

ALBANIA



**Report based on Exchange Programme documents provided by
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Introduction

The agricultural sector is a very important part of Albania's economic system, it provides about 50% of the GDP. The agricultural and food sector from 1992 to 2000 have been developed in compliance with the "Agricultural Strategy", intended with the contribution of the World Bank (1992-1996) and with the "Green Strategy" in the period of 1998-2001. Between 1998 and 2002 the agricultural production increased by 7-8% per year. Their implementation has helped the farm consolidation process and the increase of agricultural production in an extensive way. In the year of the transition many problems have appeared in the procedure of the production's increase, which are still existing today: low level of production and export, some areas are poor, underdevelopment of rural infrastructure, the problems of input prices, lack of credits, small farm sizes etc.

Location, population and language

The Republic of Albania is a small country on the Balkan Peninsula, located in the western part of the Balkan Peninsula. It lies between the geographical coordinates 39°38' and 42°39' latitude and 19°16' and 21°4' longitude. Its maximum extent from north to south is 340 km and from east to west 148 km. Albania borders in the north with Yugoslavia (Serbia and Montenegro), in the northeast with the Former Yugoslav Republic of Macedonia and in the south and southeast with Greece. Its area is 28.748 sq km and its population is more than 3.5 million inhabitants. The Republic of Albania is a parliamentary country. Under the constitution that was adopted in 1998, the one-chamber parliament is elected for a period of 4 years and the president of the Republic is elected for a 5 year-period. The Government is the highest authority of executive power. The country is divided into 12 administrative regions with 37 districts, 74 cities, 2962 villages, 309 communes, and 65 municipalities.

The national language is Albanian. The current population density is approximately 114 inhabitants per sq km. The capital city is Tirana with about 800.000 inhabitants. After the political changes that occurred in 1990, many Albanians, especially of the younger generations emigrated to other parts of Europe, mainly to Greece and Italy.

From the total surface of the country (28.748 sq km), only 16,2 % is less than 100 m above sea level. It is very mountainous filled with diverse landscapes: coastal areas, valleys, forests, and mountains. The average elevation in Albania is about 708 m. The highest mountain of Albania is the Korabi Mountain with a height about 2751 m.

Agriculture is well distributed within the country, but is most intensive in the western coastal lowland. Albania has a total agricultural land area of about 700.000 hectares. Due to the differences in climate, natural vegetation, elevation, slope and parent rocks, soils are highly diverse.

The average elevation of the 7 rivers is 360 – 970 m, while the high elevation arrives 2500 m. For the period from 1937 to 2003, in years of heavy rains are flowed from the rivers about 30 – 35 % of the agriculture land. From the data of Meteorological Institute and Soil Science Institute results that the soil erodability in the watersheds is about 11–40 t/ha/year.

5 Hydro centrals were built in Albania, which produce 95% of the electric power and are used for irrigation, fishing, and sailing as well.

The landscape of the mountains is different in each zone according to the different climate conditions and precipitation. In 33% of the territory the average rainfall is about 1200 – 1900 mm, in 13% is about 1900 mm and in 53% about 900 – 1200 mm. There are both mountains with forest vegetation and without or with very small vegetation. In the mountains and in the western parts of the country agricultural farming and tourist areas are developing.

Agricultural land according to the relief is divided as follows:

Low land	304.000 ha (43,3%)
Hilly land	239.000 ha (34%)
Mountains	159.000 ha (22.7%)

According to the altitude from the sea level they are expand as follow:

1600 – 2700 m	5.000 ha (0,7%)
1000 – 1600 m	23.500 ha (3,5%)
600 – 1000 m	210.000 ha (31,2%)
0 – 600 m	354.000 ha (52,6%)

Ownership structure

Until 1945, only 13% of agricultural land was state-owned, 77% was in private property. In 1946, the Communists introduced a radical land reform and the collectivization process began. Agricultural land appropriated from large owners was assigned to families without land or with very small plots.

