

# The Role of Spatial Plans in the Preparation of Land Consolidation in Hungary

Eszter HÓNA, Hungary

**Key words:** land consolidation, rural development, spatial plans, structure plans on micro-region level

## SUMMARY

After showing the need of land consolidation, the presentation discusses the role of spatial plans in the preparation of land consolidation. There is not any comprehensive legal regulation referring to land consolidation in Hungary and there is a lack of independent central budget for it. In these circumstances the author maintains that the structure plan on micro-region level can help to base professional land consolidation, to co-ordinate subsidies, and the social acceptance of land consolidation. For this purpose it would be necessary to modify the Hungarian planning system, because there is a lack of land use plans on micro-regional level. During the modification of the Hungarian Spatial Planning Act in 2004 there were established local governments in spatial development policy making on micro-region level. These organisations have planning and financing responsibility, so it would happen that they can handle own development problems and they give way for the new planning methods and for helping land consolidation.

## ÖSSZEFOGLALÁS

Az előadás a birtokrendezés szükségességének bemutatása után azt taglalja, hogy a területi terveknek milyen szerepe lehet a birtokrendezés előkészítésében. Magyarországon jelenleg nincs átfogó jogi szabályozás a birtokrendezésre, és hiányzik a hathatós pénzügyi támogatás is. Ilyen körülmények között a szerző azt állítja, hogy a kistérségi szintű struktúra tervek segíthetnek a birtokrendezés szakmai megalapozásában, az anyagi források koordinálásában, valamint a birtokrendezés társadalmi elfogadtatásában. Ehhez szükséges a tervezési rendszer módosítása, mert kistérségi szinten jelenleg hiányzik a területrendezési típusú tervfajta. A területfejlesztési törvény 2004. évi módosítása során létrejönnek a kistérségi fejlesztési tanácsok, amelyek önálló pénzeszközökkel is rendelkeznek, ezért várható, hogy ezek nagyobb önállósággal tudják majd kezelni saját területi problémáikat, és helyet adnak az újszerű tervezési módszernek, valamint a birtokrendezés elősegítésének.

# **The Role of Spatial Plans in the Preparation of Land Consolidation in Hungary**

**Eszter HÓNA, Hungary**

## **1. THE NEED OF LAND CONSOLIDATION**

In Hungary the pressing factors of land consolidation became stronger after EU Accession. By the influence of the privatisation during the transition the Hungarian land tenure structure became subdivided. Because of this the major part of the small properties can not be cultivated economically, it is hard to sell or hire them, and in many cases they can not reach the lower limit (0,3 acres) of the agricultural support in Union.

The compensation and privatisation affected almost three-quarters of the whole agricultural area that is about 5.6 million hectares of agricultural land were passed into 2.6 million private persons' ownership. Today already 66.7% of rural areas are in private persons' property. The new owners – who acquired 2.2 hectares per capita on average – have not received their land property in one contiguous part, but in many cases in numerous parcels scattered around. The majority of owners does not cultivate their lands but lease them. The registered farmers lease more than the half of their lands (the agricultural co-operatives lease more than 90%). A specific consequence of land privatisation is the undivided land property, comprising about 1.5 million hectares.

The fragmented status of properties and the land use are being changed by the infrastructure investments (motor roads, other roads, dams canals, etc.) The National Development Plan (NDP) – the basic document applying support from the EU Structural Funds – and its operational programmes contain a lot of infrastructure investments, which can improve demands of land consolidation in large number helping effective function of agricultural farms.

A lot of parts of measures of the national rural policy documents based on CAP (Agricultural and Rural Development Operational Programme (ARDOP) and National Rural Development Plan for the EAGGF Guarantee Section Measures (NRDP)) are in connection with the need of rationalisation land property structure, although ARDOP and NRDP do not contain direct measure supporting land consolidation. In many cases the implementation of supported projects shows the problem of land consolidation (agricultural investments, the development of agricultural infrastructure etc.), but in some other cases the supporting measures (young farmers supporting, early retirement, afforestation of agricultural land, agri-environment, support for Less Favoured Areas) increase the interests of stakeholders to consolidate their lands. In our country the agri-environment measures were prepared in the National Agri-environmental Programme (NAEP). The primary goal of NAEP is to create a good agricultural practice based on the preservation of physical conditions of environment (soils, water, landscape) and on the maintenance and enhancement of biodiversity, such as on the support of environmentally friendly production of high quality organic products. According to the aims of NAEP for the sake of a sustainable agricultural land utility the experts suggested

significant land use conversion: from 1.5 million acres intensive arable-land 600-700 000 acres land would be afforested, 300-400 000 acres would be turfed and 55 000 acres would be used for extensive tilling of arable-land (gardens, orchards, wine-yards, nature water-habitate). The conversion of all these land uses can not take place in the present fragmented land property structure.

