Development (EAFRD) via their national Rural Development Programmes. Land consolidation activities, especially for the first-time introduction (piloting), can also be funded (or co-funded) by resource partners and international development organizations or by foreign governments under the Government to Government initiative⁵. If the land consolidation project is an integral part of a large-scale area-demanding project (e.g. highway, railway, airport or nature restoration), entities responsible for such projects should be expected to contribute to or cover all costs of the land consolidation project. The solution could be to fully fund integrated projects from a variety of sources to ensure the simultaneous attainment of multiple objectives, so-called multi-purpose land consolidation (Versinskas et al. 2020).

The Textbox 1 below, demonstrates how land abandonment can be addressed through land consolidation using the case of Dabjani village in North Macedonia.

⁵ For example, land consolidation was introduced in Lithuania with the support of the Government of Denmark (Daugaliene 2004).



Dabjani became the second majority-based land consolidation project to be finalized in North Macedonia under the MAINLAND project, after the Re-allotment Plan was adopted by the qualified majority of landowners in January 2022.

Dabjani land consolidation area - before land consolidation Dabjani land consolidation area - after land consolidation



Number of land parcels before and after land consolidation: 602 (before) / 127 (after)
Average parcel size before and after land consolidation: 1.2 ha (before) / 5.8 ha (after)

Dabjani was the largest of the MAINLAND project areas. It includes 742 ha of agricultural land, owned by 85 private landowners (435 ha) and by the State (307 ha). In the land re-allotment process the number of land parcels in Dabjani was reduced by almost five times and the newly formed parcels are regularly shaped with access to infrastructure and allow for much more efficient farming practices in the future.

Land consolidation brought additional benefits to the rural population in Dabjani. Many land parcels in the land consolidation project area, which were restituted to the private owners as part of the land reform process (denationalization) during the 2000s, were either located in the middle of state-owned agricultural land blocks, or in land plots in co-ownership with the State. Through the land consolidation process with the support from the MAINLAND project, both, the private landowners in Dabjani and the State managed to resolve longstanding and complicated land rights issues, which has negatively affected the utilization of the agricultural land in the whole area. Thus, the implementation of the land consolidation project is expected to bring back into production around 200 ha of abandoned agricultural land that has been unutilized for decades.

Box 1: Addressing land abandonment through land consolidation in Dabjani (Source: Hartvigsen and Mitic-Arsova 2022).

1.7 Land banking and land market based measures to support the farmers

Land banking is an active land policy instrument broadly applied in European countries to address a wide range of land management issues.

“Land banking is a set of systematic activities implemented by an institution with public purpose, performing the intermediate purchase, sale, exchange or lease of land in rural areas in order to increase



land mobility, to facilitate development of agricultural land markets, and to pursue public policy objectives related to agricultural and rural development, sustainable land use and implementation of public projects related to nature restoration, environmental protection, climate change and construction of large scale infrastructure” (FAO 2022, p. 1).

Two main types of land banking are applied in European countries, one operating with the private ownership rights (acquisition-sale of agricultural land) and one operating with the use rights (lease facilitation). Both types of land banking operate based on the land market mechanisms and civil law transactions.

Land banking operating with the ownership rights are functioning in Denmark, France, Germany (Mecklenburg-Vorpommern) and the Netherlands (FAO 2022). The land is purchased on the land market either in open competition or using a pre-emption right. The acquired land is used for the installation of public infrastructure, re-allocated in land consolidation projects, sold to supported groups (e.g., young farmers) or used for other public purposes. If the acquisition aims to facilitate public projects, it takes place either before or during the implementation of the project. The acquisition initiative comes either from the land bank or from public institutions implementing land demanding projects. In connection with land consolidation projects, voluntary purchase of land from private owners increases the land pool and in this way the land mobility and the re-allotment options in the project area. It also provides land for spaces to be used for public purpose objectives and/or for the enlargement of farms. Land banking instrument is also used to impact the agricultural land market in a more general manner, e.g., through prevention of speculation in agricultural land.

For example, in the context of the creation of significant development projects (e.g. the creation of a new railway line), a combination of land consolidation and land banking will make it possible to limit the impact on agricultural activity and to avoid leaving small unusable plots (Figure 1).

