
ALBANIA SERIES

September 1997

Albanian Land Market Action Plan: Purposes, Achievements, Lessons

Ahmet Jazoj, J. David Stanfield, Teresa Barry



Land Tenure Center

AN INSTITUTE FOR
RESEARCH AND EDUCATION
ON SOCIAL STRUCTURE,
RURAL INSTITUTIONS,
RESOURCE USE,
AND DEVELOPMENT

UNIVERSITY OF WISCONSIN —
MADISON

**ALBANIAN
LAND MARKET ACTION PLAN:
PURPOSES, ACHIEVEMENTS, LESSONS**

by

Ahmet Jazoj, J. David Stanfield, and Teresa Barry

WORKING PAPER, NO. 1

ALBANIA SERIES

**Land Tenure Center
University of Wisconsin–Madison**

September 1997

This paper is an output of the Land Market Action Plan in Albania, implemented by the Project Management Unit of the Immovable Property Registration System and the Coordinative Working Group (Tirana, Albania), with support from the Government of Albania; from the Land Tenure Center, University of Wisconsin–Madison (financed by the U.S. Agency for International Development, contract no. EUR-0049-A-00-4031-00); from the European Union’s PHARE; and from the Terra Institute (financed by the World Bank’s Agricultural Sector Adjustment Credit project with the Albania Ministry of Agriculture and Food).

Prepared for

**PROJECT MANAGEMENT UNIT, IMMOVABLE PROPERTY REGISTRATION SYSTEM,
TIRANA, ALBANIA**

by

LAND TENURE CENTER, UNIVERSITY OF WISCONSIN–MADISON, USA

in

MARCH 1996

All views, interpretations, recommendations, and conclusions expressed in this paper are those of the authors and not necessarily those of the supporting or cooperating institutions.

Copyright © 1997 by Ahmet Jazoj, J. David Stanfield, and Teresa Barry. All rights reserved.

Readers may make verbatim copies of this document for noncommercial purposes by any means, provided that this copyright notice appears on all such copies.

CONTENTS

	<u>Page</u>
ALBANIAN	1
LAND MARKET ACTION PLAN:	1
PURPOSES, ACHIEVEMENTS, LESSONS	1
CONTENTS	iii
ALBANIAN LAND MARKET ACTION PLAN:	1
PURPOSES, ACHIEVEMENTS, LESSONS	1
1. Background	1
2. Introduction to Albania	2
3. Albanian land market strategy	6
4. Land Market Action Plan: Objectives,	7
achievements to date, problems	7
4.1 Objective 1: Create Immovable Property Registration System	11
4.2 Objective 2: Develop options for land market policies and institutions	22 22
5. Mobilization of resources, 1994–1998	24
6. Management	25
6.1 Coordinative Working Group (CWG)	25
6.2 Project Management Unit (PMU)	27
6.3 International Computer Company	27
6.4 PMU bank account	28
6.5 PMU procedures for disbursement of funds	28
6.6 PMU reconciliation system	29
6.7 PMU audit reviews	30
6.8 Annual evaluation seminar	30
7. Contributions of University of Wisconsin	31
8. New regional center?	32

ALBANIAN LAND MARKET ACTION PLAN: PURPOSES, ACHIEVEMENTS, LESSONS

by

Ahmet Jazoj,

General Manager, Project Management Unit, Albanian Land Market Action Plan

David Stanfield

Land Tenure Center, Advisor, Land Market Action Plan

Teresa Barry

Land Tenure Center, Management Advisor

1. BACKGROUND

The transition in Eastern Europe and the Commonwealth of Independent States (CIS) from command to market-oriented economies requires new land market institutions and policies. While the stage of the transition as well as the nature of the command institutions is different in each country, there appear to be common elements, at least across the formerly socialist countries where state ownership of the land and of constructions attached to the land was predominant before the beginning of economic change during the late 1980s and early 1990s.

One of the first challenges facing countries of Eastern Europe and the CIS in the transition process is how to define the nature and extent of privatization of rights to land and other real property.¹ Each country is engaged in its own debate about how quickly and to what extent to transfer landownership rights from the state to private individuals, families, and companies. Some choose to move more radically while others decide to proceed more slowly, with limitations on the rights of the new owners to buy and sell land.

Yet, with all of these variations and hesitations, privatization programs are moving forward and contain within them provisions to allow the new landowners to transfer their holdings to others and to permit nonproperty holders to acquire them, that is, the basic provisions for market transactions. Such provisions are necessary if the role of assigning people to land is to be assumed by market transactions rather than being directed by centralized administrative procedures of the state.

Once privatization of land has moved far enough to permit and stimulate demand for market transactions, the question arises: How can these transition countries establish dynamic land markets,

¹ In this paper the term “land” refers to the surface of the earth as well as the constructions attached permanently to that surface. The terminology in various countries with differing legal traditions is “immovable property,” “real property,” or “real estate.”

that is, a growing volume of transactions, but which also “work properly”? This question presumes that simple market dynamism is not an end in itself, but that there are other important characteristics of land markets. In the discussion of a market-oriented economy in Albania, the question was how to create the land market component of the transition following privatization of land. Four market characteristics were identified as goals: (1) the land market should be dynamic, that is, there should be numerous transactions; (2) acquisition of land through these transactions should be by people who make productive investments; (3) all sectors of the population should participate in the market as buyers and sellers of land rights; and (4) people’s investments in land through these market transactions should result in sustainable uses of land so as to assure the environmental rights of future generations.

Concerning the transition in the ownership and management of real property and the resultant efforts to create new land market institutions, the experience of Albania is instructive. Albania shares some of the history of its Eastern European neighbors since its experiments in the command economy began relatively recently, that is, following World War II. Albania also shares experience with CIS countries since many of its postwar institutions were patterned on the recommendations of the Soviet Union; it pushed the socialization of the economy to the point of practically eliminating private property in land and other immovable property by 1975.

Of course, there are many unique features of the Albanian situation, such as its small size, its relatively homogeneous ethnic composition, its relative poverty, and its lack of integration into the former socialist block. Nonetheless, the land market development strategy being followed in Albania, and its successes and failures, can be instructive to countries embarking on similar transition paths.

2. INTRODUCTION TO ALBANIA

Albania has a population of 3.2 million persons, a total land area of 28,000 square kilometers, and an agricultural land area of approximately 7,000 square kilometers (see Figure 1). Between 1950 and 1990, the cultivable land area almost doubled through various programs of land reclamation (see Figure 2). The country is divided into 36 administrative districts as shown in Figure 3.

By the mid-1970s, all of the agricultural land and most of the land and buildings in urban areas had been made the property of the state. Since 1991, however, the country has embarked on an ambitious program of creating a market-oriented economy based on private ownership of the means of production, which has meant the almost total privatization of agricultural land as well as most housing units and many commercial establishments. It is estimated that this strategy has already resulted in the creation of 3 million landed properties through 9 different privatization programs, the major ones being the distribution of ex-cooperative and ex-state farm agricultural land among 420,000 families, and the sale of approximately 200,000 state owned apartments to their occupants.

FIGURE 1 Geographic and administrative data, Republic of Albania

➔	POPULATION	3.2 million inhabitants
➔	AREA	28.7 thousand km²
OUT OF THIS:		
➔	agricultural land	7.0 thousand km²
➔	forestland	10.5 thousand km²
➔	pastureland	4.2 thousand km²
➔	nonagricultural land	7.0 thousand km²
<i>agricultural land includes:</i>		<i>fields, orchards, vineyards, olive groves</i>
<i>nonagricultural land includes:</i>		<i>urban land, swamps, roads, canals, sand, rocks, etc.</i>
➔	12	PREFECTURES
➔	36	DISTRICTS
➔	314	COMMUNES
➔	43	MUNICIPALITIES
➔	2,979	CADASTRAL ZONES

FIGURE 2. Land resources of Albania (000 ha)

	1950		1970		1991	
	Area	%	Area	%	Area	%
Total area	2,875	100.0	2,875	100.0	2,875	100.0
Agricultural area	1,207	42.0			1,126	39.0
Cultivable area	391	14.0	599	21.0	702	24.0
♦ Arable	374	13.0	529	18.0	578	20.0
♦ Orchards	3	0.1	30	1.0	60	2.0
♦ Olive groves	11	0.4	36	1.2	45	1.6
♦ Vineyards	3	0.1	12	0.4	19	0.7
Pasture	816	28.0			420	15.0
♦ Winter pasture					288	10.0
♦ Summer pasture					122	4.2
♦ Improved pasture					10	0.3
Forest	1,282	45.0			1,051	36.0
♦ "High" forest					479	17.0
♦ "Low" forest (protected forest)					303	11.0
♦ Shrub forest					133	5.0
Shrub forest					256	8.0
Others	386	13.0			698	25.0
♦ Lakes						
♦ Rivers						
♦ Rock outcrops and badlands						
♦ Infrastructure						

FIGURE 3 Administrative map of Albania (districts)



The legal and social problems of creating a private property-based economy have been immense. The rights and responsibilities of the new owners are often not definite, and the rules of market transactions and the use of the new properties are not clearly established. The “urge to privatize” as the politically acceptable way to solve the problems of management of land resources has meant the abandonment of the old structures for public administration of land resources and a search for new, more limited roles for public agencies. This attack on the “public interest” is a necessary part of the transition. At the same time, the most extreme view—that only through complete privatization of land will the benefits of the market economy be generated—has left little room for discussion of the proper role of public agencies in land administration. Into this hiatus has crept the view that government is the opportunity for personal enrichment, though the breakdown of law and public order and the environmental collapse have not been as extreme as in other transition countries.

