

## **SAIDA BEJTJA (MUÇA)**

**“Aleksander Xhuvani” University, Faculty of Economics, Department of The Right, Elbasan, Albania. , ALBANIA**

### **A CONTINUING CHALLENGE IN THE PROTECTION OF THE IMMOVABLE PROPERTY RIGHTS IN ALBANIA**

#### **Abstract:**

The World organizations report on governance and development since year 1997 defined governance as “the manner in which power is exercised in the management of a country’s economic and social resources for development.” The Financial Institution’s Strategy on Governance and Anticorruption broadens this definition to “the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services.” The authors of the World Bank Institute’s Worldwide Governance Indicators offer a more comprehensive approach:

Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them.

This review of immovable property rights in Albania draws primarily upon this definition, which takes into account the popular legitimacy of state institutions and respect for the law among citizens and government institutions—the “softer” aspects of governance that are essential to understanding how policies are made and implemented in practice and how public resources are used.

#### **Keywords:**

policy, financial, property, Albania, govern.

**JEL Classification:** K30, K40, K30

## ***Immovable property Rights Reform in the 1990s***

**The concept of private property ownership was revived in Albania after the fall of communism through a broad, but inconsistent, privatization process.** Prior to World War II, much of the immovable property in Albania was privately owned and included in an indigenous land registry established in the 1930s. All immovable property was progressively nationalized under communism. In 1991, the newly elected parliament reintroduced private immovable property ownership and reactivated the immovable property registry. Particularly important was the 1991 Law On Land, under which agricultural lands were divided among those working them and their families - some two-thirds of the population in total. All former cooperative farms were distributed as part of this process, although the details of implementation varied from region to region.<sup>6</sup> This uneven approach gave rise to frequent disputes, which the local authorities were typically unable to resolve. Ineffective law enforcement increasingly led the population to question the authority of the state and the law. In urban areas, a 1992 Law On Privatization of State-Owned Housing ensured that occupiers obtained ownership of their homes. Some 440,000 apartments and houses were privatized under this law. Table 1 provides a summary of key legislation on property rights in Albania.

**Table 1: Brief Chronology of Immovable property Rights Reforms**

Early 1990s	<p><b>Immovable property privatization</b></p> <ul style="list-style-type: none"> <li>• Law No. 7501 of July 19, 1991, <b>on Land</b>, under which agricultural lands were divided among those working them.</li> <li>• Law No. 7652 of December 23, 1992, <b>On Privatization of State-Owned Housing</b> transferred to occupiers ownership of their homes.</li> <li>• Law No. 7698 of April 15, 1993, <b>On Restitution and Compensation to Former Property Owners</b> was the basis for further privatization in urban areas.</li> </ul>
Mid-1990s	Civil law reform, particularly under the <b>Civil Code of 1994</b> , provided a legal framework for private property transactions.
1995	Law No. 7843 of July 13, 1994, <b>on the Immovable Property Registry System</b> .
1998	<b>Constitution</b> adopted, including provisions guaranteeing immovable property rights.
2004	Law No. 9404 of October 29, 2004, <b>on Legalization and Urban Planning of Informal Zones</b> attempts to regularize illegal buildings based on a self-declaration process managed by local authorities.
2004	Law No. 9235 of July 29, 2004, <b>On Restitution and Compensation of Property</b> replaces the 1993 law and introduces <b>compensation at current market value</b> .
2006	Law No. 9482 of April 3, 2006, <b>On Legalization, Urban Planning and Integration of Illegal Constructions</b> replaces the 2004 law and attempts to regularize illegal settlement and buildings constructed before May 2006, subject to a self-declaration process managed by the central Agency for the Legalization, Urban Planning, and Integration of Informal Areas/ Constructions (ALUIZNI).
2007	Law No. 9780 of July 16, 2007, <b>On Construction Inspection</b> delegates much of the responsibility for dealing with illegal buildings to the local

2009	1. Law No.10119 of April 23, 2009, <b>On Territorial Planning</b> introduces modern concepts of urban planning and control. The secondary regulations were adopted in June 2011. <b>Amendments to the Law on Legalization</b> , adopted in October 2009, give legalization applicants the option of paying for up to 50 percent of the value of the property with otherwise worthless privatization vouchers from the 1990s.
------	--

**In the early 1990s, Albania adopted legislation on the restitution of property that had been nationalized under communism to the dispossessed owners or their descendants.** The Government adopted a policy of compensating former owners or, where possible, restoring ownership of their land. For non-farm land, the parallel privatization process sometimes resulted in split ownership between the buildings and land. The implementation of the Law on Restitution and Compensating Former Property Owners successfully restored a large number of properties to the original owners, but the Law on Compensating Former Owners for the Value of Agricultural Land was less successful.