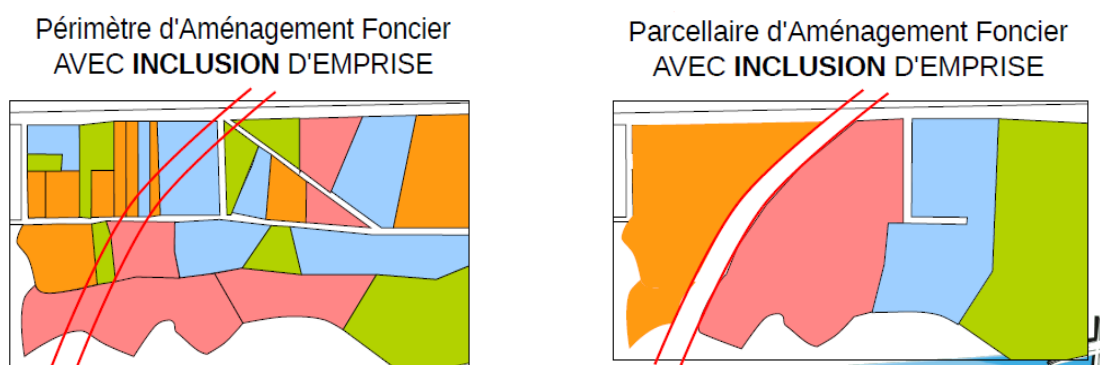


Figure 1. Application of land consolidation and land banking in France to facilitate large-scale infrastructure development while minimize the impact over the farm structures. (Source: SAFER)

Acquired land is usually leased out for a short term until it is sold again with a strategic purpose, allowing to generate additional revenues and keep land in proper condition. During the interim period, the land may also undergo improvements (e.g., clearing of bushes and self-grown trees, parcel restructuring, installation of agricultural infrastructure) and/or other transformations (e.g., change in the use type). The funds received from the sale of land are reinvested into new acquisitions, supporting the continuity of the land banking activities.

Many countries with active land policy apply the derivative land banking functions, such as the support of farmers through purchase and lease-back of their land. For example in Latvia, a state-owned institution ALTUM performs acquisitions of agricultural land with the aim of subsequently leasing it back to the seller, also providing for a buy-back option (FAO 2022). This way, the land bank supports farmers necessitating the stabilization of their cash flows and/or further development of their activities.



In Mecklenburg-Vorpommern, Germany, Landgesellschaft Mecklenburg-Vorpommern mbH (the non-profit land development company, LMV) also acquires agricultural land on demand of the farmers leasing land from the landowners (FAO 2022). This allows the tenant farmers to continue farming on the same land, even if they are financially unable to purchase the land when it comes up for sale on the market. The LMV may also acquire agricultural land on demand from landowners in difficulty and lease this land back to the same person for up to six years. This mechanism helps farmers overcome hardship periods using the sale and lease-back mechanisms.

To facilitate access to land for young farmers, the regional council of Occitania (France) and SAFER, starting from 2022 introduced a similar support measure by which the price of land is being deferred in case of land acquisition by young farmers.

1.8 Lease market facilitation

A lease facilitation instrument is applied in some European countries (Spain - Galicia Region -, Italy, France and Portugal) with the overall objective to connect owners of agricultural land that are not farming their land with active local farmers interested in renting more land. Lease facilitation is usually understood as a variation of land banking (FAO 2022).

Lease facilitation can be described as a facilitated process of conclusion of lease agreements between landowners and farmers. The process is facilitated by a public authority acting as an impartial intermediary, and where the parties do not necessarily directly interact (FAO 2022).

In the context of land abandonment, the lease facilitation instrument can transfer land from landowners who are not interested in or able to cultivate their agricultural land to active farmers interested in farming more land. Land lease facilitation can help address one of the common situations in many countries in the region when individuals neither farm the land themselves nor lease it out to other farmers but keep their agricultural land as passive capital. In such cases, mediation by a trusted, impartial intermediary (or a so-called honest broker) between the landowners and the active local farmers would benefit both parties.

Lease facilitation usually implies i) the existence of a public institution facilitating the conclusion of lease agreements between private owners of agricultural land and local active farmers interested to farm more land, and ii) the existence of a legal framework, although simplified lease facilitation is also possible without a specific legal framework.

The key instrument in the process is an updated and accurate database of land plots (a web-based information system), available for rent and sale and under which conditions. The information in the database should be frequently (at least once a week) updated with new land plots becoming available for lease or sale but also showing which plots have been rented out.

The purpose of lease facilitation is usually to develop the land use market, reduce land abandonment and strengthen local food production by connecting owners (often absent from the village where the land is located) and local farmers, including to provide access to land for new entrants and young farmers. The lease market facilitation and development can improve the farm structures, spur efficiency and enlarge farms without major investments, help accessing land and installation of new entrants with new agricultural initiatives and actively contribute to mitigation of land abandonment.