There is a natural uncertainty in the minds of the population about what the absence of old laws and the multitude of new laws mean for their immediate survival and over the longer term for their market transactions. This uncertainty in reference to property rights along with the lack of an institutional framework to protect and define the meaning of ownership as well as other rights to land has created the clear need for a program of postprivatization stabilization. Such a program involves clarification of the laws and better specification of the rights and responsibilities of new landowners and users and, particularly, the roles of government in the emerging markets in land.

3. ALBANIAN LAND MARKET STRATEGY

In the early stages of the transition, the extent of the effort and the inherent complexity of re-defining property rights on such a scale were obvious. A comprehensive system for the registration of rights to land was necessary to provide security to the new landowners (encouraging productive investments) and to those who would engage in market transactions (assuring land market dynamism). At the same time, a comprehensive and well-functioning registration system was not sufficient, because neither widespread access to land markets nor assurance of sustainable use was automatic.

Faced with the challenge of creating land market institutions, in 1992 the Government of Albania decided to develop an overall strategy for land market institutional development. The basic components of that strategy are as follows:

Goal: Assist in the creation of institutions and policies for dynamic immovable property markets, which are socially and environmentally sustainable.

Intergovernmental coordination: Donor agencies and government decided, in November 1992, to ask the U.S. Agency for International Development (USAID) to take the lead on the land question. USAID, the European Economic Commission (EEC), and the World Bank at that time all included land market activities in their country plans.

USAID/LTC cooperation: USAID asked the Land Tenure Center (LTC) of the University of Wisconsin to help the government in preparing the Land Market Action Plan of 1993, and then to manage the assistance provided to that plan by USAID.

Government initiatives: The multi-ministry Coordinative Working Group was appointed to coordinate the Action Plan's design and implementation; approval of the Action Plan was voted by the Council of Ministers in November 1993. The Project Management Unit (PMU) was created as an autonomous economic entity in early 1994, with power to contract and be contracted and to manage all financial resources provided in support of the Land Market Action Plan. The overall institutional structure behind the Action Plan is shown in Figure 4, involving five ministries and numerous agencies that have participated in the privatization programs as well as in the management of land information in the past.

4. LAND MARKET ACTION PLAN: OBJECTIVES, ACHIEVEMENTS TO DATE, PROBLEMS

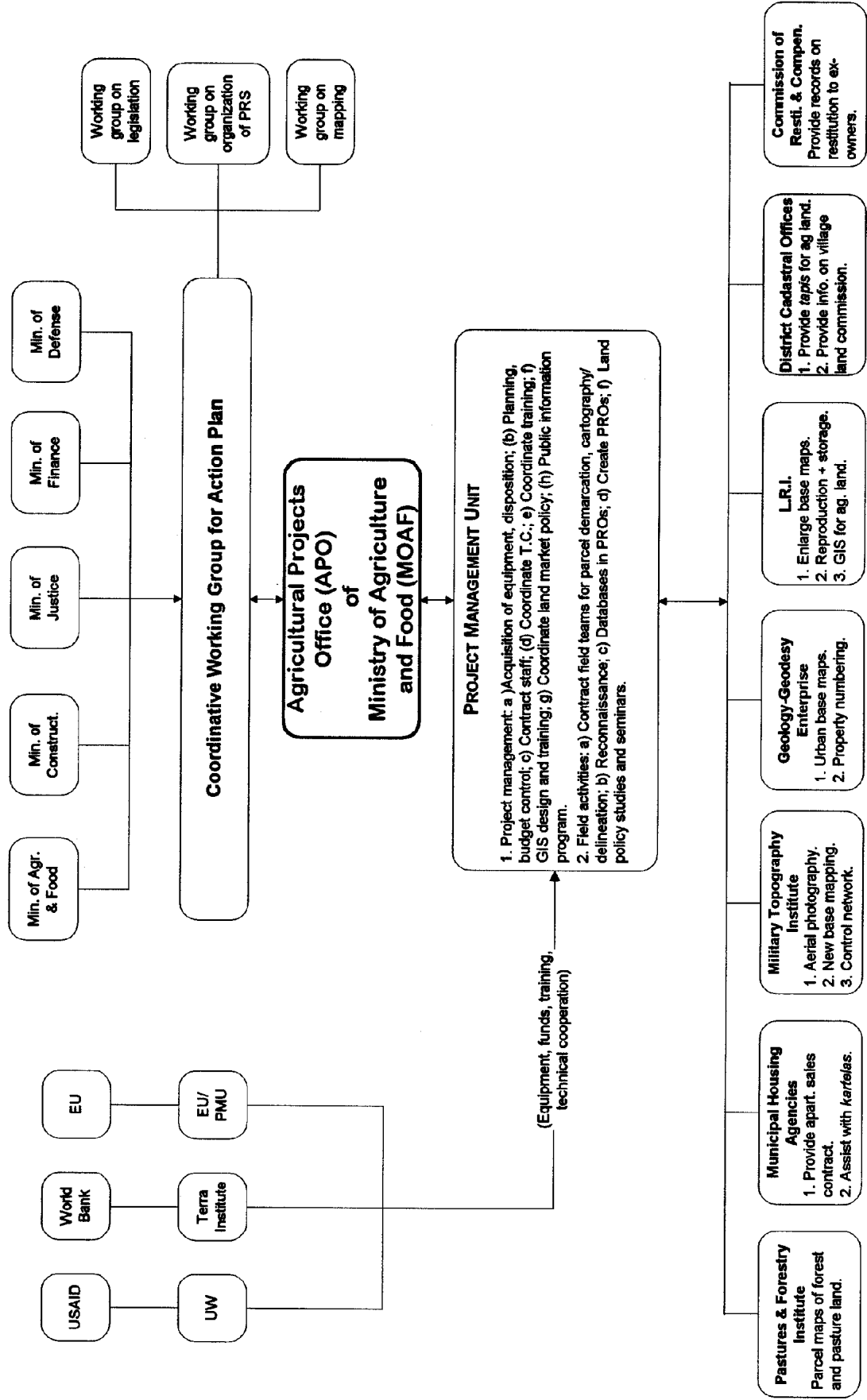
The goal of the Land Market Action Plan is to create dynamic land markets that are socially and environmentally sustainable. Land markets based on the private ownership of tradable rights to land and buildings function more fluidly within an Immovable Property Registration System (IPRS). The IPRS provides security to potential buyers that the sellers are indeed the true owners with rights to sell the immovable property. The IPRS also enables the linkage of capital and immovable property markets by providing opportunities and guarantees for the mortgaging of immovable property, thereby facilitating property owners' access to long-term investment capital.

Moreover, the IPRS provides security to owners of immovable property that they or their heirs will benefit tomorrow from investments made today, thereby providing those people with entrepreneurial motivation and incentive to acquire properties or to use more intensively those they already possess. This security in a psychological sense will emerge only after people acquire confidence in the new institutions and learn what the practical limits of their new rights to land are. However, the very act of creating the IPRS in the ways devised in Albania is a stabilizing influence, as will be shown below.

For these reasons, the first component of the Action Plan is the creation of an IPRS. The IPRS is composed of district registration offices, each under the autonomous management of a registrar and staff. Over a period of five years, it is envisioned that these offices will contain the legal and geographic information about rights to and location of 3 million landed properties. This information permits the potential acquirers of land to determine who presently holds rights to the land they wish to acquire, thereby facilitating transactions. This information also can be used by the present holders of land to protect their rights, thereby contributing to social stability as well as encouraging long term investments in land.

