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EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

ALBANIA

EVALUATION REPORT
ON THE REORGANISATION
OF OWNERSHIP INSTITUTIONS
AND REVIEW
OF THE LEGAL FRAMEWORK
OF THE OWNERSHIP FIELD

**Translation provided by the authorities of Albania*



REPUBLIC OF ALBANIA
INTER-INSTITUTIONAL WORKING GROUP



ACCEPTA FACTA

**EVALUATION REPORT ON THE REORGANIZATION OF OWNERSHIP
INSTITUTIONS AND REVIEW OF THE LEGAL FRAMEWORK OF THE
OWNERSHIP FIELD**

Tirana, June 2018

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I. INTRODUCTION

Based on Prime Minister's Order No. 201, dated 21.11.2017, the special working group held the activity "On the reorganization of ownership institutions and review of the legal framework". This working group was headed by the General Director of ALUIZNI and consisted of representatives from the Ministry of Finance and Economy, Ministry of Justice, Ministry of Agriculture and Rural Development, the Prime Minister's Department of Development and Good Governance, ALUIZNI, the Immovable Property Registration Office, the Public Property Inventory and Transfer Agency and the Property Treatment Agency.

In the exercise of its assigned duties, the Working Group fully assessed the situation with the issuance and registration of ownership titles, the legal framework and the functional organization of central institutions operating in the field of property law.

In this framework, eight meetings were held at the General Directorate of ALUIZNI, during which information was collected on the current state of the institutions involved and the respective processes, and the pillars and basic principles on which the reform will be implemented were discussed.

In addition, in line with the tasks, the members of the working group have collaborated on the conceptualization of ideas for structural and substantive reform of the processes themselves. These meetings were attended by most members of the Working Group (with the exception of the representative of the Ministry of Finance and Economy), legal experts were invited, and one of the meetings was held with the participation of World Bank representatives. The latter provided recommendations on how to better align principles and procedures and manage data in a digital environment.

In summary, this group has invested in systematically studying the issues related to immovable property ownership in the Republic of Albania.

Information on the activity of the Working Group and the conclusions of its work are elaborated in the form of this report, which is structured in several chapters where the essentials are:

- **CURRENT SITUATION** - comprising the analysis of the current system of ownership institutions and their statistical results;
- **SYSTEM PROBLEMS** - whether of structural character (institutions), or of subject-matter (content) character;
- **PROPOSALS/RECOMMENDATIONS** - that will underlie the reform of the system.



REPUBLIC OF ALBANIA
THE PRIME MINISTER

ORDER

No. 201, dated 21.11.2017

ON THE ESTABLISHMENT AND FUNCTIONING OF THE SPECIAL WORKING
GROUP FOR THE REORGANIZATION OF OWNERSHIP INSTITUTIONS AND
REVIEW OF THE LEGAL FRAMEWORK

Pursuant to point 3, article 102 of the Constitution, and point 1, article 12, Law no. 9000, dated 30.1.2003, “On the organization and functioning of the Council of Ministers”,

I HEREBY ORDER:

1. Establishment of a special working group for the reorganization of ownership institutions, with the aim of uniting them, and reviewing the legal framework in this regard.
2. The special working group shall be chaired by the Director General of the Agency for the Legalization, Urbanization and Integration of Informal Areas/Buildings and shall consist of the following members:
 - One representative from the Ministry of Finance and Economy;
 - One representative from the Ministry of Justice;
 - One representative from the Ministry of Agriculture and Rural Development;
 - One representative from the Prime Minister’s Development and Good Governance Department;
 - Two representatives from the Agency for the Legalization, Urbanization and Integration of Informal Areas/Buildings;
 - Two representatives from the Immovable Property Registration Office;
 - One representative from the Property Treatment Agency;
 - One representative from the Public Property Inventory and Transfer Agency.
3. Representatives from the Faculties of Economics and Law, according to the cooperation agreements concluded between the Council of Ministers and the Faculties of Economics and Law of the University of Tirana, October 4, 2017 are

invited to cooperate with the special working group consisting in experts with experience in the field.

4. The working group shall be liable to:
 - a) analyze, evaluate the functional and institutional organization and the effectiveness of this organization in providing citizen-centered services, concluding property and registration processes of the ownership and the existing legal framework governing institutions dealing with issues of ownership rights; identify problems and provide technical solutions and proposals for reorganization, which are presented to the Inter-Ministerial Committee on the Reform of the Integrated Land Management System;
 - b) develop proposals for revising the legal framework for the reorganization of institutions dealing with legalization issues, processes, treatment and compensation of property, inventory and transfer of public property, privatization, termination and registration of land tenure acts, real estate registration, etc .;
 - c) study the current organizational, institutional, functional scheme and draft the proposal for the reorganized structure;
 - ç) analyze the need for financial and human resources as well as capacity building in support of the process and make appropriate proposals for the implementation of functional, institutional, structural reorganization and capacity building of these institutions, while drafting the plan for implementation of reform, reorganization of institutions.
5. The special working group shall report periodically on the progress of the work, the problems encountered and the proposals, as per above, to the Inter-Ministerial Committee on the Reform of the Integrated Land Management System.
6. The special working group shall exercise its activity until the completion of the package with the proposed legal, sub-legal and plan changes for the implementation of the institutional and structural reorganization and their transfer to the Inter-Ministerial Committee on the Reform of the Integrated Land Management System.
7. The institutions mentioned in point 2 shall, within 5 (five) days of the entry into force of this order, forward the names of the representatives of the working group to the chairperson.
8. The institutions mentioned in point 2 shall be responsible for the implementation of this order.

This Order shall enter into force immediately.

EDI RAMA

THE PRIME MINISTER
(signature)

II. CURRENT SITUATION

1. Verification of ownership titles on agricultural land and their completion.

Verification of ownership titles on agricultural land (AMTP) consists of a legal control procedure of AMTPs issued under Law No. 7501/1991, “On agricultural land” and other legal acts. This control is realized through mechanisms and institutions specified in Law No. 9948, dated 7.7.2008 “On the review of the legal validity of the creation of ownership titles on agricultural land”, as amended.

Completion of the AMTPs means the completion of procedures for ownership transfer on agricultural land in those cases when the competent authorities under the above-mentioned acts have not performed the determined procedures and have not provided the entities with the relevant documentation.

a. Statistical data.

As of the date of entry into force of Law No. 9948, dated 7.7.2008, “*On the review of the legal validity of the establishment of ownership titles on agricultural land*”, as amended, it results that the Committees have reviewed **15,214 applications** for verification by AMTP. In the framework of these applications, **10,966 administrative responses** have been drafted, and **4,248 administrative decisions** (as of October 2017) have been taken. From administrative decisions, the following result:

- In 870 decisions, it was decided complete repeal of AMTPs.
- In 1,260 decisions, it was decided partial repeal.
- In 401 decisions it was decided to amend the AMTPs.
- In 575 decisions, the AMTPs have been reconfirmed, as issued in accordance with the law.
- In 56 decisions, it was decided review following the decision making of the CCT or the Court.
- In 70 decisions, it was noticed possession of agricultural land, in the ownership of the individual.
- In 915 decisions it was decided non-review, because the requests were outside the scope of activity of Local Committees.

The area of agricultural land dealt by these decisions is about **1651,6 hectares**.

For **2,104 administrative decisions**, lawsuits have been filed in court. Local Committees have followed litigation at all levels of the judicial system and conducted 17.080 court hearings. After reviewing, at all levels of the judicial system, the decisions on the complete or partial repeal of the AMTPs, **586 final court decision** have so far been obtained, covering an area of **222,81 hectares**.