An idea worth exploration is whether Local Action Groups (LAGs) - the main operational entities under the LEADER approach, can play a role in the mobilization and mitigation of abandoned land. With their networking and collaboration capacities, as well as their knowledge of grassroots situation, LAGs are well-positioned to act as trusted and impartial intermediaries (one of the key features of a land banking/lease facilitation institution), facilitating community-driven lease and land abandonment measures. Their role as facilitators could help address the challenges associated with abandoned land effectively.

Better regulating and stimulating the lease markets can be an alternative for low land mobility in the sales markets. Lease facilitation can offer stronger guarantees to the owners of not losing ownership



over land, being paid according to the lease contract, as well as recovering the property in normal conditions for its use after the contract has ended.

For the tenants it provides land under the long-term, secure lease agreements allowing to invest and reap benefits of the investment.

In the following, we provide a description of lease facilitation applied by French and Spanish (Galician) land banks. The objectives and forms of lease facilitation vary between the two countries. In Spain (Galicia), the key objective, which is addressed through lease facilitation, is to combat land abandonment, which not only negatively affects agriculture but also increases risks of wild fires. In France, this instrument is mostly used to ensure the continuity of existing farms.

The following textbox showcases the functioning lease facilitation instrument in Galicia, Spain.

In the implementation of the lease facilitation instrument, the land bank in Galicia (Spain) (AGADER) acts as an intermediary between the landowners and the potential tenants. Interested landowners are usually those not farming their land and often not living in the area where the land is located. The land bank concludes a contract with the landowner on the inclusion of his/her land into the land bank. The landowner agrees to include his/her land parcel(s) into the land bank in consideration of the payment by the land bank. Such payment equals to the rent paid by the leaseholder to the land bank minus a small commission fee to cover administrative costs. The information on the land available for lease is published on the internet at the site of the land bank⁶. The land bank deals with both sides and takes the risks of any contract violation. Such mechanism facilitates the transactions and provides lease security to both landowners and tenants.

The facilitation of lease applied to separate and scattered parcels is a comparatively expensive and slow process. Also, it is often the case that the supply of agricultural land leases does not match the demand for such land. Focusing the application of the lease facilitation instrument in larger, more concentrated areas has a stronger impact in reducing land abandonment. Since 2018, AGADER implements the so-called *land mobilization projects*. The projects are implemented only in specific intervention areas, and when sufficient interest for leasing of the agricultural land in the defined area has been identified beforehand. The practice has shown that such a “demand driven” approach is much more efficient and sustainable compared to measures that are implemented based only on the “supply” side, often in cases where there is land for lease, but no farmers interested to work it.

Pilot land mobilization projects were implemented in Galicia during 2017-2018, and in 2018, this concept was included into the Law on Land Mobility. Besides lease facilitation, such projects also include relevant works funded from the budget of the Autonomous Community of Galicia (Spain), such as clearing the land from bushes and restoring and improving the paths and field roads of access to the parcels. The minimum area of such projects is 10 hectares (3 hectares in exceptional cases). The parcels within the project area are voluntarily included into the land bank. If the landowner does not wish to include his/her land into the land bank, they must maintain the land as non-abandoned and conforming with the requirements applicable to agricultural and/or forest land. The land included into the land bank is then leased out to agricultural enterprises, associations or individual farmers.

Another tool called “the preventive inclusion of land into the land bank” is used in the projects mentioned. This happens when the owner of the parcel is unknown or where the land parcel is co-owned and managed without a land management agreement.

Box 3: *Lease facilitation in Galicia, Spain (Main source for the textbox is the FAO Study on the European good practices on land banking, FAO 2022).*

Galicia is an example where lease facilitation can become basis for more direct and tailored actions towards addressing land abandonment. The implementation of the Law on the recovery of agricultural land in Galicia, which was adopted on 14 May 2021 (Law 11/2021), has introduced important changes into the system of agricultural land management in Galicia. This Law provides for two instruments designed to improve the agricultural land structures in Galicia. The first one is the traditional Land Bank,

⁶ See the example of the Galician Land bank: <https://sitegal.xunta.gal>



engaged in lease facilitation and in the facilitation of transfer of land ownership in certain specific areas. The second one is the Farm Bank, which is a new instrument facilitating the transfer of farms with ceased or ceasing activities. The Law also provides for linkages between the aforementioned instruments and the ones designed to reduce land abandonment, such as agroforestry polygons, smart (or model) villages or instruments allowing for the joint management of land resources.