**The first step in introducing a modern property registration system was taken in 1994, but the process of first property registration remains incomplete.** The Law on the Registration of Immovable Property adopted in 1994 provides for a modern, parcel-based registration system, and established a dedicated agency, the Immovable Property Registration Office (IPRO) for managing this process. Since then, various donor-sponsored projects have worked to register immovable property in a systematic manner, including the World Bank-financed Land Administration and Management Project (LAMP). Due to the lack of a nationwide effort aimed at systematic first registration, IPRO now estimates that it has records for some 60–70 percent of all properties. IPRO has completed first registration for 83 percent of rural cadastral zones, but only 25 percent of urban cadastral zones. As a result, most properties in urban areas still remain unregistered, though first registration in these areas is currently underway with support from the LAMP.

**It is estimated that some 350,000 to 400,000 buildings have been erected without permits nationwide.** Rapid internal migration during the economically turbulent, yet less restrictive, 1990s led to mass squatting on state and private land—especially in coastal and peri-urban areas. No official mechanism existed to allocate land for such large numbers of migrants, so people simply occupied land and started to build. Land was carved up informally, but much of it remained classified as agricultural land and thus ineligible for construction permits. Construction took place without regard for planning or building laws, without official approvals, without proper infrastructure, and often (but not always) on land that did not belong to the builder. As a result, many urban properties are regarded as illegal. The lack of effective planning and construction controls facilitated additions and expansions of existing constructions that are now also considered illegal. Illegal constructions are estimated to make up one-third of the total housing stock and to have cost some €10 billion to build. Approximately one-third of the land on which illegal buildings have been constructed belongs to the builders, one-third to the state, and one-third to another person, such as an owner whose property was restored or a person who received land under the 1991 Law On Land. Table 2 outlines circumstances that

result in illegal status. The institutional structure for property rights in Albania is laid out in Table 3

**Table 2: Status of Properties in Albania**

<b>Statu</b>	<b>Issue</b>	<b>Consequenc</b>
Registered property with clear title and boundaries	Property is registered at IPRO with- out restriction and boundaries are not in dispute	Registered property may be sold, mortgaged, or receive compensation in case of expropriation; may be sold at about a 10 percent higher price than an equivalent prop- erty without registration or with unclear title. Law offers protection.
<b>Unregistered property</b> with clear title and boundaries	Documentary proof of ownership exists and boundaries are not disputed, but property is not registered at IPRO	Cannot be mortgaged, difficulties in expropriation (has to be registered first), unappealing to foreigners, nota- ries not involved in sale. Property can be registered sub- ject to applicable fees and legal
Registered property with <b>unclear title</b>	Some problems or uncertainty exist regarding legal rights, such as miss- ing documents	Requires effort and costs to resolve problem, possibly court case. Some difficulties in mortgaging, selling.
<b>Unregistered property with unclear title</b> (or boundaries)	Property could not be registered due to uncertain ownership	Requires effort and costs to resolve problem, possibly court case, plus costs of registration. Cannot be mort- gaged; difficulties in expropriation; more difficult to sell, especially to foreign buyers;
Land occupied by squatters and illegally built on, but <b>successfully legalized</b>	After legalization by ALUIZNI and title registration at IPRO, property has the same status as registered property with clear title and bound- aries	Same as for registered property with clear title; during the legalization process, legal protection unclear (e.g., in case of expropriation, as property needs to be registered first).
Land (registered or not) with <b>illegal building</b>	Occupier is legal owner of land (may nor may not be registered) but building does not have construction permit; or building does not comply	Owner at risk of having building demolished; problems with expropriation, sale; property cannot be mortgaged if land is not registered.
Land belonging to a differ- ent owner (registered or not) and <b>illegally occupied by squatters</b> ; not part of the legalization process	Mass migration resulted in large- scale occupation of land and construction without legal title or planning permit; not all occupiers have applied for legalization;  some properties are not eligible for legalization (including land in desiq- nated natural reserves)	Least secure category: owner is at risk of eviction or de- molition of building. Property cannot be mortgaged or legally transferred; no legal protection in case of expro- priation.