The process of filling in the AMTPs, with reference to information gathered by district and municipality prefects, results in:

2.600 applications for filling AMTPs in the territories of former agricultural enterprises and 3.300 applications for filling AMTPs in the territories of former cooperatives from agricultural families.

Many municipalities have proceeded with the requirements submitted but have not finalized the process until the ownership titles are completed, due to some issues. For this reason, the legal deadline for filling ownership titles was extended until December 31, 2018.

b. Legal basis.

1. Law no. 9948, dated 7.7.2008 “On the legal validity of the creation of ownership titles on agricultural land”, as amended. (Law no. 58/2012 is the most important one).
2. Law No 171/2014 “On the completion of legal procedures for the transfer of agricultural land of former agricultural enterprises owned by beneficiaries”, as amended.
3. DCM no. 1269, dated 17.09.2008 “On the composition, mode of operation and duties and responsibilities of the state structures responsible for the examination of the legal validity of the creation of ownership titles on agricultural land”, as amended.
4. DCM No. 244, dated 19.02.2009 “On the procedures for establishing AMTPs as a result of corrections made by the Local Commission on Ownership Titles”.

5. Decision of Council of Ministers No. 604, dated 05.09.2012 “On the procedures of operation of the technical secretariat at the Government Land Commission (KQT), for the transmission to the KQT of appeals against the decisions of local commissions on the valuation of ownership titles on agricultural land”.
6. DCM No. 605, dated 05.09.2012 “On the notification procedures and the method of payment of the financial obligation in cases of partial invalidity of the AMTPs as a result of non-compliance with the per capita rate of agricultural land”.
7. DCM No. 253, dated 06.03.2013 “On defining the procedures for completing the acts of acquiring agricultural land in ownership by agricultural families in the villages of former agricultural cooperatives”, as amended (Law no. 58/2012).
8. DCM No. 337 dt.22.04.2015 “On defining the procedures for conducting the process of transfer of agricultural land of former agricultural enterprises owned by the beneficiaries”, as amended.
9. DCM No. 994, dated 7.12.2015 “On the procedure of registration of acts of land acquisition in ownership”, as amended.
10. Instruction No.1 dated 13.1.2010 “On the manner of verifying or examining the legal validity of the creation of ownership titles on agricultural lands of the former agricultural enterprises and tourism development priority area”.
11. Instruction no.2, dated 13.1.2010 “On the manner of verifying or examining the legal validity of the creation of ownership titles on agricultural land when individuals or institutions so request”.
12. **KQT** Decision No.1, dated 27.03.2009 “On the approval of the regulation on the organization and functioning of Local Committees”.
13. **KQT** Decision No.2, dated 28.12.2009 “On the approval of the models of decisions taken by the Local Committees”.
14. **KQT** Decision No.1, dated 3.4.2013 Regulation “On the organization and functioning of the Government Land Committee and its Technical Secretariat”.

c. Structural organization.

A. Government Land Committee

It is chaired by the Deputy Prime Minister and is composed of; the Minister of Agriculture, the Minister of Interior, the Minister of Justice, the Minister of Public Affairs.

The Chief Registrar and the Director of the General Directorate of Resource Management and Service Provision in the Ministry of Agriculture regularly attends the meeting of the Government Land Committee. The main functions and tasks of the **KQT** are as follows:

1. Conducts and supervises the activity of the Local Committees for the Evaluation of Ownership Titles (LCs) through:
 - a) decisions taken at the meeting;
 - b) acts prepared by the secretariat of the **KQT**;
 - c) controls exercised in the LC;
 - ç) obtaining information on land allocation from various state structures and citizens;
 - d) reviewing appeals for decisions taken by LCs.
2. Makes decisions on resolving territorial disputes between districts on the boundaries of the cadastral item of the agricultural land.
3. Examines the progress of the verification by the LCs for the implementation of the acts issued during the period of land reform by the Minister of Agriculture, for the transitions or changes of the surface of the agricultural land.
4. Requires, at the meeting or between two meetings, reports and information from the LC leaders on the progress of verifying the implementation of the provisions on the allocation of agricultural land and, at the conclusion of their consideration, issues the relevant decisions.

B. The Technical Secretariat at the Government Land Committee

The Technical Secretariat of the KQT is established as a separate structure in the Ministry of Agriculture, in the service of the KQT, and consists of 5 (five) employees with experience in ownership issues.

Some of the tasks of the Technical Secretariat are:

1. Administers all complaints, requests or information submitted in writing by citizens, institutions or state structures whose activity has the scope of land allocation and the creation of ownership titles on it, registered in the protocol of the Ministry of Agriculture, Food and Consumer Protection.
2. Prepares the meetings of the KQT, in accordance with the agenda, previously approved by the chairperson of this committee, which shall be notified to the members five days before the meeting, general and specific issues for review, and the relevant draft decisions.
3. Maintains the minutes of the KQT meeting, which is signed by the chairperson and secretary of this committee.
4. Presents to the KQT the annual programs submitted by the LCs together with its comments, remarks and proposals.
5. Prepares relevant responses to complaints, requests and information submitted by citizens, institutions or state structures for the implementation of the provisions of Law No.9948, dated 7.7.2008 and the bylaws, pursuant to it.
6. Prepares the acts of the KQT, which shall contain the decision number and the date of its adoption, in duplicate, signed by the chairperson of the KQT and sealed with the seal of the Council of Ministers. One copy shall be kept in the archive of the Council of Ministers and the other copy in the archive of the Ministry of Agriculture.
7. It shall forward all decisions of the KQT to the institutions or individuals, accompanied by supporting documents, signed by the Director of the Technical Secretariat. All these decisions are sealed with the seal of the Ministry of Agriculture and are recorded in the protocol records of this ministry.
8. It shall oversee all the activity of the LCs, between the two meetings of the KQT, through the information received from them and the direct controls exercised on them, in pursuance of the decisions taken by the KQT.

C. Local Committees for the Verification of Ownership Titles

The LC is established near the prefect of each district and is managed by the director of the LC, under the direct authority and subordination of the prefect.

The LC conducts all activity for the examination of the validity of the creation of ownership titles on agricultural land in the jurisdiction of the prefecture,” (Article 7 of Law No. 9948/2008, as amended)

The main tasks of the Local Committee for the verification of ownership titles are:

1. It settles the disputes identified
 - a) for the boundaries of agricultural land, between districts, within the district;
 - b) for the boundaries of agricultural land, between villages (entities), which have been part of the same former agricultural cooperative;
2. It controls the documents and activity performed by the land committees of communes and/or municipalities for the implementation of the legal provisions of land allocation;
3. It requires mayors, DAMTs near the District Council, ZRPPPs and ATPs, documents and information on the activity and actions carried out throughout the land allocation period;
4. Reports periodically to the KQT for the fulfillment of obligations under Law no. 9948/2008, as amended, and its bylaws.

Local Commissions carry out this process through their administrative decision-making, due to:

- Review of the applications or complaints submitted by individuals or institutions whose activity relates to ownership of agricultural land;
- Complete controls over the activity of former land committees, of all levels, in the land allocation process, for former agricultural enterprises and tourism development priority areas, and through
- Cooperation between state structures participating in the process.