## 2. CONDITION SYSTEM OF SUCCESSFUL LAND CONSOLIDATION

There is not any legal regulation referring to land consolidation in Hungary. The National Land Consolidation Strategy has been finished in the summer of 2004, and it is still under negotiations. According to the Strategy four priorities were settled to implement Hungarian land consolidation.

1. The legal background of land consolidation
2. Establishing the co-ordinating institution modernisation of the related institutional system
3. Creating the financial and other conditions
4. Public acceptance and preparation, strengthening the awareness

To create the legal background of land consolidation is a basic condition to improve efficiency of the present privately initiated and very slow land consolidation procedure. The legal regulation can be a tool in preventing such a case, when during a community initiative a certain minority can achieve its object against the wish of the majority. With the constitution of the Act on Land Consolidation it is useful to modify other related regulations too (inheritance, land-lease, pre-emption rights, eliminate the undivided land property, etc.) The legal regulation is a sensitive political factor, as the former violent eastern-European land organisation left serious emotional wounds in the society that is why governments are reluctant to face it.

The priority no. 2 means first of all establishing the central and local directing, co-ordinating organisation, and modernisation of land offices. The land consolidation belongs primarily to the land management but it was emphasised in the Strategy too – according to the experiences of the international and Hungarian pilot land consolidation – that the institutional system of spatial and rural development plays an important role in the preparation of land consolidation with spatial co-ordinating of the land consolidation action and giving the suitable information to base the land consolidation.

The land consolidation –process needs a lot of time and money, so creating of the financial conditions is a very important priority. Now there is not any independent central budget for land consolidation. There are some measures, financial supports to help the privately initiated land concentration, but it is not enough to solve the urgent problems. The Strategy draws up the creation and the co-ordination of financial resources and it names the major (regional) infrastructure projects (railways, highways, roads, water and flood reservoirs, logistics centres) as a possibility to create conditions of land consolidation within their framework.

It is not accidental, that the strengthening of public acceptance and preparation is one of the priorities. The former land consolidation is a bad memory for many people in Hungary. Now

the painful, emotional issues of the historical heritage should be solved by rational and professionally based elements, which concentrate first of all on the introduction of the possibilities implied in land consolidation.

In the following chapters it will be shown what the role is of spatial planning in implementation of Strategy priorities:

- The role of spatial plans (land use and rural development plans) in laying professional grounds of land consolidation
- The role of spatial plans in financing land consolidation
- The role of spatial plans in social acceptance of land consolidation

### **3. THE ROLE OF SPATIAL PLANS IN BASING LAND CONSOLIDATION**

#### **3.1 Local plans**

Land consolidation process needs a lot of information in its first phase about the features of a certain area (soil endowment, relief features, land utilisation, production-structure, land ownership, land property structure, efficiency of production, protected areas, infrastructure conditions, development suggestions of the area), which can be produced by making the spatial plans. A land consolidation action can take place on a large area covering more settlements but in practice it touches generally a part of one settlement. Land consolidation's scale is connected rather to local plan's scale and it can be made in accordance with it.

Under the basic law for local planning – Hungarian Building Law No. LXXVIII/1997.) – the means of a local planning process are: local development concept, local structure plan, regulation plan and local building ordinance. The local development concept is a long-term vision with strategic elements, but it did not contain concrete territorial dimensions. The local development concept involves the demand of development of the various land utilisation elements (increasing the built up area, agricultural, infrastructure investments, recreation areas) but their determination concerning areas and parcels is included only in the local structure plan.