**Table 3: Key Institutional Actors on Property Rights**

<b>Organization/Agency</b>	<b>Mandate</b>
<b>iPRO</b>	To register immovable property, transaction documents, and changes to boundaries, and to supply data to the public
<b>ALUIZNI</b>	To coordinate with planning authorities on the introduction of illegal buildings into urban plans and to grant ownership of occupied land to squatters who are legalizing their
<b>AKKP</b>	To manage the restitution of land or provide compensation in cash or through alternate properties or other means
<b>Municipalities and Communes</b>	To develop and issue urban plans and approve projects up to 5,000 square meters
<b>National Council for Territorial Adjustment</b>	To develop and issue plans at the national level and approve projects larger than 5,000 square meters
<b>Construction Police</b> (national and local level)	To investigate, fine offenders, and take remedial action, such as demolishing structures

### ***The Legalization Process***

**Legalization was a pragmatic response to the increasingly difficult implications of mass illegal land occupation and settlement.** When confronted with problems of this kind, governments have generally had little choice but to recognize reality and legalize occupation. Following the 1963 earthquake in neighboring Macedonia, for example, large-scale rebuilding activities progressed without regard for formalities. In 1971, the Government of Macedonia legalized the large number of unapproved constructions *en masse*. The alternatives—demolishing all illegal constructions or ignoring the situation—are unattractive; the former risks major social unrest, and the latter produces a drag on the economy and immovable property market and reduces people’s sense of security as well as their willingness to make further investments in their properties. The failure to regularize illegally constructed buildings thus leaves large amounts of capital outside the formal system. Legalization has the potential to convert this “dead capital” into useful, workable capital that can make its way into the formal system.

**Albania’s legalization policy aimed to regularize illegal constructions, transfer ownership of the land on which they were built, and extend urban planning to informal settlements.** There have been two main attempts to regularize informal settlements in Albania. The first attempt, under a Socialist Party-led government in 2004, set up a scheme of self-declaration and legalization but had limited success due to insufficient resources and expertise at the local government level. The legal framework for this approach was replaced in 2006 by the Law On Legalization, Urban Planning and Integration of Illegal Constructions, which, as amended, provides a mechanism for legalizing illegal constructions and extensions and establishes a system for urban planning approval. The law also sets up a mechanism for transferring ownership of land on which a legalized construction is built to the applicant, and includes a right of compensation for the former owner and a formula for calculating compensation. The law provides sanctions and penalties for failure to comply.

**A centralized, professional agency was created to manage the legalization process.** The amended Law on Legalization established the Agency for the Legalization, Urban

Planning, and Integration of Informal Areas/Constructions (ALUIZNI) and defined related functions—notably urban planning and registration of legalized properties—exercised by other bodies. ALUIZNI is mandated to process legalization applications and coordinate the legalization process. The application is relatively simple on the assumption that the applicant may not have the expertise or all of the information needed. ALUIZNI's operating instructions cover the procedures for legalization, qualifying criteria for informal objects, procedures for issuing legalization permits, and initial title registration by the IPRO. ALUIZNI also carries out title searches, identifies informal properties, approves boundary lines, and prepares technical and legal documentation for government approval. After cases have been processed, ALUIZNI submits draft decisions to the government in batches. Finally, ALUIZNI works with local governments' town planning units to prepare urban plans for areas affected by legalization. If the area where a building is located is not first included in an urban plan, the property cannot be legalized