The Local Committees for the Evaluation of Ownership Titles, perform the control of the legality of the creation of the titles of ownership through:

1. The complete or partial abolition of AMTPs created in violation of the law and the transfer of these surfaces to state ownership;
2. Amendments to the AMTPs according to the Council of Ministers’ Decision No. 224, dated 19.2.2009 “On the procedures for the establishment of acts of acquisition of agricultural land in ownership,

as a result of corrections performed by the Local Commission on the evaluation of ownership titles “

3. Reconfirmation of AMTPs created in accordance with legal criteria and fulfillment of AMTP shortcomings.

2. Inventorization and transfer of public (state) properties

The institution entrusted with this function performs the legal procedures of recording all properties owned by the Albanian state, and identifying and determining the responsibility for the administration of these properties for specific state institutions. Part of this process is the transfer to the Local Self-Government Units, of state properties that serve the latter for the exercise of their functions. This process is regulated by Law No. 8743, dated 22.02.2001 “On state immovable properties”, as amended and Law No. 8744, dated 22.02.2001 “On the transfer of public immovable properties of the state to local government units”, as amended.

a. *Statistical data.*

During the years 2002-2017 the following were approved by the Council of Ministers:

1. **for 369 local government units** inventory lists of public immovable properties, out of 373 local government units in total.
2. **for 265 local government units** preliminary lists for the transfer of state immovable properties.
3. **for 170 local government units** final lists for the transfer of state immovable properties.
4. inventory lists for **52 Central Institutions**.
5. inventory lists for **2 District Councils**.

In addition, following the Administrative-Territorial Reform, the following actions were taken by the Council of Ministers:

- By DCM No.433, dated 8.6.2016, the transfer of forest areas to LGUs was completed, repealing all transfers made over the years.
- By DCM No. 915, dated 11.11.2015, the transfer of ownership of municipalities, network of rural roads and movable and immovable assets of the road maintenance enterprises of the district councils has been carried out.
- By DCM no. 1108, dated 30.12.2015, the transfer was made to the municipalities of the irrigation and drainage infrastructure and the immovable assets of the regional drainage boards.
- By DCM No. 366, dated 18.5.2016, it was made the transfer of ownership the fire protection and rescue services to municipalities, and some amendments to Decision no. 1691, dated 10.10.2007, of the Council of Ministers, “On the approval of the inventory list of state immovable properties, which are transferred for responsibility to the administration of the Ministry of the Interior, for the prefects in districts and sub-prefectures, for their administration, for the General Directorate of Civil Emergencies (PMNSH directorate)”, as amended.

In total there are about 233,000 state-owned properties, of which 163,100 are properties to be transferred to Local Government Units. Only a negligible amount of these are registered in the IPRO.

b. *Legal basis.*

1. Law no. 8743, dated 22.02.2001 “On immovable properties of the state”, as amended.
2. Law no. 8744, dated 22.02.2001 “On the transfer of public immovable properties of the state to local government units”, as amended.
3. The Council of Ministers Decision No. 500, dated 14.08.2001 “On the inventorization of state immovable Properties and the transfer of properties to local government units”, as amended.

c. *Structural organization.*

1. Inventorization and Public Property Transfer Agency in Tirana, (with local branches), which is the responsible institution that leads the process of inventorization and transfer of public properties

pursuant to DCM no.500, dated 14.08.2001.

2. Local government units.
3. Special units assigned to central institutions.

3. Legalization of illegal constructions

This process consists in lecturing informal constructions set up without the permission of the competent authorities and without complying with the procedures set forth in the legislation on territorial planning. In addition, through the procedure of legalization of construction, ownership is regulated on the state or private land, on which this construction is made. They are dealt with by Law No. 9482, dated 3.4.2006 “On the legalization, urbanization and integration of illegal constructions”, as amended, illegal constructions made during 1991-2014.

a. *Statistical data.*

After the final stage of receiving legalization applications, it became possible to obtain accurate data on the number of informal constructions in the territory of the Republic of Albania. This result was calculated as the difference of the number of applications for legalization, with duplications of applications repeated several times for the same construction without permission.

The total number of illegal constructions involved in the legalization process is about 323,000.

As an important part of legalization procedures, **on-the-spot updating** of the factual situation and **completion of technical-legal documentation has been completed for approximately 312,000 constructions.**

The decision to legalize or not, **has resulted in 137,000 illegal constructions** among which **2,300 have been excluded from legalization procedures** because they do not meet the legal criteria and **134,700 have been legalized.**

The procedures for the regulation of the ownership right over the land, where it was made the illegal construction, have been completed, respectively:

- By approving the transfer of ownership right for 103 431 **construction parcels** occupied by illegal constructions;
- By approving the financial reimbursement for 2947 **properties** (of non-possessing owners) affected by illegal constructions, with a total value of ALL 18.208.705.941.

b. *Legal basis.*

1. Law no. 9482, dated 03.04.2006 “*On the legalization, urbanization and integration of illegal constructions*” as amended.

2. DCM no. 488, dated 22.07.2014 “*On the determination of the favorable price for the sale of the construction parcel for illegal constructions with residential and mixed function of the entities benefiting from the payment forgiveness, as well as the payment methods and terms*” as amended.

3. DCM no. 589, dated 10.09.2014 “*On the procedures of factual identification of the construction situation in the field, and of the time period within which the illegal buildings were constructed*”, as amended.

4. DCM no. 860, dated 10.12.2014 “*On the determination of the manner of collection and administration of income for illegal constructions and the values applicable to legalization*” as amended.

5. DCM no. 280, dated 01.04.2015 “*On the definition of criteria, procedures and documentation applicable to qualify for illegal constructions, lateral and/or elevation extensions, in legal constructions*”, as amended.

6. DCM no. 954, dated 25.11.2015 “*On the determination of the criteria, procedures and the legalization permit form*” as amended.

7. DCM no. 1095, dated 28.12.2015 “*On the determination of the rules of coordination of work between ALUIZNI and IPRCO, and of the procedures or restrictions applicable to the effect of registration of legalized properties*”.

8. DCM No. 465, dated 22.06.2016 “*On the determination of the procedures and rules for the*

transfer of ownership over the construction parcel of informal buildings”.

9. DCM No. 332, dated 12.3.2008 *“On the determination of the general rules for the storage and management of cartographic information obtained by aerial, digital photography of the territory of the Republic of Albania”* (as amended by **DCM No. 688, dated 29.07.2015**).

10. DCM No. 19, dated 11.1.2017 *“On the determination of the rules for the legalization of buildings with construction permits, in which lateral and/or elevation extensions or changes in the function of spaces and in illegal multi-story buildings have been carried out; intended for the transfer of the ownership right or rent “.*

11. DCM No. 439, dated 02.07.2014 *“On the determination of the procedures for the legalization of illegal constructions, lateral or elevation extensions, constructed by the company “Hawai-alb” ltd”, as amended.*

12. DCM No. 828, dated 23.11.2016 *“On the determination of procedures and terms for the transfer of ownership right, free of charge, on land and facilities built for families displaced by the construction of the Bovilla Watersupply” as amended.*

c. Structural organization.

ALUIZNI, is the body competent for legalization procedures, which under Article 4 of the Law “On Legalization ...” is responsible for:

- cooperation and unification of procedures with central state bodies and local government units for the process of legalization, urbanization and integration of areas/settlements/residential blocks with legalized constructions;
- programming of funds from the State Budget for legalization and urbanization of informal territories;
- granting the legalization permit.

ALUIZNI, in accordance with the duties established by law, performs:

- the national information and awareness-raising campaign of citizens, in cooperation with the means of general public information, at national level;
- establishment of a database of illegal constructions and the process of legalization;
- preparation of procedure manuals, instructions and forms.

ALUIZNI has also assumed all the competencies that belong to the local government units, regarding the identification of illegal constructions in the field and updating their construction status.

ALUIZNI is organized into 1 General Directorate and 21 Subordinate Directorates (DCM 289, dated 17.05.2006, as amended).

4. Registration of immovable properties

The object of this process is the registration of all immovable properties lying within the territory of the Republic of Albania, based on acts of acquisition of ownership or the establishment of real rights on them, according to the applications submitted by legal/natural, domestic or foreign persons.

a. Statistical data.