Land markets built on a solid base of accurate and legally protected registration of rights to properties should function efficiently to encourage market dynamism as well as productive investments. Yet, in reality, other phenomena can condition and re-direct the expected effects, giving rise to problems:

FIGURE 4. Organizational structure for Land Market Action Plan



- ◆ under conditions of unequal accessibility of capital, those with such access will be able to acquire properties while the disadvantaged sectors of the population will be excluded from access through the markets, leading to wider gaps between the rich and the poor;
- ◆ under conditions of cultural and political inequalities of access to immovable property, discriminated groups (ethnic groups as well as women in some countries) will not be able to experience the benefits of immovable property markets;
- ◆ under conditions of economic or political risk, when formal security may be inadequate to produce subjective feelings of confidence, even formally secure owners may decide to extract the maximum economic benefits in the shortest amount of time, leading to environmental degradation and loss of a sustainable economic base; and
- ◆ with political or historical factors that eliminate valuable and valued immovable properties from the market (such as restrictions on the buying and selling of certain types of property, declarations of protected areas for parks or environmental preserves, or pending but unresolved claims of ex-owners² to urban land), people who strongly desire land for housing or business may be driven to illegally acquire land outside of areas designated for these purposes, thus leading to the loss of productive agricultural land and increased costs of infrastructural services as well as environmental and public health degradation.

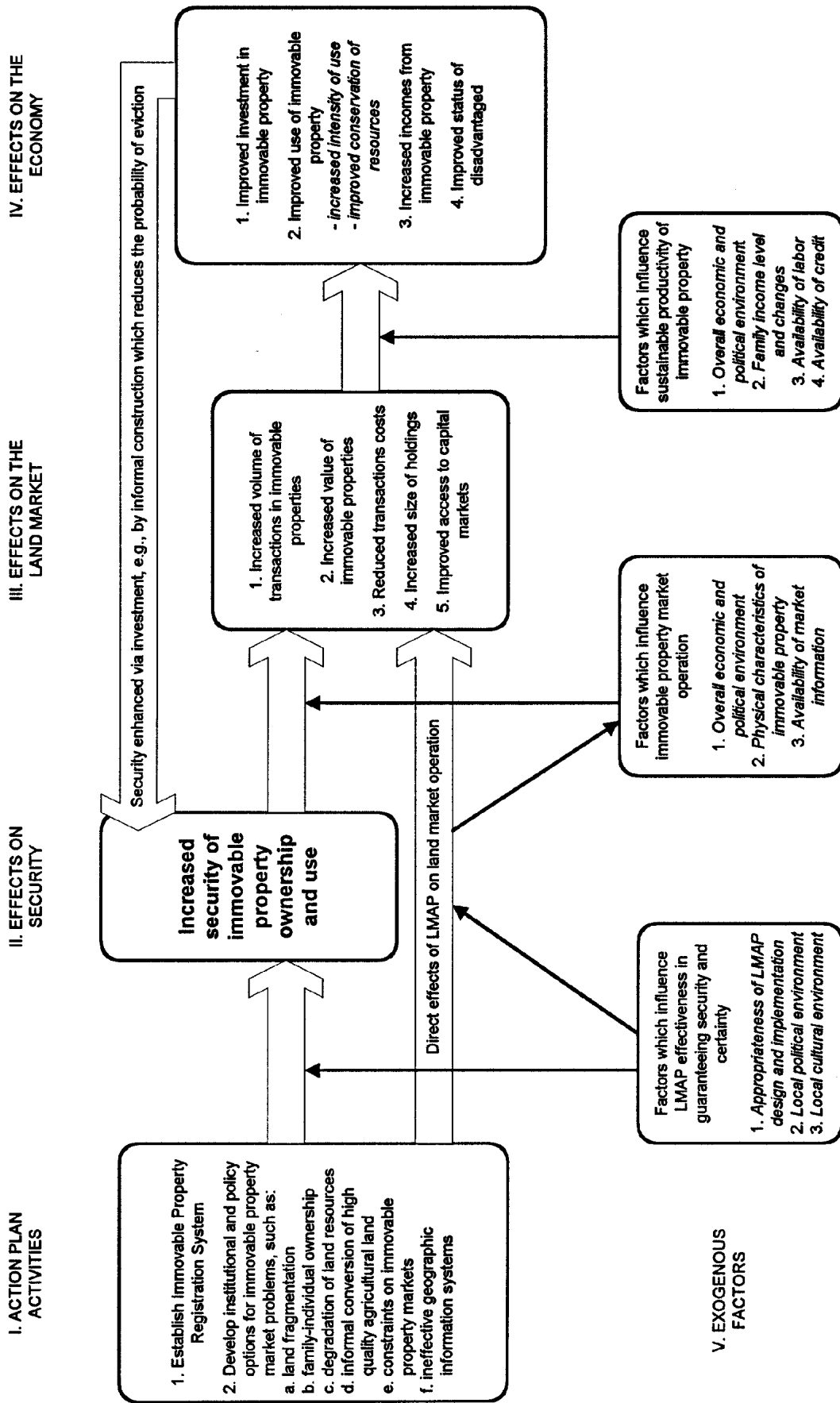
To deal with these factors that condition or limit the expected benefits of dynamic land markets, an effort is needed to develop specific and well-crafted land market support policies and programs.

This is the second component of the Albanian Action Plan, that is, the identification and design of land market support policies and programs. To the extent that Action Plan activity leads to effective implementation of needed support programs, it should have a positive influence on the overall efficiency and social benefits of dynamic immovable property markets.

The overall logic of the Action Plan is shown in attached Figure 5.

² Ex-owners are those people (and their heirs) who owned land before collectivization.

FIGURE 5. Schematic description of Land Market Action Plan logic



4.1 OBJECTIVE 1: CREATE IMMOVABLE PROPERTY REGISTRATION SYSTEM

Creating an IPRS is attained by (1) bringing into existence a modern system for registering rights to all immovable property, and (2) bringing properties into the system through the process of initial registration.

1. Definition of immovable property registration system

In Albania, this immovable property registration system:

- ◆ is property based, not just a recording of deeds (which is one of the weaknesses of some Western registration systems);
- ◆ unifies registration and “cadastral mapping,” achieving (in design) what European and American countries have been trying to do for the past century, that is, using various information-linking techniques for coordinating the legal institutions of registration with the property mapping institutions for describing the geographical location of land parcels;
- ◆ includes all immovable properties in one registration system, not agricultural land in one and urban properties in another;
- ◆ provides state guarantees of registration information, rather than private title insurance; and
- ◆ operates from decentralized, self-financed registration offices, that is, is not managed or controlled by a central government agency.

The central concepts of the IPRS are defined as follows:

Kartela: A page of information prepared for each immovable property, including information on: (a) its geographical location; (b) its general description, such as area, type of property, whether within urban boundaries or not, and whether a part of a building; (c) who holds different ownership rights over the property; (d) who rents, leases, uses, has a servitude, or holds a restrictive agreement over the property; and (e) what mortgages, court decisions, or other restrictions exist on changing ownership. Figure 6 shows an example of a *kartela* for an agricultural parcel.

There are two types of immovable property, the parcel of land and the piece of a building, such as an apartment in a condominium building. A *kartela* is prepared for each parcel and for each building piece, as long as the property has a continuous and closed boundary (two separate parcels cannot be recorded on a single *kartela*), and as long as the ownership of the property is the same over the whole property (half of a house owned by one brother and the other half by another brother would be two separate properties and two separate *kartela*, while a house jointly owned by two brothers would be a single property and a single *kartela*).

Registry index map (RIM): A comprehensive map of all legally owned separate parcels of land and pieces of building with *kartela*. Scales of maps include 1:2500 for most agricultural parcels and 1:1000 for most urban parcels. The RIM also contains indications of where boundaries between properties are not adequately defined, and where there are claims to the land (such as in informal peri-urban settlements) which exist but are not legally regularized.