**The legalization process has moved slowly despite the resources devoted to it.** ALUIZNI is a large, well-resourced organization with operating costs covered by the state budget. The agency has expertise in surveying, mapping, law, and urban planning, and has produced modern digitized maps for the entire country based on aerial photographs taken in 2006. ALUIZNI has produced digitized maps of most of the properties for which it has received legalization applications (Table 4). Yet only a small proportion of legalizations have been completed, with the titles having been registered by IPRO (Table 5). Coordination problems between ALUIZNI, IPRO, and AKKP have reportedly hindered legalization. First, there have been issues in standardization of data. ALUIZNI's geographic data, which are produced using recent aerial photography and GPS technology, are based on more accurate and up to date technology than those of IPRO. IPRO's records rely on older paper maps and less accurate surveying methods. IPRO has started accepting ALUIZNI cartographic data only recently. Previously ALUIZNI would supply electronic data at a scale of 1:1,000, and IPRO would manually convert the information to its own scale of 1:2,500 and record it on paper maps. This slowed down the process and reduced the accessibility and accuracy of the data. Second, the payment of compensation for expropriation due to legalization remains insufficiently funded. AKKP reports that neither ALUIZNI nor the state budget has provided the 4.5 billion lek needed to pay the compensation called for in legalization decisions submitted by ALUIZNI. There is a risk that the failure to compensate expropriated owners could cause expropriation decisions to be declared invalid.

**Table 4: Applications for Legalization by District**

District	Self-Declarations 2004 and 2006	Percent of Total
Tirana	96,526	36
Durres	38,944	14
Vlore	25,348	9
Lezhe	12,518	5
Shkoder	22,224	8
Elbasan	21,556	8
Fier	27,124	10
Berat	8,833	3
Gjirokaster	3,278	1
Korce	9,322	3
Diber	2,365	1
Kukes	2,554	1
<b>Total</b>	<b>270,592</b>	<b>100</b>

Source: ALUIZNI.

**Table 5: Status of Applications Received by ALUIZNI (end of 2010)**

Applications Received	Verification Completed and Digitized Maps Prepared	Processed Eligible Applications	Submitted for Government Approval	Legalized properties registered with IPRO
270,592	113,490	90,464	54,104	4,504

Source: ALUIZNI.

### **Restitution Since 2004**

**As few properties remain that can be directly restored to the original owner, the current process concerns mainly the payment of compensation.** In the 1990s, many properties were returned to former owners or their descendants or, in the case of agricultural land, to those who worked it. In the second phase of the process, the main issue is compensation. In terms of policy content, the Law On Restitution and Compensation of Property adopted in 2004 takes a similar approach to that adopted by other countries in Central and Southeastern Europe. However, the requirement to compensate expropriated owners at current market value is difficult to implement due to high fiscal costs.

**Restitution and compensation cannot be viewed in isolation from privatization and legalization.** During the privatization process, buildings and small enterprises were privatized to particular persons, but the land under the buildings may have been transferred to others through restitution. Land around apartment blocks was often privatized to the owners of the apartments, regardless of whether it was subject to restitution claims. Property on which a building has been illegally constructed cannot be restituted while legalization is underway.

**Albanian citizens can submit claims for restitution and compensation to the European Convention on Human Rights (ECHR).** The ECHR does not require states to restore property or compensate citizens, but once a state has adopted legislation to that effect, citizens acquire this right. According to ECHR rulings, the state has leeway in the amount of compensation and there does not need to be “a guarantee of full compensation in all circumstances, because legitimate objectives of the public interest could call for an amount, which is less than full market value.”

ECHR decisions have also addressed the date and the quantum by which compensation—generally market value—should be assessed. In the past two years, the ECHR has admitted an increasing number of cases filed by Albanian citizens claiming their rights to property, a fair trial, and effective remedy (Figure 1). The majority of cases have concerned property issues, particularly restitution and compensation. An estimated 200 cases from Albania are pending before the ECHR. Given that over 80 percent of ECHR judgments have been in favor of the former owners, the Albanian Government is facing large compensation bills and penalties. If all, or at least many, of the outstanding claims were taken to the ECHR, Albania could potentially face a compensation bill of several billion euro, which would pose an unaffordable burden on the country’s public finances.

The ECHR has noted that “the non-enforcement of domestic judgments and administrative decisions concerning restitution and/or compensation to former owners in Albania is a systemic problem” and EC Progress Reports refer to this issue among concerns over human rights in Albania.