- The process of initial registration of immovable properties started **in 1994**.
- It is estimated that there should be approximately **4.400.481 total properties**.
- Of these, **3.800.945 properties are registered**.
- About **599.536 properties are still unregistered**.
- The process of updating/digitalization of IPRO.
- Of the total number of registered properties about **2.5 million are with problems** and need updating.
- The digitalization process has just begun (with IPRO funding)
- The process of registering AMTPs started in 1994
- Approximately 400-450,000 AMTPs were given in total.

- Of these, ~ **250,000 AMTPs** are registered. (A figure to be taken with reserve as IPRO informs that only 1,715 AMTPs are registered for the 2014-17 period.)
- Transfer of ownership of land for constructions prior to 1991 began in 2012
- It is estimated that there may be ~ 20,000 properties of this type. (A figure to be taken with reserve, as no accurate record is made.)
- 1,270 registered objects.

b. Legal basis.

- 1- Law No. 33, dated 21/03/2012 “On the registration of immovable properties”, as amended.
- 2- CM Instruction No. 2, dated 12/09/2012 “On the determination of the elements of the acts verified by the immovable property registration office and the procedure for issuing the registrar’s order.”
- 3- CM Instruction No.1, dated 13.04.2016 “On the establishment of criteria and procedures for the registration of the construction permit and notarial acts related to development, in the capacity of investor and landowners or buyers/orderers of individual units, of the object at the phase of the shell and core and of the finished object.”
- 4- Decision no.245 of the Council of Ministers, date 30.04.2014 “On the determination of the conditions and procedures for improving and updating the immovable property registry data.”
- 5- Decision No. 745 of the Council of Ministers, dated 24.10.2012 “On the procedures for the registration of immovable properties, for which legal documents of ownership are owned, but which do not specify the surface.”
- 6- Decision No. 608 of the Council of Ministers, dated 05.09.2012 “On the determination of the procedure for the transfer of ownership of immovable properties, built until 10.8.1991, of their functional land, when there are no acts of ownership acquisition, and for their registration.
- 7- Decision No. 375 of the Council of Ministers, dated 06.06.2012 “On the establishment, registration, functioning, administration and interaction and for the security of the immovable property registration system (ALBSReP)” as amended.
- 8- Decision No. 994 of the Council of Ministers, dated 09.12.2015 “On the procedure for registration of land acquisition acts”.
- 9- Decision no. 1095 of the Council of Ministers, dated 28.12.2015, “On the determination of the rules of coordination of work between ALUIZNI and the IPRO and the procedures or restrictions applicable to the effect of registration of legalized properties”
- 10- Joint Instruction No. 4695, dated 31.05.2016 “On the detailed procedures for registration and issuance of the legalized immovable property certificate”
- 11- Regulation No.184, dated 08/04/1999 “On the work of the Immovable Property Registration Offices.”

c. Structural organization.

The Immovable Property Registration Office is a legal, public, non-budgetary entity, subordinate to the Minister of Justice.

The Immovable Property Registration Office consists of the central office and 35 local immovable property registration offices.

The organizational structure and chart of the staff of this office shall be approved by the Prime Minister upon the proposal of the Minister of Justice.

i. Central Immovable Property Registration Office

The governing bodies of the Immovable Property Registration Office are:

- a) Board of Directors;
- b) Chief Registrar.

ii. Central Immovable Property Registration Office

It is organized and conducted by the Registrar, who is appointed and dismissed by the Minister of Justice upon the proposal of the Chief Registrar.

IPROC Administrates:

- a) immovable property registers;

- b) cadastral maps for the immovable property registration area;
- c) court decisions, administrative acts, contracts, acts and other documents drafted by law that have an impact on the legal regime of immovable properties or real rights on them, which, by law, must be registered in the immovable property registers;
- ç) survey plans, indexes of registrations in immovable property registers, and other registers, established or administered during the activity of local immovable property offices;
- d) film and electronic information.

5. Property Treatment (Completion of the property compensation process)

This process is intended to deal with the recognition and compensation of entities whose properties have been expropriated, nationalized or confiscated, by law or sub—legal acts, criminal court decisions, or otherwise unlawfully taken by the communist state from 29.11.1944.

a. Statistical data.

- The process of property compensation (compensation and restitution) started in 1993. Since that year a total of **47.569 claims** have been administered and of these:
 - **26.000 decisions** were made containing the recognition of the right to financial compensation and **15.856 decisions** were financially evaluated. For **2.421 decisions**, the financial evaluation has not been achieved due to: non-determination of cadastral item, cartographic inaccuracies, uncertainty, non-determination of areas subject to pre-emption, or overlapping.
 - For about **9.504 applications** no decisions have been taken yet on the recognition or not of ownership.
 - The remaining part of practices consists of applications for which it was decided the restitution of the property under previous legislation, or the rejection of the application (non-recognition of ownership).
- The transition to ownership of backyards is a process that began in 2008
 - About 1,000-2,000 properties are estimated to be included (a figure with reserve, as it was not calculated)
 - Current situation - 167 decisions taken so far.
 - **The deadline for the financial evaluation** as well as the handling of 9.504 undealt applications expires in **February 2019**.

b. Legal basis.

1. Law No. 133/2015, “On the treatment of property and completion of the property compensation process”
2. DCM No.221, dated 23.3.2016, “On the functioning and organization of the Property Treatment Agency”
3. DCM No. 222, dated 23.03.2016 “On the treatment of applications for the recognition of property and its compensation”
4. DCM No. 233, dated “On the determination of rules and procedures for the evaluation and allocation of the financial and physical property compensation fund”
5. DCM No. 301, dated 21.12.2016 “On the establishment of the Inter-Institutional Committee for the identification of state property that can pass and become part of the land fund for property compensation”
6. DCM no.89, dated 03.02.2016 on “Land Value Map in the Republic of Albania”.
7. Internal Regulation approved by order of the Director General no. 277, dated 10.10.2016.

c. Structural organization.

The Property Treatment Agency (ATP) is a public legal entity, subordinate to the Minister of Justice, based in Tirana. ATP performs these duties and fulfills these responsibilities:

- a) completes within the legal deadline the examination of the applications of the expropriated entities for

the treatment of the property, for which no decision has been made, by checking, evaluating and confirming:

- i) the completeness of the documentation submitted by the expropriated entities and its compliance with the criteria set forth in this law;
- ii) the authenticity of the documentation submitted by the expropriated entities, through the enforcement of legal and sub-legal acts or judicial decisions, in accordance with Article 2 of this Law, which served as the basis for the expropriation, nationalization, confiscation or unlawful acquisition of property by the state.

After reviewing, evaluating and reviewing the applications, as set forth in letter “a”, paragraph 1, of this Article, the Director General of the ATP shall expressly decide within the time limit set forth in Article 33 of this Law,

- the rejection of the application;
 - recognition, as appropriate, of property rights, physical compensation within the boundaries of the recognized property or compensation from land fund or financial compensation of property and other real rights, as defined in this law;
- b) accepts, reviews and evaluates applications for the enjoyment of a recognized right to compensation under this law and its by-laws in force;
 - c) verifies and calculates the financial liabilities incurred by the State for the expropriated subjects or third parties, in accordance with the provisions of this Law;
 - ç) files for registration in the immovable property registers all decisions dealing with property;
 - d) any other duties assigned to it by this law and the bylaws enacted thereunder.

The current organizational structure of this institution is defined by Prime Minister’s Order no. 87, dated 17.05.2016 “On the Approval of the Structure and Organization of the Property Treatment Agency”.