These land abandonment instruments were designed based on previous experiences with “land mobilization” and “land consolidation” projects. Agroforestry polygons are the main instrument for mobilization of large areas of farmland but it requires agreement of the right holders representing at least 70% of the area. When this agreement is achieved, all owners must choose between three options: 1) put land into production themselves, 2) rent out land to the “polygon manager”, or 3) sell to the “polygon manager”. Agroforestry polygons project can be combined with land consolidation project. The regional government offers this land in a public tender procedure in order to select the best proposal for the recovery of this land. In smart/model village type of project, the process is completely voluntary, land is always rented and land consolidation is not carried out.

The Land Development and Rural Establishment Companies (SAFER) in France carry out a wide range of functions including land banking, facilitation of lease, land markets regulation, pre-emptive right and others. The below textbox presents how France is leveraging the potential of lease market to ensure continuity of farming and prevent land abandonment in more detail.

Lease facilitation in France functions slightly differently than in Galicia (Spain). For instance, when a retiring landowner wishes that their family land is farmed until a descendant could take over the farm or when a local authority has a pool of land aimed for housing construction and wishes that the land was farmed until the beginning of the project, the landowner addresses SAFER to help find tenant and ensure continuity of land cultivation.

Landowners choose the rental period up to six years, renewable once, regardless of the surface area of the plot. The lease term is short since this instrument is designed to serve only as a temporary solution for the landowner. The SAFER guarantees the landowner the rent payment and takes care of the management issues – SAFER carries out an inventory, and finds a tenant for the duration agreed with the landowner.

The landowner is guaranteed to recover free and maintained property at the end of the lease agreement. These services of SAFERs are remunerated. In the frame of this instrument, two contracts are concluded. The landowner and SAFER sign an agreement on the transfer into disposition. Also, a temporary SAFER lease agreement is signed between SAFER and the tenant. In 2019, there were 8 000 agreements between SAFERs and landowners and 12 000 lease contracts between SAFER and tenants with a total of 103 000 hectares.

This tool is increasingly used by the owners to relieve themselves from the status of “contract farmers”.

Another form of lease facilitation supported by SAFER is used to facilitate the transfer of farms in cases where the existing farmer wishes to terminate their farm activities or retire. In many cases, at least a part of the farm’s land is leased in, and SAFER may undertake to contact all the lessors of the respective farmer and collect the promises to lease out land to a farmer taking over the whole farm and whose farming project is approved by SAFER. The farmer to take over the farm may be selected in advance by SAFER, or they may be selected after SAFER has collected the lease promises. In both cases, SAFER makes a public call for applications. It may be the case that some parcels would be attributed to other farmer(s) than the preselected one if this ensures better exploitation sustainability of the land. Such a mechanism allows for transfer to the new farmer of both the land owned by the existing farmer and the land leased in by the latter. In 2019, nearly 1 400 lease facilitation operations were performed by SAFERs, covering the area of nearly 14 000 hectares.

During a lease intermediation process, a lessor of the agricultural land making part of a farm can decide to sell the land. In this case, SAFER makes a public call for applications and may find a person to acquire the land and commit to continue to lease it out to the existing farmer. Therefore, even if the lessor changes, the tenant may further lease the land. This action by SAFER, who look for a new landowner to secure the tenant, can also take place outside lease facilitation operations.



Box 4: *Lease facilitation in France (Main source: FAO 2022).*

In France, municipalities can become the owners of property presumed to be without an owner. Since 2004, SAFER begun developing tools and procedure to identify vacant property without an owner and return this land to the municipality. This procedure is provided for in Articles L. 125-1 to L. 125-15 of the Rural and Maritime Fishing Code (CRPM). It is carried out by the state services and the departmental councils. It allows the status of uncultivated land (or abandoned land) to be established and the owner to be obliged to restore it either by exploiting the property himself or by proposing to choose a farmer. If the owner refuses, the State appoints the farmer. This procedure is easily implementable at the individual level while it is more time-consuming on a collective scale (in case of many owners)⁷.

SAFER also develop a Space Climate Observatory Project⁸ with the aim to map agricultural wastelands and to support the requalification of these areas while respecting their multi-functionality. Together these tools are used to help territories to recover food production capabilities.

⁷ An example of the SAFER operated land bank <https://www.safer-occitanie.com/fr/appels-a-candidature/tarn.php>

⁸ <https://www.spaceclimateobservatory.org/sco-frichesagricoles>



3. Conclusions

Bringing a large share of abandoned land back into agricultural production represents an obvious opportunity to strengthen local food production in the country. This will generate additional income among farm households, contribute to the creation of new jobs in rural areas and ultimately contribute to increased food security in the country. However, not all abandoned land should be re-cultivated and it might be better to convert some of the abandoned areas to different land uses.