**Since 2006, responsibility for implementing restitution and compensation in Albania has rested with AKKP.** The restitution and compensation process was delayed initially, as the legal framework contained uncertainties, including on the valuation methodology and role of various government bodies. In 2006, amendments to the Law on Restitution and Compensation established the AKKP and transferred to it the functions of restitution and compensation previously held by the central government and local committees. These amendments aimed to increase the effectiveness and pace of the process, but these expectations have not been met. AKKP staff qualifications include primarily law and surveying. The organization’s resources are generally adequate in most areas, but it lacks proper transport for conducting site visits, modern hardware and software, and information technology (IT) support. AKKP’s maps are mostly in paper form, as it has not received digital maps from other agencies such as ALUIZNI, and even if it had, AKKP’s IT infrastructure and staff training would not be sufficient to work with them. The Government’s draft strategy on property rights recognizes that the lack of accurate cartographic data has delayed restitution and compensation.

**Some 39,000 claims were submitted under both phases of the restitution and compensation process.** The deadline for filing an application (December 31, 2008) has passed, so no new claims may be submitted. The application process was criticized for its complexity, as claimants were required to submit extensive documentation, including a property map, which was difficult to obtain in rural areas where even the authorities did not always have cartographic data. As of late 2009,



some 10,000 files were pending with the AKKP. The deadline for AKKP to reach decisions on all claims has been extended to December 31, 2011. According to official data, the authorities have restituted 58 percent of the land claimed and 30 percent of properties. An additional 20 percent of properties were partially restituted, and 50 percent of property claims are to be compensated.

**Amending the law will require a frank public debate to foster broad understanding about the level of compensation that the state (and, by extension, the taxpayers) can realistically pay and raise awareness about possible alternatives.** It may be necessary to establish a commission of respected persons to act as facilitators for such a debate. Options for containing the fiscal impact of compensation would need to be thoroughly evaluated and publicly debated. Such options might include some of the following:

- Revising the law to limit the size of property that might be considered for the purpose of estimating the amount of compensation;
- Earmarking distinct sources of non-tax revenues (e.g. legalization fees; revenue from the sale of state property) to the payment of compensation;
- Spreading the cost of compensation by issuing successful claimants with state bonds with long maturities (e.g. 20 or 30 years); and
- Giving successful claimants options, e.g. accepting a lower amount of compensation payable immediately as opposed to accepting state bonds with a higher value.

At the same time, the Government will also need to protect the property rights of those whose restitution claims have succeeded by enforcing current legislation to evict current squatters occupying restituted properties.

### ***Incomplete Title Registration***

**Immovable property registration remains incomplete.** The process of post-communist immovable property registration began in 1995 with the establishment of IPRO (Immovable Property Registration Office). The Law on the Registration of Immovable Property provides for a modern, parcel-based registration system comprising both legal documents and cartographic information. All property transactions and changes to boundaries must be registered, and landholders receive a certificate documenting ownership. Albania's law adequately covers all of the fundamental issues to be regulated by a land registration law.

**IPRO has complete records for 83 percent of rural cadastral zones and 25 percent of urban cadastral zones, which are estimated to account for some 60–70 percent of all properties.** There are two types of first registration: *sporadic*, in which a property owner applies for registration of a property, and *systematic*, in which a group of properties in the same geographic area are mapped, investigated, and registered as part

of a single process. Sporadic registration has taken place since soon after the registration law was enacted and continues today according to need, particularly where an unregistered property is going to be developed. The cost of sporadic first registration of property is relatively high and in some cases exceeds the value of the property—for example, for smallholdings in rural areas—thus acting as a clear disincentive for immovable property registration. Systematic registration efforts have so far been the result of donor-funded projects. The first major program, funded by USAID and the EU in 1994–2001, registered almost 2 million rural properties and 120,000 apartments. Smaller projects in 2002–2004 resulted in the registration of another 70,000 rural properties and 88,000 urban properties. Unfortunately, many of the records produced during these previous programs have proven to be unreliable and need correction. IPRO is currently undertaking systematic registration in all urban areas and the high-value coastal zone areas with support from projects financed by the European Commission and by the World Bank.

**The functioning of the property market is impaired by the lack of title registration for those who buy an apartment in a building that has yet to be constructed.** When contracting to buy an apartment that is not yet built, a buyer hands over a large sum of money (€50,000–60,000, for example) to the developer, but the contract cannot be registered against the property (assuming that the property itself is registered). As a result, there is no security for the buyer and there is a clear possibility for fraud through multiple sales of the same apartment. At present, people rely on personal relationships rather than on the property registry. The Government of Macedonia has recently addressed a similar problem by permitting qualified registration, with notices to be recorded against the property at the Macedonian equivalent of IPRO.