6. Transfer of land ownership to areas of tourism priority development

This process is related to the regulation of property relations in state lands previously leased to private entities (stimulated persons), according to law no. 7665, dated 21.1.1993 “On the development of tourism priority areas” repealed.

Pursuant to Law no. 10186, dated 5.11.2009 “On the regulation of state land ownership in tourism priority areas” as amended, these surfaces are subject to alienation in favor of entities that previously enjoyed rental and development rights (stimulated persons), or those who have entered into legal-civil relations with them (interested subjects).

a. *Statistical data.*

Total number of applications-	3.100
Number of permits issued-	720
Number of practices in process-	1.016
Number of objects within stimulated areas-	743

b. *Legal basis.*

1. Law no. 10186, dated 5.11.2009 «On the regulation of ownership of state land in tourism priority areas» as amended;
2. DCM no. 267, dated 21.4.2010 “On the determination of the rules for the coordination of the work of ALUIZNI with the Immovable Property Registration Office and the Agency for Restitution and Compensation of Property, for the procedures for transfer of ownership right over state land in tourism priority areas”, as amended;
3. DCM no. 310, dated 5.5.2010 “On the method and calculation of the terms of payment for the land price, for the transfer of the ownership right over the state land, in tourism priority areas” as amended;
4. DCM no. 311, dated 5.5.2010 “On the determination of the term, content and manner of public notification of the procedures for the transfer of ownership right over state land in tourism priority areas” as amended;

5. DCM no. 645, dated 22.7.2015 “On the determination of the terms and procedures for the transfer of mandatory co-ownership over free land in tourism priority areas”, as amended.

c. *Structural organization.*

The procedures for transferring land ownership to areas of tourism priority development are implemented by ALUIZNI, pursuant to law no. 10186/2009 as amended. This institution has a special structure, which deals exactly with the applications under this law (ALUIZNI Directorate, Tourist Areas).

The working group, looking at the gaps and fragmentation of statistical information for most of the ownership processes, **undertook an internal initiative to ask for Statistical data from all Institutions on ownership processes.**

After their elaboration, it was achieved for the first time to create an approximate overview of the specific weight of each of these processes.

The relevant chart is given below.

SUMMARY TABLE OF PROCESS WEIGHT

No.	PROCESS:	Started on:	Process Size:	Current situation:
1	Initial registration process of the PW.	1994	~4.400.481 total properties.	3.800.945 registered properties. 599.536 still unregistered.
2	The process of updating / digitalizing IPRO.		3.800.945 million registered properties.	Of these, ~ 2.5 million are with problems and require updating. The process of self-financing digitalization has just begun.
3	The process of handling physical compensation of property	1993	47.569 total practices.	Of these, 26.000 compensation decisions were given, of which 15.856 were assessed. There are also ~ 9,504 applications, for which no decisions have been taken yet.
4	Process for provision with AMTP	1991	~ 450-500.000 families have benefited.	It is thought that there are no more than 20,000 families that have not been provided with the AMTP (under process, based on Article 17/1 of Law no. 9948/2008 and Law no. 171/2014.
5	The process of registering AMTPs	1994	~ 400-450.000 AMTPs given.	~ 250.000 AMTPs are registered. A figure with reserve after IPRO informs that for the period 201417, only 1715 AMTPs have been registered.
6	The AMTPs verification process.	2008	22.695 applications for verification.	4250 decisions made, and 11,000 administrative responses to the applications submitted
7	Transfer Process of L.U. Property	2001	About 163.100 properties to be transferred.	Transfer was carried out for 170 local units. But only a very small part of them have been registered with the IPRO.
8	The process of state property registration.	2001	~ 233.000 state-owned properties. A figure with reserve, as it has never been calculated.	Only a negligible amount of it is registered.
9	The Legalization Process	2005	227.000 legalizable objects.	150.000 legalized objects.
10	Transfer of ownership for backyards in use.	2008	Around 2500 applications have been submitted (estimated to be 3000 -	From these: 1429 decisions were made;

			4000 cases in total).	There are 1084 files to be reviewed and decided upon
11	Transfer of land ownership for constructions before 1991.	2012	~ 20,000 properties. A figure with reserve, as it has not been calculated.	1270 registered objects.

III. ISSUES

1. Verification and completion of ownership titles on agricultural land.

- Uncertainty in the legislation on the division of agricultural land.
- Administrative dependence that does not comply with technical dependency.
- Delays and incorrect information provided by DAMTs, IPROs and Municipalities (Civil Status Registry Offices).
- Lack of information and documentation related to the review of ownership titles and the activity of former agricultural land allocation commissions, which has led to breach of administrative review deadlines or its suspension and termination.
- Excessive number of trials (at first instance and on appeal) delaying the review of applications and decision-making.
- Procrastination in trials, where in no case the courts do not implement the legal obligation to take a decision within 60 days (Article 10, paragraph 3 of Law 9948/2008).
- Issues of the address system, which makes it difficult to find beneficiaries of ownership on agricultural land, illegally (court cases dismissed by courts for failure to notify).
- Lack of cooperation of state institutions for providing documentary, written and cartographic information.
- Lack of knowledge of the law and lack of engagement by local government employees.

2. Inventory and transfer of public (state) properties.

- Failure of the state authorities to identify the properties they manage, as well as the units of local self-government, for the purpose of specifying inventory lists and completing the transfer process.
- Further extension of the process from Phase I to Phase III.
- Failure to register the transferred properties in a timely manner by the IPRO (this necessitates updating/restoring inventory and transfer lists as many actions or transactions may have occurred in the meantime, which have not been reflected in the lists approved by the Council. of Ministers).
- Lack of physical administrative boundaries between local self-government units, which is identified as an important deficiency in the inventory and transfer process.

3. Legalization of illegal constructions

- Malfunctioning of information exchange and inefficiency in co-operating with institutions directly involved in legalization procedures of informal constructions. Specific examples in this regard have been the following:

- a. IPRO for not concluding the process of unification and correction of cartographic information, as well as lack of information on the legal status of properties.
- b. Local government units, in terms of inclusion and integration of informal areas, into general local plans approved.
- c. State authorities such as Hekurudha Sh.A, Institute of Monuments of Culture, Albanian Road Authority etc, for delays in completing the legalization qualification due to lack of information.

4. Treatment of properties.

The problems in this regard are grouped into three categories:

a. Regarding the evaluation of final property compensation decisions and their execution.

- Failure to perform a financial assessment of decisions that have recognized property compensation (tangible problem of the process) and are caused by the following factors:
 - Lack of legal and cartographic data for determining the cadastral voice of the origin of the property
 - The document of property origin proves ownership over some cadastral items but the decision does not specify the areas known for compensation under these cadastral items.

- The ambiguity of the provisions of the decisions of the former KKKPs
 - Failure to specify in the documentation administered in the respective files, the parts of properties where the right of pre-emption extends, as well as overlapping surfaces.
 Regarding the execution of the evaluated decisions, the relatively small number of applications by the entities, compared to the financially evaluated decisions, also comes as a result of the enlargement of the circle of heirs and the inability that all of them be represented by a representative with power of attorney, as most of them may be out of Albania or for various reasons do not express their consent to express their will to a particular representative.
 In addition, many decisions result in relatively small value, which causes the heirs of the expropriated subjects to not complete the required documentation in accordance with the abovementioned DCM for the benefit of their assigned value. The current state of funds for compensation of former owners makes it impossible to execute the financial value of the 742 applications administered by the ATP.

b. Concerning the recognition of the right to compensation.