There are several complex and inter-twined root causes of land abandonment including inefficient farm structures with small average farm sizes and excessive land fragmentation leading to low productivity and competitiveness of the small family farms. Other underlying or macro factors driving land abandonment are ageing rural population, outmigration, and decline in the agricultural sector, depopulation of rural areas, and climate change related challenges.

In the same way as the problems are complex and inter-connected, also the policy response needs to be integrated combining land policy and other related policies like agriculture, economics and taxation (FAO 2023). It is recommended to design a package of policy interventions to address land abandonment and improve local farm structures through interventions that are applied in a project based approach, and interventions that to be applied with the country-wide impact.

The set of solutions at two different levels is shown in the Figure 2 below.

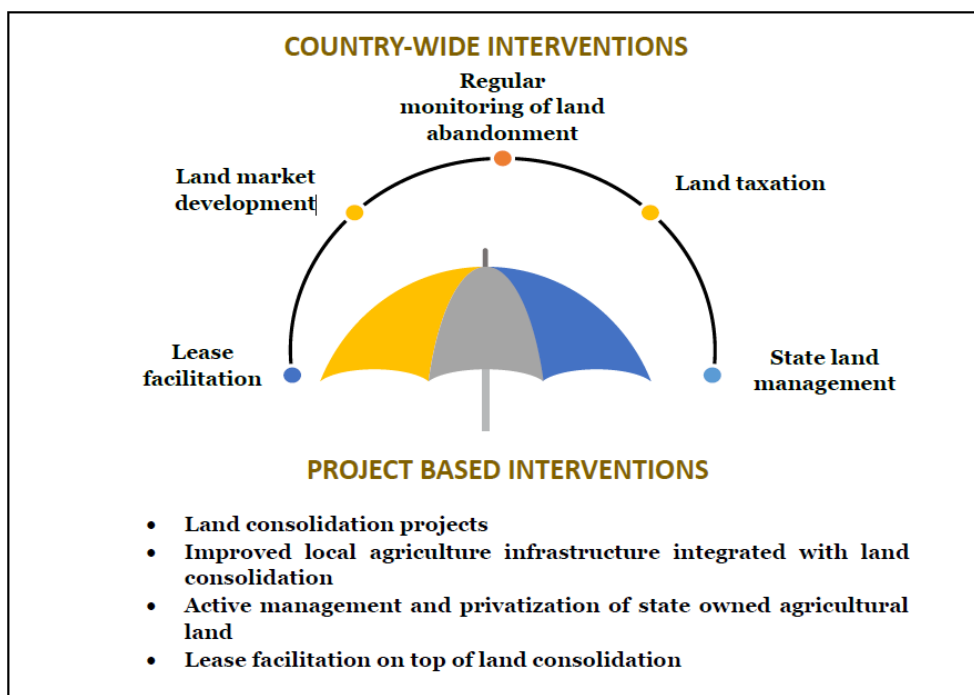


Figure 2: Schematic representation of land abandonment solutions (Source: FAO 2023).

This means that in areas with specific needs and/or potential for agriculture a specific set of tools can be applied in an integrated way and tailored towards the situation in the specific project area. The project based approach is recommended to be complemented by a set of tools and interventions that can be applied and have impact in a countrywide approach.

The policy response to land abandonment through support to further development of the agricultural land markets should focus, among other dimensions, at increasing the land market turnover and the mobility of land, by reviewing institutional and regulatory barriers hindering the market functioning and by acting at individual tenure-related factors and reasons preventing land from becoming available on the market. This pertains to both property rights and to rights of use. In cases where a more dynamic market of land ownership may not be feasible, the market of use rights can play a more significant role.



Additionally, it is vital to improve the availability and accessibility of land market information to ensure transparency and facilitate informed decision-making. Creating the right incentives for the land market participants is also crucial for promoting more active and efficient land markets.

Finally, to develop effective solutions to land abandonment, it is crucial to have a simple, fast and fairly accurate operational system for the identification and monitoring of abandoned land.

4. Research needs

A detailed study of high risk countries and areas prone to land abandonment, such as Spain, Portugal, and Greece, could be conducted to explore factors that hinder higher mobility of land markets and factors preventing land owners from engaging into land markets, including the issues related to tenure security, high transaction costs, behavioural and psychological factors.

Another suggestion is to assess the feasibility of involving the LAGs in the mobilization and mitigation of land abandonment and facilitation of lease.

5. Ideas for innovation

Policy and decision makers look for efficient solutions to land abandonment. In looking for such solutions, a right balance between the protection of ownership right and the public objective to address land abandonment shall be found. Well-proven land management instruments, such as land banking and land consolidation can be combined into innovative, fast and inexpensive integrated projects to become an efficient solutions to land abandonment.



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