The local structure plan with the regulation plan is a land use plan, which implies the land use possibilities and protective suggestions of the settlement area. The land use plan is made for the whole administrative area of the settlement, so it involves the land use suggestions for the agricultural area too. But in the local land use plans the importance is the planning of the built up area and it has only protecting elements and regulation for the agricultural area. The fact is that the detailed features of the land consolidation do not appear directly in the local plans, but they tend to give a lot of information needed for land consolidation first of all concerning the defined land use and regulation elements. There is a regulation in the Building Law, saying that a parcel should be formed so that it should be suitable for the intended purpose of its use furthermore its figure, size, built up area percentage and access should be in accordance with the regulation plan. This is valid for the agricultural land too.

### 3.2 Plans for micro-region

Projects, prepared under the measures in the Operational Programmes of National Development Plan – according to the union programming practice – are to be integrated into the regional plan of the connected area. The Hungarian regional planning system under the Regional Development and Planning Act (No. LXXV/2004, modification of Act No. XXI/1996) describes the development plans on five levels: national, regional, county, micro-region, municipalities (local) while the spatial (land use) plans are represented in it only on three levels: national, county and local. So, in the Hungarian planning system the regional development policy and the spatial planning are not integrated in the same planning process.

During the decentralisation of the development tools and tasks a new regional institution, the micro-regional development council was established. The task of the micro-regional development council is to prepare the development concept of the micro-region (social, economical, environmental aspects), development programme, it makes financial plan for implementing programmes, it looks after the implementation-process and it can apply for subsidy through tenders. The micro-regional development council gives institutional background even to the earlier prepared micro-regional and rural development concepts and programmes.

The Act No. LXXV/2004 defines the micro-region as a developing-statistical unit, which boundary is based on the functional relationship among the settlements, but it is a statistical unit at the same time. Besides all these community associations for the purpose of common development actions can be formed. These can be the multipurpose micro-regional associations, which are created first of all to co-ordinate effectively the tasks of the public utility, or the LEADER - associations for the purpose of rural development. The micro-regional development council co-ordinates the development programmes of the special community associations too.

Both international and Hungarian experiences concerning land consolidation show that land consolidation can be made effectively by being integrated into the rural and regional planning, so the land consolidation is connected to the micro-region planning.

The earlier composed micro-regional rural development programmes have had suggestions regarding the need of land consolidation. They show for instance that the deep sloping areas using arable land must be afforested but the programme did not settle them geographically on the map, because that is not the task of the programming document. Some agri-infrastructure project initiatives were born, which can not be supported for lacking the land use and land property circumstances of the background area. The local land use plans have not enough information for these cases. So we miss the type of land use plan on the micro-regional level.

According to the Hungarian experiences the micro-region is the planning unit, which is suitable for making and co-ordinating the project planning with the strategies and land use planning represented the sustainable aspects in it. The structure plan is used for this complex purpose in the international planning practice. The structure plan is such a kind of planning

tool, which integrates the development and land use elements in the certain area. It can be made for region, county and different settlement-groups. It has an important criterion that is not a static document, but it is useful for managing a planning process and it is based on a participatory and negotiated methodology.

*What kind of a micro-regional plan can base land consolidation?*

There was a pilot project for 8 micro-regions between 2001-2003 under the auspices of the Rural Development Department in the Ministry of Agricultural and Rural Development, which has been aimed to prepare land consolidation. During the projects the task was to make together in one planning process the development concept, programme and land use plan.

The development concept and programme *aim*: to make the development suggestion up-to-date for the area in the point of view preparing land consolidation. *Task*: to estimate the agri-development resources of region including the elements of the national and union rural development concept and supporting forms. By improving information and interest of the stakeholders programmes can be made, which imply the basic elements of land consolidation.

The micro-regional land use plan *aim*: to prepare land consolidation plan, which belongs to the land offices. *Task*: according to the micro-regional land use circumstances to mark out the homogeneous little areas, where the land consolidation is reasonable, and to elaborate regulation elements needed to prepare land consolidation plan.

As the experiences of this pilot project in Hungary show, the micro-region seems to be a good regional unit, where the national concepts and the local initiatives can be formed into effectively realisable programmes. So it would be necessary to use structure plan as a new planning instrument on the micro-region level, which could integrate the development initiatives (projects) with the sustainable demand (land use) of the area.

#### **4. THE ROLE OF SPATIAL PLANS IN FINANCING LAND CONSOLIDATION**

In international practice land consolidation is carried out with a certain share-cost of land-owners, land users, municipalities and the state. As land consolidation is a very costly procedure that is why the member-states of the Union make efforts to involve union financial recourses and they encourage the new member-states to do the same. Bavaria - the most developed region- has the land consolidation as an independent programme in its rural development plan for 2000-2006.