- Inability of subjects to obtain cadastral and mortgage certifications at the relevant authorities due to loss/lack of archive documentation of IPROs or Cadastral Offices.
- Lack of information on the legal status of the claimed property as well as the failure to complete the cartographic documentation by citizens due to the fact that the updating process for the initial registration of properties has not been completed.
- Inaccuracies and omissions of form elements in cartographic excerpts, or in IPRO mortgage documentation.
- Inadequacy/inaccuracy of the information contained in certifications regarding the benefit of Law no. 7501 “On land”, issued by the IPRO or DAMT. These institutions do not provide the necessary information, especially as to the location of the property acquired which will serve us in enforcing Law 133/2015 in relation to deduction of value acquired.
- Inability of subjects to provide legal documentation that is valid to substantiate a claim for recognition of ownership (often subjects file legal documentation of the years 1947 or 1950-1952, which pertains to the post-agrarian reform period).
- Inability to provide complete information to all co-owners (in the case of co-ownership).

c. Regarding the transfer of ownership of the yards in use.

- The process is left in the middle by interested entities due to refusal to pay the fee for ownership of the yard in use. This is due to the fact that the tariffs are not differentiated by cities but they are the same.
- The yards in use, in many cases, are on the inventory lists transferred to the ownership/administration of local units, although they are actually enjoyed by the requesting entity.
- Failure by the IPRO to provide subjects (entities) with certificates of ownership.

5. Registration of immovable properties.

General technical problems;

- Lack of cadastral maps for the whole territory of the Republic of Albania (even the indicative maps for various reasons are missing, eg: never done, damaged etc.).
- Non-compliance by state institutions that issue ownership titles of the National Coordination System (KRRGJSH).
- The physical condition of the indicative maps in most of the cadastral zones of the villages.
 - Non-storage and non-updating of digital cartographic information.
- **For the registration of AMTPs,**
 - Not all agricultural areas have been distributed to the beneficiaries
 - The given acts have deficiencies of form and content to the extent of 50%, deficiencies of the cartographic elements (80% of the acts) and have an undefined geographical position.

- There are overlaps of AMTPs (2 owners over the same agricultural parcel).
 - The acts are in some cases duplicated (the same owner for the same surface is provided with 2 AMTPs).
- AMTPs are corrected.
- The part of the land given in the act was not reflected, as the law provided only agricultural land.
- There are acts that have spread very small surfaces that are technically meaningless to be reflected. (There must be a limit)
 - AMTPs issued not for agricultural lands but for territories within residential centers (yellow lines), or for other types of property (sandbanks, rocks, etc.).
 - With unlawful acts, the financial circulation of property has continued.
- With unlawful acts, the financial circulation of property continued.
- AMTPs issued not to residents of the village, but to residents of another village.
 - There are cases of discrepancies between the given acts (total area given), with all the plots in the inventory (80%).
- **For the registration of buildings built before 1991, with lack of documentation,**
 - Legal documentation proving ownership is missing.
 - The object exists only on archive maps which are not always complete (legally the map should be in the administration of the institution, but it is not found for various reasons, archive burned, lost, improperly maintained etc.)
 - 200-300 year old objects for which there is neither legal documentation proving ownership nor technical (cartographic) identification.
 - The boundary of the land or the yard of objects in many cases cannot be identified.
- **For the registration of property restitution/compensation decisions,**
 - The decisions have technical (cartographic) deficiencies, discrepancies between the surface of the document and the map, inaccuracies in the division of parts.
 - The decisions of the committees are not always forwarded for registration and in cases where they are forwarded they are not original.
 - Decisions have been made and continue to be made not on the basis of a digital map and this makes it impossible to position the property.
 - There are decisions overlapping the rights of two or more individuals.
- **For the registration of new buildings with lack of documentation,**
 - A significant number of new unregistered buildings, due to lack of documentation (due to the recent changes in planning legislation) necessary for registration.
- **For the registration of state lands under the administration or ownership of various institutions (Ministries, Municipalities, etc.),**
 - There is a large contingent of properties that have never been forwarded for DCM transfer, ownership or administration.
 - Ownership or administration transfer decisions initiated by AIETP are unaccompanied by graphical information on property positioning (at an extent of 80%, there are no maps available).
 - The institutions that have taken over or administered these properties have not reflected in the immovable property registers the transactions they have performed with third parties, or even when they have recorded the transaction, it has not been associated with the property positioning map.
 - The decisions adopted create for the same property, overlapping of rights (ownership/use) between two or more state institutions.
 - Decision-making by different institutions for the same property creates overlapping.

- **For the registration of privatized properties** (National Housing Authority and Privatization Directorate of the Ministry of Finance).
 - Lack of documentation submitted for registration by the National Housing Authority.
 - Contracts forwarded for registration by the National Housing Authority often lack form and content elements.
 - Decision-making by different institutions for the same property creates overlapping.

- **For the registration of legalization permits.**
 - Technical problems in registering legalization permits because ALUIZNI operates with the National Coordination System (KRRGJSH) system while the IPROs do not. For this reason, the permit registration procedure should be digitally performed to avoid inaccuracies in the index or cadastral map.
 - Contracts forwarded for registration by the National Housing Authority often lack form and content elements.
 - The high number of legalization permits, for which registration was applied late by the subjects and due to fines, the procedure was not concluded.

- **For the initial registration of cadastral zones.**
 - Failure to register the remaining cadastral zones makes it almost impossible to reflect property transactions, obstructs the free market and creates opportunities for ongoing cartographic inaccuracies.
 - Some cadastral zones were technically completed before 2006 but have not been legalized (no public posting or data entry in the register).

- **For the process of upgrading the cadastral zones.**
 - The information recorded for many cadastral zones is not in digital format and this makes updating impossible (even in areas where the information is in digital format, documentation is lacking).
 - There is no clear protocol on how to avoid the problems encountered during the implementation of the upgrade-updating procedures.
 - The upgrade-updating process was not carried out by expert legal groups and cartographers making the product not meet the legal and technical criteria together.
 - Information technology systems that support the upgrade-updating process are not in compliance with the legal standards adopted.

The effort to unify cartography.

Due to the problems highlighted in the IPRO cartographic system, a paradoxical situation has arisen where cartography owned by IPRO is generally inaccurate but has legal value; while on the other hand, the mapping (cartography) built by ALUIZNI is generally accurate but has no legal value.

This is all the more evident during the registration process of Legalization Permits in the IPRO, in connection with the positioning of the legalized object on the map of the registration office, due to the inconsistency of the alignment plan of the legalization permit with the HTR and the IPRLO, which is the legal cartographic document in force.

In these conditions, the Government, with the aim of improving and unifying this cartography, approved **DCM no. 688, dated 29.07.2015** "On some addenda and amendments to Council of Ministers Decision No. 332, dated 12.3.2008, 'On the determination of the general rules for the storage and administration of cartographic information obtained by aerial, digital photography of the territory of the Republic of Albania'".

Based on this DCM, it was decided that **ALUIZNI, in function of the immovable property registration system, should make available to IPRO the updated vector map with informal constructions, according to the immovable property registration zones (cadastral block).**

The updated vector map made available to the IPRO is in electronic format. Within 15 (fifteen) days from the date of administration of the vector map, the IPRO shall inform ALUIZNI of the legal status of the assets in the respective cadastral block.