KARTELA OF IMMOVABLE PROPERTY

Continued to: Vol. _____, Pg. _____ up to: Vol. _____, Pg. _____
 Continued from: Vol. 1, Pg. 463
 Vol. _____, Pg. _____

A - SECTION OF PROPERTY IDENTIFICATIONDEFINITIVE (date) / 6 / 95Cadastral Zone: 1785PROPERTY NO. 68/11Map Index: K-34-88 (181-C)

Property Address: District Lushnja C/V Golem i Madh
 St/Q. _____ B _____ E _____ F _____ Ap _____

B - SECTION OF PROPERTY DESCRIPTION

Special Description

Kind of Property: <u>Field</u>	Inside Yellow Line: No ---> Yes, Ref: <u>NO</u>
-----------------------------------	--

Total Area of Property	From Total: how much building site	From Building site area: area of Building	For Condominium:
1. <u>5000</u> m ² Ref <u>2062-AKT</u>	1. <u>500</u> m ² Ref <u>2062</u>	1. _____ m ² Ref _____	BUILDING: Percentage: _____ % Property No. (Pallat): _____
2. <u>4580</u> m ² Ref <u>LN1994</u>	2. <u>500</u> m ² Ref <u>2062-AKT</u>	2. <u>180</u> m ² Ref <u>LN 1994</u>	Vol. _____ Pg. _____
3. _____ m ² Ref _____	3. _____ m ² Ref _____	3. _____ m ² Ref _____	
4. _____ m ² Ref _____	4. _____ m ² Ref _____	4. _____ m ² Ref _____	

C - SECTION OF OWNERSHIP

Doc. No.	Date of Registration	First Name Father's Name Last Name	No. Pasap	I/F/B	Owner Address	Money Paid	Date of Issue of Certificate	Notes	Signature
2062	1.12.94	Hysen Hamit Çela	-	F	Golem i Madh				

Note: Column I/F/B means: I -individual, physical or juridical person; F -representative of family; B -co-owner (%)

KARTELA OF IMMOVABLE PROPERTY

Continued to: Vol. _____, Pg. _____ up to: Vol. _____, Pg. _____
 Continued from: Vol. 1, Pg. 282
 Vol. _____, Pg. _____

A - SECTION OF PROPERTY IDENTIFICATIONDEFINITIVE (date) / 6 / 95Cadastral Zone: 1785PROPERTY NO. 32/2Map Index: K-34-88 (181-C)

Property Address: District Lushnja C/V Golem i Madh
 St/Q. _____ B _____ E _____ F _____ Ap _____

B - SECTION OF PROPERTY DESCRIPTION

Special Description

Kind of Property: <u>Field + trual</u>	Inside Yellow Line: No ---> Yes, Ref: <u>NO</u>
---	--

Total Area of Property	From Total: how much building site	From Building site area: area of Building	For Condominium:
1. <u>6750</u> m ² Ref <u>2062-AKT</u>	1. <u>500</u> m ² Ref <u>2062</u>	1. _____ m ² Ref _____	BUILDING: Percentage: _____ % Property No. (Pallat): _____
2. <u>6870</u> m ² Ref <u>LN1994</u>	2. <u>500</u> m ² Ref <u>2062-AKT</u>	2. <u>180</u> m ² Ref <u>LN 1994</u>	Vol. _____ Pg. _____
3. _____ m ² Ref _____	3. _____ m ² Ref _____	3. _____ m ² Ref _____	
4. _____ m ² Ref _____	4. _____ m ² Ref _____	4. _____ m ² Ref _____	

C - SECTION OF OWNERSHIP

Doc. No.	Date of Registration	First Name Father's Name Last Name	No. Pasap	I/F/B	Owner Address	Money Paid	Date of Issue of Certificate	Notes	Signature
2062	1.12.94	Hysen Hamit Çela	-	F	Golem i Madh				

Note: Column I/F/B means: I -individual, physical or juridical person; F -representative of family; B -co-owner (%)

**D - SECTION OF LEASES, "IN USE," RESTRICTIVE AGREEMENT,
SERVITUDES AND OTHER INTERESTS**

Doc. No.	Date of Registration	Type	Description	Date of Issue Certification	Notes	Signature

E - SECTION OF MORTGAGES, COURT DECISIONS, RESTRICTIONS, etc.

Doc. No.	Date of Registration	Type	Description	Date of Issue Certification	Notes	Signature.

Registration zone: A geographically defined area, usually a district, which is the administrative responsibility of an Immovable Property Registration Office. A zone may be smaller than a district such as in the case of Tirana where two registration zones have been created, or may include two districts if the chief registrar determines that there are not enough properties or transactions in a particular district to justify a single registration office.

Cadastral zone: A geographically defined area, usually a village in rural areas or a neighborhood in cities, which is small enough to be able to easily locate parcels, that is, usually containing no more than 1500 immovable properties. There are no more than 200 cadastral zones in any registration zone, and usually fewer.

Immovable property number: Each unit of immovable property has a unique number comprising the cadastral zone number and, within that zone, a certain number. For agricultural parcels this number usually comprises the old cooperative or state farm field number followed by a “slash” and a subdivision number. For example, the property number “1289 11/32” is subdivision 32 of old field 11 in cadastral zone 1289. For apartments, the number includes the cadastral zone number and, within that zone, a composite number made up of the parcel number, stairway, and apartment number.

2. Process of initial registration

Albania’s Immovable Property Registration Act was approved by Parliament on 13 July 1994. In that same year field teams were organized in 14 districts to begin gathering the information on the land-rights holders who have emerged from the various privatization programs which have occurred since 1990. By 1996, this field work has begun in 32 of the 36 districts.

The initial registration process follows the privatization of rights to land and property by a governmental commission’s issuance of the documentation of ownership. Such documents include sales contracts for apartments, *tapi* or allotment certificates for specific parcels of land to farm families, restitution decisions, and court decisions. The steps in the process of initial registration are as follows:

- 1) surveying and mapping of distributed land in cadastral zones (which in rural areas are villages, while some cities may include more than one cadastral zone). Figure 7 shows a map of an ex-cooperative, at a scale of 1:5000. Such maps were used for the management of land under the previous collective system; they have been used where possible as base maps for producing the Registry Index Maps, the maps showing the boundaries of the new parcels created through the land reform. Since the scale of 1:5000 is not adequate for showing the boundaries of the newly created, very small parcels, the base maps have been enlarged, either photographically or following digitization. Figure 8 shows the lower right-hand quadrant of Figure 7, enlarged to a scale of 1:2500, after field work was completed in order to delineate the new boundaries.
- 2) filling in property data on the *kartela* for every parcel of land or every apartment (in the case of privatized state housing). This property information comes from officially issued documents wherein some state or legally mandated agency (such a land commission or a restitution commission) declares a piece of land to be owned by a particular person, multiple owners, or family.
- 3) computerized compilation of data entered from the *kartela* (using a dbf format).

FIGURE 7. Cadastral map of ex-cooperative in Albania before land distribution (scale 1:5000)



FIGURE 8. Quadrant cadastral map of ex-cooperative in Albania after land distribution (scale 1:2500)



- 4) display of property maps and ownership information for all properties in a cadastral zone in a public place for 90 days, with periodic meetings with residents to identify errors in boundaries or ownership information (where errors are confirmed, they are corrected);
- 5) for all properties for which there are no pending conflicts or complaints after the 90-day waiting period, *kartela* are signed by the district registrar as legally binding documentation of ownership and other rights to the properties;
- 6) a *certificate of ownership* is also issued if the owners so request;
- 7) the *kartela*, maps, and supporting documents (such as *tapi*, decisions of Restitution Commissions, sales contracts, mortgage contracts) for the cadastral zone are archived in the District Immovable Property Registration Office, and all subsequent transactions are registered, replacing any recording activities which had previously been carried out by the District Hipoteka or cadastral offices; and
- 8) all *kartela* are entered into a database whose functions, in the short term, are to provide a back-up copy of the registration office's information, produce indexes to the properties and parcel index maps, and generate statistics and lists of owners and properties as needed in the process of initial registration. In the longer term, the database will gradually permit the shift from a paper-based registration information system to an electronic one.