The fact that land consolidation should be an organic part of the agricultural policy was declared by representatives of 23 countries in Munich at a conference held in 2002 - to discuss the experience on property fragmentation, which have been taking place in the countries of Central- and East -Europe and also in the CIS. One of the recommendations says “ the countries of Central – and East-Europe and also the CIS should take land consolidation as an important tool of the rural development within the development programmes of the agricultural and rural development sector, including the allocation of sources too.”

Unfortunately the land consolidation has not entered the measures of the Hungarian Union planning documents, that is why we have no Union financial resources supporting land consolidation until 2007. We have to plan this possibility within the next planning period. In the present situation we have to look for other financial possibilities to support land consolidation.

There are some possibilities to co-ordinate the financial resources – beside the major infrastructure projects – named in the National Land Consolidation Strategy under the various spatial plans, as follows:

- It would be necessary to co-ordinate the land consolidation demands and the plan making process at the local level. In the municipalities where there is not a local land use plan, but there is a demand for land consolidation, the two planning activities can be made in parallel. But in a case when a municipality has a rather new land use plan, the land consolidation plan can be based on it but some elements of it must be modified concerning the agricultural area.
- The Building Law gives the possibility to make more than one settlement-plans together. It is a good opportunity to make the plans considering the topic of land consolidation too.
- During financing the regional and rural development plan-making process on micro-regional level it would be necessary to take into consideration land use plan too, which could solve the preparation of land consolidation too.
- It would be necessary to give a possibility to make the basic work of land consolidation during the various rural development projects. There seems to be a good occasion in the framework of the LEADER measure in preparing strategy of LEADER programme.
- With the co-operation of the different fields (land management, regional development, rural development) it could be possible to make pilot projects to improve methodological materials used for planning practice.

## **5. THE ROLE OF SPATIAL PLANS IN THE PUBLIC ACCEPTANCE OF LAND CONSOLIDATION**

I think the previous texts clearly show that preparing land consolidation is more effective on the level of micro-region with the supplement that it is necessary to introduce land use plan with features of the structure plan into the Hungarian planning system, which has a flexible method to receive different projects in it. The new planning method based on negotiating with the different social groups of stakeholders, is already present in making micro-regional development strategies and programmes but it will be more acceptable with the expansion of LEADER programme.

If the land consolidation demands appear integrated into the complex development programmes based on the features and possibilities of the certain area and contain the financial possibilities of the local initiatives, then the stakeholders could become more motivated and the acceptance of land consolidation would increase.

## 6. CONCLUSIONS

- Land consolidation is the most important issue of rural development.
- The finance of land consolidation should use all subsidies from European Union, central and local governmental and private sphere.
- With the establishment of micro –regional development councils the co-ordination of the regional and rural planning and project management could be more effective.
- It would be necessary to use a new planning instrument –structure planning- in micro-region level, which could integrate the development initiatives (projects) with the sustainable demand (land use) of the area.
- The method of structure plan is suitable to prepare land consolidation if it contains the required elements. The structure plan based on participatory and negotiated methodology could motivate stakeholders in land consolidation.
- The fact, that the micro-regional governments have decentralised financial funds, might result, that they could handle flexibly their special problems and could allow to finance such kind of projects (land consolidation), which are not yet supported by governmental budget.

## REFERENCES

- Dorgai, L. et al. 2004. The foundation of the Hungarian strategy on property structure and land consolidation. Agrárgazdasági Tanulmányok Budapest, AKI.
- Hóna, E. 2004. Relations between regional development, rural development and land consolidation. Falu Város Régió. Budapest, VATI KHT.
- Munich Declaration 2002. Signed by representatives of 23 countries from Central and East-Europe and CIS at a conference held about land consolidation.
- Quo Vadis Consulting 2002. Structure Planning in a micro –region of Pest County (Dutch-Hungarian pilot project) Methodical Summary (draft)

## CONTACTS

Eszter Hóna  
ReGIS 2100 Regional Planning and Consulting Ltd.  
Erdőalja út 99/b  
Budapest 1037  
HUNGARY  
Tel. +36 1 3877635  
Fax  
Email: regis@axelero.hu