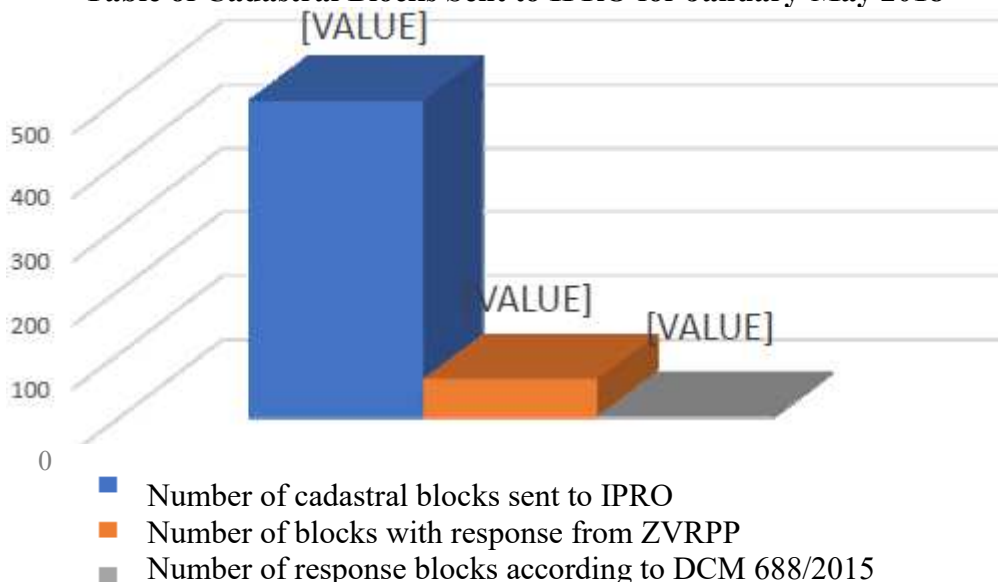
For cadastral areas not subject to initial registration, ALUIZNI, upon receipt of information from the IPRO, conducts public notice procedures for 30 (thirty) days at a suitable place for public consultation. Within 60 days from the date of administration of the vector map, the IPRO shall, as appropriate, complete the process of correcting or upgrading/updating the cadastral cards and maps in accordance with the provisions of Law no. 33/2012, "On the registration of immovable properties". From the date of entry into force of DCM 688 dated 29.07.2015, the registration and immovable property transactions by the IPRO shall be carried out only in digital format, through the electronic system (Albsrep).

Progressive Table of Cadastral Blocks sent to IPRO for JAN-MAY 2018

MONTH	JANUARY-MAY 2018			Ratio of response blocks according to DCM in%
	Cadastral blocks sent to IPRLO	Blocks with response from IPRLO	Response blocks according to DCM 688/2015	
JANUARY	50	4	0	0%
FEBRUARY	50	4	0	0%
MARCH	157	21	3	2%
APRIL	94	19	0	0%
MAY	147	13	0	0%
JANUARY-MAY	498	61	3	0,6%

As found, the number of cadastral blocks with response according to DCM 688/2015 is very low, only 0.6% of the total number of cadastral blocks sent to the respective IPRO during the period January-May 2018. **Only 3 blocks cadastrals have received replies** according to DCM 688/2015, which belong to the Elbasan IPRO.

Table of Cadastral Blocks Sent to IPRO for January-May 2018



According to the information provided by the ALUIZNI Regional Directorates, **most of the IPRO offices have not continued their work with the cadastral block method.**

In most cases, the replies received by IPROs regarding cadastral blocks are not within 15 days and are not in digital format.

In addition, in cases where the IPRO proceeds with the posting of the block, ALUIZNI Directorates are not notified after the 45 day posting deadline has expired.

IV. RECOMMENDATIONS

Given the failures and defaults in the activities of all institutions involved in the processes related to immovable properties, as well as the problems underlying them, the Working Group presents the following recommendations/proposals for consolidating and guaranteeing ownership relations on immovable properties. These proposals extend to the structural/institutional, or substantive, legal organization plan.

1. On the organizational form of the institution

The ineffectiveness, lack of co-operation, fragmentation, overlapping of competencies, and lack of standardization of decision-making on processes related to ownership rights, among existing structures that exercise permanent or temporary functions, lead to the need to **unify all of this state apparatus, composed of different institutions, in a single body - the State Cadastre Agency.**

This structure is proposed **to be subordinate to the Prime Minister**, as part of its political commitment and program, and because of the importance that the property rights reform presents to Albanian society and state. The new form of organization requires the relevant changes **to the provisions of the Civil Code**, which relate to the authority that administers the immovable property register. The internal organization of the ASHK (SCA – State Cadastre Agency) will consist of a series of units/departments that will handle the administrative processes currently followed by individual agencies/bodies.

This agency will exercise competences in all areas where the institutions mentioned in the preceding chapters of this report currently operate. So, in essence, it is proposed to move from a decentralized system (in terms of competencies) to a centralized one.

This structural reform **guarantees better coordination between individual processes, which is characteristic of centralized systems.**

In this form of organization, **a fundamental problem is solved, one in which state-owned bodies issuing ownership titles compete in treating the same property with separate procedures, with different entities, and without co-ordinating information.** This has led to the regeneration of ownership conflicts and the initiation of administrative verification and subsequent court procedures, as well as to the blocking of cadastral data verification.

Furthermore, because of this reorganization, the problems of lack of information or lack of information flow and lack of institutional co-operation will cease to exist on their own. All structures will administer and use the same legal information on cadastral, cartographic or legal data. In this context, in order to ensure that productivity is not compromised in the achievement of the objectives, which may be assumed to be due to the condensation/contraction of the current apparatus, this structural proposal will need to be accompanied by a series of substantive reforms related to the content of ownership processes and procedures for their completion.

2. For the substantive part, the legal one

The general lines and principles that should guide and where the reform should be based are the following:

a. Deburocratization, which means that the current legal mechanism will eliminate any unnecessary link that poses a burden to both the interested subjects and the state structure itself;

b. Systematic treatment, which means that different property-related processes (legalization, updating, property treatment, AMTP registration, state property inventory) will be developed and implemented simultaneously and systematically rather than irregularly;

c. Proactivity, which is based on the idea that the state, on property-related matters, should take on the role of the regulator effectively rather than the mere observer of the problem.

d. The fact legalization which constitutes the spirit that should guide the interim processes related to the legalization of illegal constructions, the legalization and registration of AMTPs, as well as upgrading and updating. This is the line to follow in order to stabilize ownership relations at the general level. Achieving this goal necessarily requires a solution by law, removing the uncertainty that has characterized immovable property over these 25 years;

- e. **Unification of the cartographic basis** of the functioning of all processes related to immovable properties, which constitutes one of the basic conditions to enable the realization of the reform;
- f. **Deregulation**, which means shortening the procedures and documentation that accompany the administrative process, easing the bureaucratic burden on stakeholders (owners/possessors of immovable properties);
- g. **Digitalization** of the immovable property registration system, as well as all other transitory administrative processes related to immovable property ownership. The materialization of this principle is another precondition for the success of the reform.