The different stages and types of this field work have several benefits in addition to the actual creation of the information used in the registration offices:

- ◆ Correct “errors” in recording of privatization agencies’ actions through field updating of mapping and examination of documents. The speed and local management of many privatization programs has resulted in a certain gap between the facts of landholdings and the documentation of these facts. These gaps, or “errors,” are of various types, the most common being in reference to the area of the land parcel, which are corrected by using the field teams’ estimates (if they are accepted by the owners) rather than the original privatization documents’ estimates. Other “errors” are frequently encountered by the field teams, such as the inappropriate use of forms by the privatization commissions, as shown in Figure 9. This figure shows a photocopy of an actual certificate of allotment used in the District of Lushnja. One “error” on the form is the use of an “Ownership Certificate” to also record in-use rights for easements along a canal, which was resolved following consultation with the Council of Ministers by simply transforming these in-use rights into a single public access roadway along the canal. The second “error” was the inclusion of house plots (*trual*) in the Certificates of Allotment of agricultural land as provided for in the law for the privatization of agricultural land. Again, following a decision by the Council of Ministers, the field teams simply used the certificates as sufficient evidence of ownership of house plots to create *kartela* for these house plots. This procedure was supported by subsequent court decisions when such allotments were challenged by Restitution Commissions acting under a subsequently approved law for the privatization of *trual* (urban) land.
- ◆ Generate local validation of ownership and other rights to immovable properties through display of property maps and ownership information derived from field updating. The display of the maps and ownership information in local communities for 90 days gives ample opportunities for people to sort out any competing claims which may exist for land, with or without documentation. Most cases of properties with competing claims are resolved during this display and negotiation period.

FIGURE 9. Certificate of Allotment (tap)
(Albania orig.)

Rrethi Durrës
Fshati Gjeneral Mehmet
Data 18 Prill 2002

AKTI I MARRJES SE TOKES NE PRONESI

Në mbështetje të ligjit për tokën nr.7501, datë 19.7.1991

familjes së Hysen Hamit Lek nga tshati Gjeneral Mehmet

i jepet në pronësi tokë gjithsej 21450 m²

si vijon: 1000

Nr. Regjistrimit
të aktit 13262

Nr.	Vendi ku ndodhet ngastra	Sipërfaqja e tokës bujqësore në m ²					Kufizimet			
		Gjithsej	Nga kjo:			Veri	Lindje	Jugë	Perëndim	
			Arë	Pemore	Vreshtë					Ullishte
I	Tokë në pronësi 33/21	6250	6250				Prroj		Tybi	
	18/4/111	5000	5000				K. Shyqy A. Beshkaku P. Beshkaku			
	65/5	6000	6000				K. Kallio F. Heli		K. Ujtes G. Leka	
	64/9	2900	2900				K. Kullug K. Memo		K. Ujtes M. Beshkaku	
	42/142	800	-			800	V. Bonda R. Leka		R. Leka M. Jostaj	
II	Tokë në përdorim 33/21	200	200							
	18/4/111	300	300							
	65/5	200	200							
	64/9	100	100							
	Shuma 42/142	200	-			200				

Ky akt bëhet në dy kopje, njëra prej të cilave i jepet në dorëzim pronarit dhe tjetra zyrës së kadasrës për regjistrimin përfundimtar.

MARRRESI NE PRONESI
(Kryetari i familjes)

Hysen Hamit Lek
(emri, atësia, mbiemri)

PER KOMISIONIN E TOKES NE FSHAT
Kryetari

Harun Leka
(emri, mbiemri)
Shkëlqim Meksi
(emri, mbiemri)

Vula

Inform the general public and land market professionals (notaries, lawyers, surveyors) about procedures of transactions through local meetings and media. Property rights and boundaries are being newly created as well as systems for the display and updating of the information about these rights. People need to learn about their legal rights and responsibilities as holders of rights to land, and they need to learn to have confidence in the new institutions of the market-oriented economy. The field teams are the major means for informing people about these matters.

Achievements

- 1) The original goal of Phase II was to register all immovable properties in 3 pilot districts: Tirana, Kavaja, and Lushnja. Early in the project, however, the initial registration work was expanded to 14 districts and is presently under way in 32 districts. To date, the mapping process has begun in 1470 of the 2979 cadastral zones. Registration of each property (filling out the *kartela*) begins once mapping for an entire cadastral zone is completed.
- 2) Each district is divided into cadastral zones. The 90-day posting period begins upon completion of all *kartela* in a cadastral zone. Through 29 February 1996, initial registration has started in 1075 of the 2993 zones (in 35 of 37 registration districts). A total of 255,994 *kartela* have been filled out in 22 of the 37 registration districts.
- 3) Work has begun for the opening of several registration offices. Fifteen district registration offices are currently being prepared for use, with registrars and a minimal staff nominated. Once a registrar is named, the district registration offices can officially open. Thereafter, after the 90-day posting period, *kartela* for which there is no complaint can be signed as "final," and transactions can be registered.

Problems

- 1) The government has not been as responsive to the operational needs of the PMU/IPRS as originally contemplated. The chief registrar was named in late February 1996 (almost 19 months after enactment of the Registration Act), and the process has begun to name the registrars in the pilot districts. The registrars are required for the finalization of the initial registration process and the opening of the registration offices. In a majority of districts, government has not provided adequate space for the registration office, despite repeated appeals. Part of the responsibility for this inattention may lie with the design of the Land Market Action Plan, wherein foreign donors provide the bulk of resources while nothing comes from the state budget.
- 2) An important problem has been the slowness of response of funding agencies to approving procurement of needed equipment, along with difficulties in acquiring equipment from both European and U.S. suppliers which is compatible and which can be repaired in or near Albania.
- 3) The PMU/IPRS has also had difficulties in forming a national team whose members fully appreciate the nature of the Action Plan and can conceive of ways to get the job done when obstacles arise. In some districts there is a shortage of technically trained people to contract for field updating and initial registration work.
- 4) Work in cities has been delayed to an extreme degree; much of the problem lies with the inability of PMU/IPRS to get a team working on initial registration of properties in cities.
- 5) Technical assistance also has had a long learning curve, with priorities of some providers of technical assistance not always matching those of the PMU/IPRS.

4.2 OBJECTIVE 2: DEVELOP OPTIONS FOR LAND MARKET POLICIES AND INSTITUTIONS

The main issues that need to be dealt with in order to stimulate and guide the operations of the newly created immovable property markets in Albania are:

1) **Constraints on immovable property market transactions:** A substantial portion of the agricultural land in Albania has been privatized through usufruct titles, which are not transferable and which do not clearly define the rights and responsibilities of the users or of the state as owner of the land. The buying and selling of agricultural land was prohibited until late July 1995, and even though a law has been approved by Parliament to permit such transactions, the needed regulations for implementing the law have not been prepared.

In many rural communities, there are conflicts between the recipients of land from the privatization programs and the people who claim to be heirs of the ex-owners. Under such conditions, potential buyers will be hesitant to invest.

Finally, the legal framework for defining and protecting private and public rights to immovable property is only partially defined: some laws have been poorly drafted, and some laws and decisions contradict others. Owners of immovable property are not sure what rights they have.

2) **Family and individual models of immovable property ownership:** Two models of ownership of immovable property have been incorporated into the privatization programs, one giving families the ownership of properties, and the other specifying individuals as owners. Customary rules about the ownership and disposition of immovable property, moreover, contain biases in favor of the usually male head of household and against other members of the family, especially against women.

3) **Chaotic peri-urban development:** A trend of unplanned peri-urban development leads to the loss of high-quality agricultural land and can contribute to costly infrastructure investment and/or environmental and health problems. Much of the best quality agricultural land as well as environmentally sensitive territory is located near the major cities of the country. Due to significant movement of people from the countryside to cities, to overcrowding of the existing housing in cities, and to restrictions on undeveloped urban land by the pending claims of ex-owners, there is strong pressure to convert land to urban uses without considering the needs of future generations.

4) **Land degradation:** The dissolution of the land management and conservation mechanisms used by the previous regime, even with their inherent weaknesses, has not been met with the creation of new management and conservation programs under the conditions of private ownership and market economy. Problems of soil erosion and soil and water contamination threaten the limited land base and the health of the population as well as limit development investment, especially in potential tourist zones on the coast.

5) **Fragmentation of agricultural landholdings:** The small size of the newly privatized agricultural landholding (the average is 1.2 hectares) is complicated by the fragmentation of such holdings into 3 to 8 parcels. A more dynamic land market could permit the consolidation of holdings into more economically viable sizes, but cultural norms and inheritance patterns could also produce even greater fragmentation over time.

- 6) **Weak geographic information agencies:** The existing capacities are very limited for mapping the new properties and for surveying new subdivisions and consolidations as they occur. A viable strategy for developing more adequate surveying and mapping procedures is needed, including institutional reorganization, introduction of modern techniques, modification of academic programs for the training of Geographic Information System (GIS) personnel, and means for self-financing.