**IPRO capacity, resources, and quality of service have improved in the past two years, but further efforts will be needed to strengthen staff skills and further increase efficiency.** The agency is headed by a chief registrar and has 35 offices around the country, with more than 550 employees consisting of lawyers, surveyors, economists, and administrative staff. Staff turnover is high and training was last conducted in the late 1990s. It is not surprising, therefore, that IPRO clients often complain that staff do not know the subtleties of the system, though recent client surveys commissioned by IPRO indicate increasing rates of client satisfaction. Still, high staff turnover needs to be addressed as a priority, and ongoing training needs to be introduced to improve administrative practices and customer service. Limited progress in automating IPRO work processes and records have held back efficiency improvements, though the automation of the registry is currently underway with support from LAMP. IPRO does not retain the fees and taxes that it collects; these are forwarded to the state budget. At current levels, these funds would cover IPRO's expenses. The issue of retained earnings has been proposed for consideration, but currently IPRO's funding comes from the state budget. IPRO also collects the transaction (capital gains) tax on property sales.

**Improving data quality remains the major issue facing IPRO.** As discussed above, geographic data are often poor, with errors of one to ten meters on some maps. Although a large percentage of IPRO's maps are considered unreliable, they are the "legal" maps. The recent use of digitized maps produced by ALUIZNI under the ongoing

systematic registration undertaken with support from LAMP is a positive step for improving data quality. Legal data are also considered questionable in many cases, causing government agencies and private sector entities that use these data to spend staff time resolving discrepancies. It would be advisable for IPRO to adopt a systematic approach to improving registration data, beginning where the needs are strongest in terms of economic growth. In addition, IPRO could adopt lower-cost methods for sporadic first registration to make the process more efficient and attractive to property owners.

## CONCLUSIONS

**The highly complex situation regarding immovable property rights in Albania requires a comprehensive and pragmatic solution, which should be backed by broad political and societal support.** Legalization claimants cannot obtain clear ownership rights unless expropriated owners have been compensated. Neither the legalization nor the restitution and compensation processes can be completed promptly without expanding first registration and improving the reliability of IPRO data. So far, none of these processes (first registration, legalization, restitution, or compensation) has advanced substantially in terms of implementation, largely due to incoherence among policy initiatives in these areas. In this environment, the Government's drafting of a cross- sectorial strategy that attempts to tackle these interlocking issues in a holistic manner is a positive development. The Government has also taken a number of important steps to create some of the necessary preconditions for strengthening the security of property rights in Albania, notably by investing in the development of digitized cadastral maps covering the entire country.

**While the current legal framework is broadly sound, there is a pressing need to address several specific gaps, inconsistencies, and bottlenecks.** These include the following key issues:

- ✓ Extend clear legal protection to legalization applicants, which would increase their security and could grant them legal rights in case of expropriation for public investment;
- ✓ Consider another round of legalization to reduce the large number of properties that remain illegal but without expropriation of previous owners (restitution claimants) to avoid perpetuating incentives for illegal land occupation and construction;
- ✓ Consider possibilities for resettling people from informal areas that may not be legalized on the grounds of environmental protection, cultural heritage, or safety;
- ✓ Ensure credible enforcement of existing laws to prevent new illegal land occupation and construction;
- ✓ Accelerate the payment of compensation to expropriated owners (restitution claimants) to ensure credibility of the law, but revisit the legal commitment to pay compensation to expropriated owners (restitution claimants) at current market rates; and

- ✓ Consider a mechanism whereby a greater share of the cost of compensation would originate from beneficiaries of expropriation (such as legalization applicants) or from other non-tax revenues (such as sales of state property).