As to the substantive content of the processes, and the legal structure, the following is proposed:

- **Verification, issuance and registration of Land Acquisition Acts.**
 This process must be guided by the spirit of **fact legalization** to resolve the unclearities and uncertainties created by the massive non-implementation of Law No. 7501, dated 19.07.1991 “On Land” and (or its irregular application). and carried forward across the years of inaction by the state, overlapping certain processes or the application of ineffective legal instruments.
 The verification of ownership titles on agricultural land should **only be narrowed to the control of the essential aspects** of land allocation, which relate to the basic legitimacy of the AMTP beneficiary. This process should no longer exist, neither in the extent nor in the form it has had to date. This is because, in principle, the initiative to administratively reverify all the elements of agricultural land allocation (i.e. control underlying all agricultural land titles granted in the territory of the Republic) is an **unrealistic** undertaking. The low effectiveness of the local Committees for the evaluation of titles is the most tangible argument and evidence for the conclusion at hand. If we were to compare the cost of maintaining the special structure/administration during these 10 years with the results achieved in the process of legality review, **the balance would be totally unjustified.**
 Completion with Land Acquisition Acts should be limited to the transfer in ownership of land acquired with use titles of former agricultural enterprises. Procedurally this will be done through a systematic procedure, at the territorial level (village/municipality/district), led by the ASHK and finalized by decision of the Council of Ministers.
- **Inventory and transfer of state properties.**
 This process prolonged over time will be based on the revision and updating of the properties evidenced to date as state ones, for which inventory was previously not considered **even in the actual state of the properties** (inventories were compiled solely on the basis of inherited documentation, without carrying out on-the-spot verification of the properties), **nor the legal status of ownership**, which has changed from the activity of a number of bodies, which have for years granted private ownership titles over these properties. The process of inventorying state-owned properties should be subject to review.
 This process must be accompanied by **a mapping (cartographic reflection) of these properties** (which has been a fundamental deficiency of this process) and mandatory registration in the public register of immovable properties. A clear set of rules of procedure, concrete obligations and well-thought-out deadlines should be set for this purpose.
- **Legalization of informal buildings and buildings without ownership titles.**
 On the completion of this process, innovations are proposed related to the further shortening of procedures (transfer of ownership over the land will be a procedure identical to that of legalization), which are essentially guided by the principle of deregulation. In addition, the treatment of informal constructions that are in special conditions, (constructions on l.u. properties, renorms in cases of suspension of administrative procedure, etc.) by appropriate procedural rules, is another proposal that has to do with the legalization of informal constructions.
 The most important proposal regarding the legalization of informal buildings relates to the treatment by local self-government units of housing that may not be legalized. This category of facilities should be treated in accordance with the criteria set out in the approved territorial adjustment plans as well as through social housing programs. This is a necessary initiative, especially given the size of the community of residents living in these conditions. So, this proposal is the materialization of the spirit of social support, which is one of the most important aspects of the legalization process.
 Finally, in order to speed up the legalization process, it is proposed to introduce an accelerated

procedure service, in exchange for an additional fee, for those entities that are interested in this service.

➤ **Regulation of ownership in “stimulated areas”.**

For the transfer of ownership of land occupied by construction in the stimulated areas, coercive mechanisms should be provided for the purpose of completing this process and ultimately resolving the problem of non-compliance of ownership relations in these territories (buildings owned by private entities, on land owned by the state).

➤ **Immovable property registration and data upgrading-updating.**

This process should tend to be completed within the nearest possible time of systematic registration of untreated areas so far. Problems of material inaccuracies/errors in ownership titles, which have prevented their registration to date, will be dealt with by the ASHK through a special legal regulation that will give this authority the power to correct the inaccuracies in question.

Along with the completion of the initial registration, it is also important to upgrade-update the immovable property registry for all those territories where registration has been associated with errors/inaccuracies/irregularities, whether of cartographic character (positioning and configuration of the property), whether of a legal character. This adjustment process will be carried out with the purpose of matching the cadastral map and register with the factual and legal status of the properties. Furthermore, the upgrade-updating will extend to two levels:

- 1) correction of the cadastral map/register, in cases when the problem originates in the registration procedure;
- 2) correction of inaccuracies/errors in the ownership titles themselves, when the issues are related to these titles themselves, which do not reflect the actual status of the property (will be realized through the same mechanism described above).

Another proposal relates to the compulsory systematization and inventORIZATION of information on unregistered titles, which arises out of the negative experience of IPRO work so far. Specifically, within the meaning of Article 38, paragraph 3, of Law No. 33/2012, despite the fact that courts, administrative bodies and notaries follow the documentation of titles created within 30 days at the IPRO, the latter does not take any measures to identify and systematize the data for these titles, until the submission of the application for registration by the person concerned (the beneficiary of the rights under the created title). Such omission completely extinguishes the value of the document being forwarded by the above bodies (courts, administrative bodies, etc.). For this reason, a more detailed assessment of this aspect is needed, specifically providing the obligation of local offices to set up a database of those titles of which it is aware, although not yet registered (because no official application has been registered by the interested party). This would allow a complete systematization of information on immovable properties, as well as avoid a number of problems encountered to date (such as overlaps, lack of information, etc.).

From the technical point of view it is proposed that both the registration and upgrade-updating processes be accomplished by more practical means than those used to date, such as: the product of aerial photography, to enable speed of their completion. In addition, all these processes, as mentioned above in the reform principles, will be subject to digitalisation of the infrastructure, enabling all administrative registration operations, along with the services provided to interested parties, to be carried out in a digital way.

➤ **Treatment of property through recognition and compensation.**

Given the recommendations of the European Court of Human Rights and the fact that this process has undergone a radical change through Law no. 33/2012, the provisions of the latter will not be affected as regards its main aspects/issues. It is proposed to amend only some provisions dealing with secondary procedural aspects as well as structural organization. Specifically, ATP will now be transformed into a special status unit/directorate, depending on the ASHK, for the purpose of unifying, standardizing and coordinating the property compensation process with other immovably property related processes. Other aspects of ATP’s internal organization and decision-making will remain at approximately the same conditions as in the current situation.

➤ **Continuation of discussions.**

Both the above report and the following draft laws are the fruit of discussions not only within the

working group but also with external factors and specialists.

Their remarks and suggestions, when deemed valid, are included in this report. However, issues remain where the working group still has different points of view, which may be discussed below.

In continuation, the draft laws, in particular, will be subjected to a discussion with stakeholders and especially at the local level, through the foreseen round tables in at least 4-5 regions, to culminate in September with a roundtable in Tirana.

After that, the drafts will be ready for approval by the Government and then by the Assembly.

V. ACTION PLAN

The period until the end of 2017 was used for discussion and approval of the Platform in principle. The year 2018 will be spent in the process of merging and integrating institutions as well as in the systemization of institutions in the field, division, merger of offices, opening of new offices, etc. The first half of 2019 will begin with the operation of mass public service to bring tangible and fresh reform results ahead of the 2019 local elections. Since we are dealing with institutions and services that cannot completely disrupt service to citizens and public institutions, we will take into consideration that during the period until the end of 2018, these functions will be reduced to only those necessary. Please find below the Reform Implementation Matrix.

VI. DRAFT-LAW PACKAGE

The proposed new legal framework for operation in the field of Ownership Titles provides a summary of the current laws into 2 framework laws.

1. LAW ON CADASTRE (REGISTRATION OF OWNERSHIP TITLES IN THE REPUBLIC OF ALBANIA)

Contains:

- Procedures for registration of immovable properties in the Republic of Albania.
- Creation, organization and functions of the State Cadastre Agency.

2. LAW ON TREATMENT AND CONCLUSION OF TRANSITIONAL PROPERTY PROCEDURES (Title, subject of discussion)

Contains procedures for handling transitional ownership processes:

- Issuance of legalization permit;
- Issuance of AMTP for agricultural land of former agricultural enterprises;
- Reviewing the legal validity of AMTPs;
- Registration of AMTPs;
- Transfer of ownership over state land to tourism priority areas;
- Transfer of ownership of yards in use;
- Transfer of ownership and registration of immovable properties constructed - 10.8.1991 and functional land;
- Inventory and transfer to Nj.V.V.s of public, state-owned immovable properties;
- Sale of state-owned properties approved for privatization;
- Decision on recognition/compensation of property.

The first version of the two draft laws has been consulted in the Working Group and **only a fraction of members and representatives** has provided input, suggestions and corrections,. For this reason, both draft laws have room for further substantial improvements in order to better embody the principles listed in the "Recommendations" heading.

In parallel with these two draft acts, for saving time, the preparation of the package of bylaws, DCMs, regulations, etc., which will be an indispensable part of the functioning of the laws, has begun.