Achievements

- 1) Legal drafts and Council of Minister decisions have been completed which typically contain options for the legislators to consider. This draft legislation includes the Immovable Property Registration Act, the Buying and Selling of Agricultural Land Law, the Conversion of In-Use Titles to Ownership Act, the Conversion of In-Use Titles to Leaseholds Act, an Immovable Property Tribunal Act, a Soil Conservation Act, an Agricultural Land Preservation Act, and a Decision for Registering House Plots in Villages, as well as suggested regulations for the Buying and Selling Act.
- 2) Field studies have been carried out by Albanian specialists to document the nature of land market problems and to propose policy options. Topics include land fragmentation, intrafamily rights to land, peri-urban land development, and the management and delineation of forest and pasture lands.
- 3) Programs have been designed concerning the administration of state-owned agricultural land as well as other land resources in the country, the development and implementation of regional land-use plans, the overall approach to land protection, and the feasible managerial options for forestland and pastureland.
- 4) An interministerial working group is preparing a government proposal for the creation of a single national mapping agency to replace the presently fragmented system as well as the legislation needed for providing geographic information to the public and for regulating nongovernmental surveying and mapping agencies.
- 5) The usefulness of a Global Positioning System (GPS) for parcel mapping under Albanian conditions has been explored, and the decision has been made to move toward this potentially revolutionary technology. Proving the viability of the GPS option may enable Albania to skip over the traditional, expensive technology for parcel surveying and digital mapping.

Problems

- 1) There is no tradition in Albania with policy-oriented research. It is almost a contradiction in terms to pose policy questions and to bring research results into discussions with governmental leaders, who have little patience with those who question procedures. Forming these links is as difficult, or perhaps more so, in Albania as in other countries.
- 2) The attempt to link U.S. and Albanian researchers has not been as effective as it could have been due largely to the inability of U.S. people to devote the necessary time to knowing the country and their collaborators. The incentive structure at U.S. research institutions for the most part does not adequately recognize international work.
- 3) There is a tendency on the part of some foreign visitors to tell Albanians what they should know rather than first listening to the Albanian debate on policy options and then providing some

thoughtful options. Time limitations, ego, cultural biases, and language all contribute to the problem.

- 4) Most land market problems are multidisciplinary and multisectoral. There is little interest in forming multidimensional working groups in Albania for reasons similar to experiences in other countries, unless there is a clear directive from high levels of government that such commissions should be formed, and unless their mandate and time frame is clearly defined, along with a strategy for transferring the critical functions of multisectoral commissions or working groups to permanent organs of government or nongovernment organizations.
- 5) Given the climate of privatization, many government agencies and research institutes have only one resource that is in demand, information. Therefore, there is a tendency to close off information sources unless some payment can be arranged for those guarding the doors and, at times, for the agencies themselves.

5. MOBILIZATION OF RESOURCES, 1994–1998

One of the interesting features of the Land Market Action Plan, if only for its rarity, is the collaboration of three international funding agencies with the Government of Albania in meeting the financial and technical requirements. By having multiple donors, the program does not present an overwhelming demand on any one source. Moreover, multiple donors allow some flexibility in the procurement of equipment and technical assistance to help assure that such assistance is adapted to Albanian conditions.

- 1) USAID provided emergency short-term technical assistance for the design of the Action Plan in 1993 as well as capital and supplies acquisition assistance for base map reproduction. Action Plan design and emergency capital and supplies support in 1993 totaled \$0.6 million
- 2) USAID financial and technical assistance is being provided through a cooperative agreement with the Land Tenure Center, University of Wisconsin–Madison (LTC/UW), finalized in May 1994, which in turn has a contract with PMU/IPRS for provision, management, and financial oversight of the resources provided to Albania. Total support planned and committed is \$10 million.
- 3) European Union (EU) has provided financial and technical assistance to the PMU/IPRS since January 1994, through an EU/Project Management Unit, based in Albania, which contracts with PMU/IPRS for management and with the other European entities (initially with the Ordnance Survey of the United Kingdom) for technical assistance. Total support planned is 9.7 million ECU.
- 4) Government of Albania provides office space for the PMU/IPRS and the District Registration Offices, trained personnel for the PMU/IPRS central office, as well as field coordinators and teams and publicity and support for the Action Plan. For operational costs of the Action Plan, it committed \$1.4 million in local currency (generated from sale of U.S.-donated fertilizers) in March 1995.
- 5) The World Bank has provided technical assistance for the development of the land market legal and policy environment through Terra Institute since January 1995. Support has totaled \$0.53 million.

6) Other support is expected from the EU agencies and countries concerning GIS aspects of the Action Plan.

7) The overall structure of the committed funding for the Action Plan (in millions of US\$) is:

Operational costs	\$12.3 (57%)
Capital equipment	3.7 (17%)
Training	1.3 (6%)
Technical assistance	3.4 (16%)
Administration	0.9 (4%)
Total:	\$21.6 (100%)

6. MANAGEMENT

One of the key aspects of the Land Market Action Plan has been the emphasis placed on management, particularly the linking of various ministries concerned with immovable property markets, the mechanisms for coordinating the complex set of activities which the Action Plan requires, and the financial control and reporting devices used to assure proper use of disposable resources.

Figure 4 shows the linkages between PMU and the various agencies that cooperate with the Action Plan. Figure 10 shows the organizational structure of the PMU itself, through which it carries out the activities called for under the Action Plan. The PMU is an independent economic entity created under the authorization of the Council of Ministers; it reports to the Council through the Minister of Agriculture.

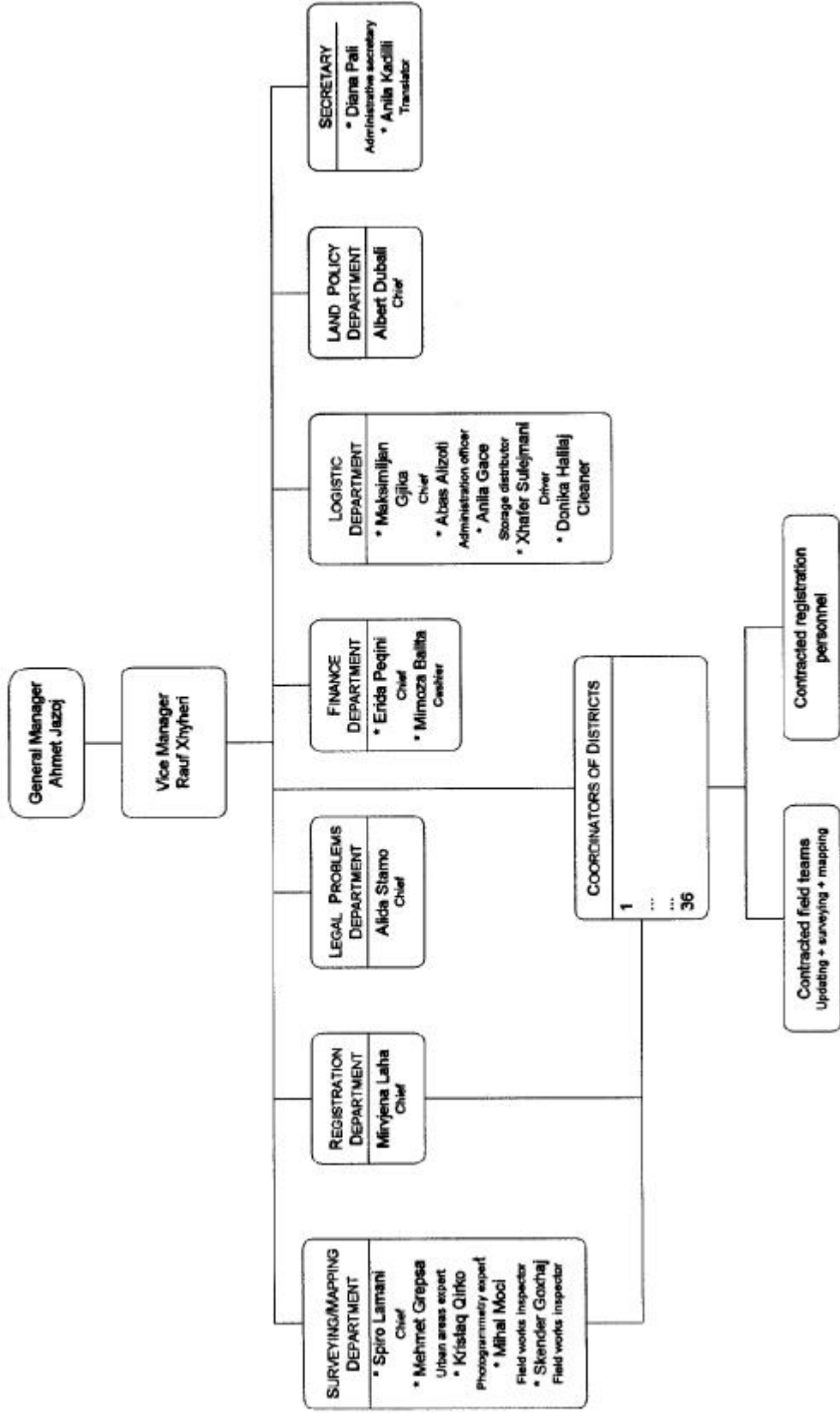
The management information system used by the PMU, which includes financial control and a reporting system, is a critical element in its success both for carrying out its activities and for informing the Interministerial Coordinative Working Group (CWG), the Council of Ministers, and the external funding agencies about the use of resources provided to the Action Plan. Quarterly reports are prepared for the CWG concerning achievements and problems, and an annual evaluation seminar is held at the end of each year with the participation of collaborating agencies, the CWG, and donors.