**A coherent policy solution will need to be matched by a coherent and determined approach to implementation.** The current fragmentation of responsibilities and lack of coordination among agencies is a major constraint to effective policy implementation. To achieve a breakthrough in implementation, however, the Government will need to provide clear leadership and oversight of all related processes at the political level. This could be achieved in several ways, including the following options:

- ✓ Further enhance coordination to ensure that all agencies (IPRO, ALUIZNI, and AKKP) apply the same technical standards and requirements, accept the same documents, use the same or fully compatible cartographic data, and work in as integrated a manner as possible (for example, by giving priority to the processing of documents received by another agency).
- ✓ Further strengthen IPRO capacity and prioritize the completion of systematic first registration, especially in economically significant areas, to improve the accuracy of IPRO records;
- ✓ Consider making a single cabinet member responsible for all agencies involved in property-related issues (IPRO, ALUIZNI, AKKP, and possibly the National Construction and Urban Planning Inspectorate) to strengthen accountability and unity of purpose; indeed, the Government Action Plan adopted in April 2011 envisages such a coordination mechanism under the Ministry of Justice;
- ✓ Consider a merger of key agencies involved in the regulation of immovable property rights (IPRO, ALUIZNI, and AKKP) under a combined mandate to improve coordination and reduce operating costs; and
- ✓ Closely monitor implementation of Law on Urban Planning and benchmark municipalities' performance to ease the compliance burden on households and business, improve transparency, and reduce corruption in the issuance of planning and construction permits.

**A public debate with participation from all stakeholders and political parties will be crucial in building the broad societal and political support needed to ensure policy continuity and long-term security of property rights.** A comprehensive solution to the immovable property rights agenda cannot come from the Government alone. It will need to be based on a broad public debate that would allow all major political parties and stakeholders to express their views on the relevant policy options and trade-offs. It will be important to avoid the capture of such a debate by party-political antagonisms that might detract from consensus-building efforts. A constructive debate can occur if all major stakeholders recognize that the security of immovable property rights is of fundamental national interest, with far-reaching implications for the country's economic development, its EU accession prospects, and the welfare of all Albanians. It will involve broad recognition that postponing the search for a solution and perpetuating the status quo ultimately does not benefit anyone, but leaves society as a whole worse off by eroding property rights and damaging the competitiveness of the national economy. Though increasingly urgent, such a debate has yet to take place.

**The security of immovable property rights is an issue that affects most of Albania's society and a solution will require strong engagement from civil society.** Civil society organizations have a potentially important role to play by promoting public awareness of the benefits of holding clear title to a property and of the risks of further illegal land occupation and construction. The media and civil society need to be active participants in a national debate on different options for reaching a comprehensive policy solution to ensure more secure protection of immovable property rights.

## REFERENCES

1. European Commission. 2010. *Opinion on Albania's Application for Membership of the European Union*. Brussels, November 9.
2. European Commission. 2010. *Albania 2010 Progress Report*. Brussels, November 9.
3. Economist Intelligence Unit. 1993. *Country Report for Albania*.
4. Clarissa de Waal. 2004. "Post-socialist Property Rights and Wrongs in Albania: An Ethnography of Agrarian Change." *Conservation and Society* 2.
5. World Bank. 2006. *Status of Land Reform and Property Markets in Albania*. Tirana.
6. European Parliament, Directorate General External Policies of the European Union. 2008. *Property Restitution in Albania*. Brussels.
7. OSCE. 2003. *Commentary on the Draft Law on Restitution and Compensation of Property*.
8. Report by the EC EURALIUS project. 2010. *Final Assessment Report on the Situation of Property Rights in Albania*. Tirana.
9. Republic of Albania Council of Ministers. 2009. *National Strategy for Development and Integration: Progress Report 2008*. November.
10. Republic of Albania Council of Ministers. 2011. Decision no. 350 of April 29, 2011, *On the Adoption of the Action Plan concerning the Property Rights Issues as Identified in the Memorandum of the Committee of Ministers of the Council of Europe*.
11. World Bank. 2006. *Status of Land Reform and Property Markets in Albania*. World Bank: Tirana:
12. Legal and Institutional Assessment, World Bank Integrated Coastal Zone Management and Clean-up Project.
13. Centre on Housing Rights and Evictions. 2002. *Albania: Resolving the Question of Land and Property Restitution and Compensation*. Report to the World Bank and OSCE.
14. Government of Albania. 2009. *Draft Inter-Sectoral Strategy Reform in the Field of Property Rights*.
15. EBRD-World Bank. 2010. *BEEPS 2008*.
16. Republic of Albania Council of Ministers. 2011. *Action Plan Addressing the Recommendations of the EU Opinion for Albania*. January.