6.1 COORDINATIVE WORKING GROUP (CWG)

The Coordinative Working Group (CWG) for the Land Market Action Plan (LMAP) was created under Decision Nr. 81, dated 26 February 1993, in order to develop a system to register ownership of land. The Chief Registrar acts as the chairperson for this group.

The objective of the CWG is to oversee the implementation of the LMAP and make policy decisions for the operation of the PMU. The CWG provides the operational, procedural, and budgetary linkages of the PMU to the various agencies of government which are involved in the privatization of immovable properties (cadastral offices in districts, communal housing enterprises in the Ministry of Construction and Tourism, restitution and compensation commissions, the *hipoteka* offices for urban properties in the Ministry of Justice, and others) as well as to the technical agencies which have in the past produced maps of land and buildings. These latter agencies include the Geology and Geodesy Enterprise (GGE) for mapping urban land, the Land Research Institute (LRI)

FIGURE 10. Organizational structure of PMU-IPRS



for mapping agricultural land, and the Military Topographic Institute (MTI) for aerial photography and general base mapping.

The CWG also guides the progress of creating a single system for the surveying and mapping of properties, both urban and rural, to support the Immovable Property Registration System (IPRS). The CWG consists of the following members:

- ♦ Director, Agricultural Projects Office (APO), Ministry of Agriculture and Food (MOAF);
- ♦ Director, Land Research Institute (LRI);
- ♦ General Manager, PMU;
- ♦ Representative, Territorial Adjustment Department, Ministry of Construction;
- ♦ Legal Officer, PMU;
- ♦ Director, Military Topographic Institute (MTI), Ministry of Defense;
- ♦ Representative, General Directorate of Forests and Pastures;
- ♦ Director, Urbanistik Institute;
- ♦ Representative, Land Taxation Department, Ministry of Finance; and
- ♦ Representative, Ministry of Justice.

The PMU presents policy recommendations to the CWG through its executive council at the request of its general manager. The executive council of the PMU is made up by the department heads of the PMU. This council is responsible for determining the regulations and policies for the technical and administrative operation of the PMU.

6.2 PROJECT MANAGEMENT UNIT (PMU)

The PMU began operation on 15 January 1994, after its governmental creation under Decision Nr. 505 dated 26 October 1993, which was followed by the Ministry of Agriculture and Food Order Nr. 368 dated 15 December 1993, to implement the LMAP either by direct involvement or by contracting for specialized services. The PMU is also in charge of coordinating the LMAP by managing all donor-supported land market related subprojects.

The PMU has contractual relationships with the LRI to provide base maps for ex-cooperative and ex-state farm villages, with the MTI for small aerial photography and topographic base mapping, and with the GGE for the base mapping of urban areas.

The PMU is composed of Albanian technical and administrative staff who receives technical assistance from various advisors (survey and mapping, registration and administration, and short-term technical cooperation). The general manager and financial controllers oversee the strategic operations as well as the day-to-day management of the project, while the resident advisor of the LMAP, provided by the University of Wisconsin (USAID funding), advises on procedures and overall management strategies.

6.3 INTERNATIONAL COMPUTER COMPANY

LTC/UW also has a subcontract with the International Computer Company, an Albanian private consulting company, for various services including:

- ♦ development of a D-Base IV system for the Ministry of Agriculture and Food to monitor advances in the land privatization program;

- ♦ assistance with the preparation of the Immovable Property Registration Act of 1994 and other legislation;
- ♦ preparation of a financial management computer program for monitoring and reporting of funds received and disbursed by the PMU;
- ♦ design and testing of a data entry program for the estimated 3 million property *kartela* which the PMU will produce under initial registration;
- ♦ design and testing of information archiving techniques for the PMU and the IPRS;
- ♦ design and testing of property listing programs for the PMU's property information display requirements of the Registration Act;
- ♦ design and implementation of data entry programs for the processing of data from surveys of property holders as required by the Action Plan;
- ♦ assistance with locating local expertise in research methods and statistical analysis;
- ♦ administrative assistance in contracting drivers and interpreters as required by the LTC;
- ♦ communication facilities, especially international telephone and fax; and
- ♦ software use training and maintenance, including Word Perfect, D-Base IV, Word, Excel, Autocad, as well as hardware maintenance and repair.

This subcontract has been indispensable for assuring that scarce informatics technical abilities are available to the project and for developing models for the linking of the PMU to private companies for needed services.

6.4 PMU BANK ACCOUNT

Decision Nr. 360, dated 8 January 1994, governs banking procedures of all foreign assistance funds, stating that the individual account opened for each foreign credit or aid will be monitored by the Ministry of Finance. In accordance with this decree, a separate account has been opened for each donor to the PMU. These individual accounts are opened in the donor's currency, with a corresponding account automatically opened in lek because all local disbursement of funds must be made in lek.

6.5 PMU PROCEDURES FOR DISBURSEMENT OF FUNDS

PMU had a permanent payroll of only seven employees when it began operations. Several people performed functions for more than one position. For example, although Albanian Accounting Law states that there must be a financial officer to prepare all accounting documentation and a separate individual to remove funds from the bank and disburse payments in cash, all documents prepared by the PMU financial officer were authorized by the general manager. The system was originally designed to handle only two different donors, EC/PHARE and USAID.

Additional personnel have been hired and accounting procedures have been modified as operations have significantly increased. The process for disbursement of funds is now more elaborate and has several phases. The first phase is that of budget planning for various periods. Department heads, in cooperation with other district and PMU experts, each compile a budget plan defining the funding needed to carry out operations specified in the LMAP. The Financial Department then puts these individual department budgets together into one complete budget plan for PMU. This budget plan is presented, first, to relevant donor representatives and, then, to the executive council for final approval.

In the second phase, department heads assume responsibility for the administration of project funds. According to the organizational structure, the person(s) responsible for authorizing and approving financial documents depend(s) on the nature of the expense with the following limitations:

- ◆ the department head approves documents authorizing disbursement of funds for expenditures up to 10,000 lek (US\$100 approximately);
- ◆ the vice general manager, in addition to the department head, authorizes payment documents for the disbursement of expenditures from 10,000 to 50,000 lek (US\$100 to US\$500); and
- ◆ the general manager is also required to approve the disbursement of funds for expenditures exceeding 50,000 lek (\$500).

Phase three requires the head of the Finance Department to prepare and authorize all documents necessary for the disbursement of funds (that is, payment voucher, endorsement, and the like).

Finally, phase four, which is overseen by the Logistics Department, involves the purchase of equipment. In concordance with Albanian legislation and regulations governing foreign donors, equipment is acquired by means of a tender based on local and foreign offers. The Logistics Department and the vice general manager, in connection with PMU and foreign experts, pick the organization (local or foreign) from which to purchase the equipment for a specified tender, and the final purchase is based on local offers up to the allowed limit.

According to Order No. 368 of the Ministry of Agriculture, PMU salary levels for local staff are determined on the basis of the United Nations Development Project (UNDP) salary scale. It is PMU's understanding that the UNDP salary schedule is compiled from the various salary scales that are acceptable to different international agencies. The UW agreement with the PMU, however, is that no salary to contracted employees of PMU paid with USAID funds shall be higher than the USAID maximum for local staff.

Each expenditure is made from the relevant donor's bank account. There are two means of disbursement of funds: (1) bank transfers from the PMU bank account to the supplier's bank account, or (2) cash on hand. The PMU can draw funds from the various donors' bank accounts only with the required supporting documents (authorization, check, endorsement) and the approval of the responsible person (listed above in phase two). Each disbursement of funds is immediately recorded in the account ledger and entered into the computer database. These data are then matched to the appropriate exchange rate and provide the basis for the preparation of all financial reports. As previously noted, all in-country payments are made in lek.

6.6 PMU RECONCILIATION SYSTEM

PMU began operations with an advance from EC/PHARE. The review conducted by the LTC/UW of PMU's accounting procedures, 13–25 March 1994, was used as the basis for establishing a subcontract for USAID funds. The local USAID mission office then had a regional auditor review the Albanian Accounting Law. It was determined, following this review, that in general Albanian law does not meet all of the criteria governing U.S. accounting policy. To reconcile this deficiency and with the assistance of UW Internal Audit, LTC devised the system of reconciliation which PMU uses to govern its accounts. (The subcontract with LTC for USAID funds was then awarded on 31 July 1995.)

The reconciliation system consists of monthly preparation of the following documents for each donor's account (as per the working budget of activities): (1) a balance sheet; (2) a report of monthly and cumulative expenditures; (3) a table showing disbursement of funds according to exchange rates of local and foreign currency; and (4) a copy of the bank statement to certify the account balance.

6.7 PMU AUDIT REVIEWS

Following the UW Internal Audit recommendation, USAID contracted the Defense Contract Audit Agency (DCAA) for an official audit at the PMU. This audit was carried out in August/September 1994. Although the results were generally favorable, two recommendations were made: (1) the necessity of employee time-sheets, and (2) the need for review of costs for allowability under OMB-Circular A-122. The results of a follow-up audit carried out in July 1995 by the USAID mission's financial manager were also favorable; it was noted that both DCAA recommendations had been heeded.

PMU is also governed by two local auditing agencies: (1) MOAF Financial Audit Department, and (2) Supreme Audit Bureau of Albania. The first agency serves as a subunit for the second agency in conducting internal audits of its subsidiaries (MOAF is responsible for receiving PMU accounting reports). Audits by this subunit are done at the request of the director of the MOAF Finance Department (usually on an annual basis) according to the annual plan set out by the ministry director. The general manager of PMU is notified when an order for conducting an audit has been given. PMU then has up to one month to implement recommendations listed in the audit report.

The Supreme Audit Bureau, operating under the direction of the Constitution of Albania, has the right to audit PMU at any time, but it is not obligated to do so unless required by other policy criteria. The MOAF Financial Audit Department follows the same process as the Supreme Audit Bureau and is therefore the controlling audit agency of its subsidiaries. If the Supreme Audit Bureau conducts an audit, it does not take direct legal action against PMU. Rather, it submits its report to MOAF, which is responsible for following up on findings with PMU. The prime concern of the Supreme Audit Bureau is policy control. This agency requests that general accounting questions be directed to the MOAF Financial Audit Department.

6.8 ANNUAL EVALUATION SEMINAR

Toward the end of every fiscal year, the PMU organizes a seminar on the achievements of the past annum, the problems encountered, and the work planned for the coming year. Participants include representatives of all agencies whose input was incorporated into the IPRS as well as emerging private businesses such as notaries, lawyers, and immovable property agents that support the land markets. People from relevant university departments and research institutes as well as representatives from the various donor agencies that collaborate with implementing the Action Plan are also invited.

This seminar provides another means for informing the general public about the emerging institutions of the immovable property markets. The seminar also serves to inform the whole set of collaborating agencies of the general logic of the Action Plan and how its various parts fit together. Perhaps most important, the seminar encourages the PMU to review its own work during the

previous year, identifying where the major problems lie and collectively developing a plan of action for the coming year.

7. CONTRIBUTIONS OF UNIVERSITY OF WISCONSIN

USAID's decision to ask the University of Wisconsin to be the channel for USAID financed technical and financial support to the ambitious and complex Land Market Action Plan has been an experiment in itself. The rationale for UW's involvement has been:

- 1) **Complex program assistance:** It is difficult to find a single source for providing the assistance needed for such a complex and far-reaching program. The University of Wisconsin maintains the broad intellectual capacity for dealing with such complicated problems as part of its ongoing teaching and research responsibilities and can, with some prodding, mobilize this talent. In this case, the UW has supplied a team of advisors capable of assisting the Albanians in creating property market institutions. Of course, this response is limited by other demands on the time of faculty and staff, a problem that a well-defined relationship between the UW and USAID, as well as other international agencies, could help to resolve. The capacity is there.
- 2) **Access to international talent:** Through the professional activities of its faculty and staff, the University of Wisconsin can mobilize the abilities of a wider network of professionals. This capacity is exemplified in Albania by UW subcontracts with a commercial geodetic company in Colorado (Measurement Science Incorporated, MSI) and an informatics company in Albania (International Computer Company, ICC) as well as with the University of Alabama for legal drafting assistance, the University of Florida for geodetic questions, and informal linkages with other NGOs such as the Wisconsin Association of Registrars for help with the organization of registration offices.
- 3) **Special academic support for Albanians:** The University of Wisconsin faculty and staff involved in the Albanian Action Plan have offered to develop and administer a graduate scholarship program in land-market related fields of study for Albanians, thereby contributing to the longer-term intellectual development of the country and its abilities to profit by indigenous solutions to land market problems.
- 4) **Dissemination of experiences:** The University of Wisconsin encourages its faculty and staff to disseminate their experiences through participating in international conferences and publishing reports and papers. This tendency for learning and sharing knowledge, rather than being proprietary when a "successful" idea or approach is found, benefits other agencies and companies working on land market questions.
- 5) **Administrative controls:** As a public institution, the University of Wisconsin has strong controls over the administration of funds that it receives. It also has an established procurement network which facilitates the acquisition of equipment and supplies. Both capabilities have been beneficial to the Albanian program.

There have also been constraints on the contributions of the University of Wisconsin.

- 1) The large UW bureaucracy is at times difficult to move when rapid response is required. Albania is far from Wisconsin, and it is hard to keep the needs of a project there in high visibility in Madison.

- 2) The State of Wisconsin governs the UW, a state institution, by administrative rules that can be inappropriate (for example, that university legal work be contracted with a member of the Wisconsin Bar Association, that the governor approve the purchase of any vehicle, and so forth).
- 3) UW responsibility, as contracted by USAID, for the administration of assistance to the Land Market Action Plan in Albania is not viewed positively by many university people. From the administrative side, there are risks that persons over whom the university has no direct control or supervision may misuse funds. From the academic side, there is the possibility that direct engagement in action projects may violate the mandate of a land-grant university, which is to be an educational and research institution. This latter skepticism can be allayed at least partially by a partnership between the university and more action-oriented agencies and companies.
- 4) University faculty and staff retain individual academic career interests as the highest priority. Concentration on academic products (articles published for professional peers, theoretical discourse derived from academic modeling) can make it difficult for such university people to focus directly on practical problems and issues of development.

On balance, however, the experience of the Albanian Land Market Action Plan indicates that the university, as an assemblage of wide-ranging expertise organized through a special center committed to land tenure work, has proved to be a valuable participant. A desirable situation is one in which the university can work with private companies such as Terra Institute and MSI, with quasi-governmental agencies such as Ordnance Survey, and with professional associations such as the Association of Registrars, the Austrian Association of Notaries, and the Wisconsin Land Information Association.

An important limitation of this arrangement is the scarcity of personnel, even in the university, with experience in transition countries and the commitment to dedicate substantial time to further work.

8. NEW REGIONAL CENTER?

To build on the positive aspects of the experience of the University of Wisconsin in Albania and to reduce some of the constraints on this U.S.-based model, let us consider the creation of a special regional center, perhaps located in Albania, devoted to assisting with land market institutionalization in transition countries for the next 10 to 15 years. Such a center could have the following functions:

- 1) assemble a professional staff with academic and professional backgrounds concerning land market institutions in transition countries and with experience in working in such areas;
- 2) carry out and compile research conducted, formally or informally, on land market themes in the transition countries;
- 3) provide technical assistance on land market questions to transition countries;
- 4) prepare teaching materials from this literature and experience; and
- 5) provide short- and long-term training on land market themes to professionals and academics from transition nations who are working on such themes in their home countries.

Funding for such a center would be provided by international agencies and by countries in the region. There would be a commitment to hiring staff from the region, with some persons incorporated initially who may not be from the region but who have the proper credentials. The official languages could be English and Russian.