During the period from 1946 to 1968 the collectivization of agricultural land was completed, 21% of the land was cultivated by state farms and 79% by cooperatives as collective property. Only these two forms of property existed in agriculture until 1990 and all land was nationalized. By the end of 1990, all land belonged to 492 agricultural units (77 enterprises and 415 cooperatives that managed about 700.000 ha of the land). The average size of an agriculture enterprise was about 2.700 ha and by cooperatives it was about 1300 ha.

Land reform has transformed the farm from a collective structure to a totally private sub-sector with small and very fragmented parcels. The key issues of the reform include the establishment of the legal and regulatory framework for land privatization, land administration and land market development, as well as the establishment of the immovable property registration system.

At present, almost all land property is private; in the state property are lands of state institutions, the army, schools and the church. The forests in Albania are under state property, private property and in collective use. The restitution of meadows to the ex-owners is still in process.

According to the law no. 7501, foreigners can not buy or sell land but they have the right for joint enterprises and for rent..

Land privatization

Land under state property until 1990 was privatized according to the law 7501. After the adoption of this law, approximately 400.000 families received about 500.000 ha from ex-agricultural cooperatives with an average of 1.25 ha per family. According to this law, agricultural land was distributed per person and for the number of the persons for each family and prohibited selling land foreigners. In this law was not predicts the restitution and compensation of the property for the ex – owners. The decrees and laws for the restitution and compensation of the property had been approved in the years after.

According to the law no. 452 (17/10/1992) on “Reconstruction of Agricultural Enterprises”, land owned by State Farms (which represents about 21 % of all agricultural land) was restituted to workers of former state farms in use and not in ownership.

As a result of the privatization, around 450.000 families received land with an average of 1,3 ha per farm or less. Until September 2004 approximately 564.000 ha of the agricultural land was restituted from the 570.000 ha.

Land restitution and compensation to ex-owners

With the implementation of the land reform in 1945 –1946, ex-owners were expropriated and the land became collective property. The Albanian Parliament, at the beginning of land privatization, approved the first law no. 7698, dated 15.04.1993 on the “Restitution and compensation of properties to ex-owners”. This law recognizes the right to ownership of the owners or their heirs to the nationalized or expropriated properties. For the implementation of this law, the government issued some sub-legal acts as it follows:

- Decision no. 301, dated 14.06.1993 on the "Restitution and compensation of property to ex-owners". In accordance with this decision the Government Committee for restitution and compensation of property to ex-owners was established (under the Council of Ministers) as well as the district and municipality level commissions, the functions of the committee and the main property procedures, documentation, etc.
- Manual of the COM no. 3, dated 21.6.1993. It emphasized that in the privatization process of state owned properties, the ex-owner has the right of pre-purchase based on the documents the owner presents and on the prices by zones. The decision of COM no.13, date 18.10.1993, defined the documents required to the owner for recognition, restitution and compensation of property.
- Law no.7699, dated 21.04.1993 "For compensation in value or in sites of ex-owners of agricultural land, pastures, meadows, forest lands and forests” defines the procedures for compensation in value or sites of agricultural land, pastures, meadows and forests.
- Decree no. 1254, dated 19.10.1995, "For compensation of ex-owners of agricultural land, non-agricultural land and sites occupied with sites in the tourism zones and urban centers". According to this decree, the ex-owners or their heirs are

compensated with sites in the tourism areas or urban centers up to 10.000m², when not compensated with sites or agricultural land.

- Decision of the COM no. 560, dated 16.10.1995 "For compensation in value of ex-owners of agricultural land". With this decision are defined the procedures to evidence the claims of ex-owners by the government commission for restitution and compensation of property. However, during 1993-2000 the solutions for restitution and compensation of property were not effective. It happened because the ex-owners land was distributed by the law no. 7501 and the ex-owners obtained land according to this law. The ownership insecurity has negatively effected the land transactions.

The more comprehensive law for restitution and compensation of property was approved in 2004, accompanied with full methodologies and estimation of ex-owner claims and the sources of compensation.

Law on restitution and compensation of property in Albania

The Albanian Parliament passed the law no. 9235 of 29.07.2004 on the "Restitution and compensation of property" that contains 31 articles. This law refers to the question of property according to the Constitution of the Republic of Albania, the procedures for realization of restitution and compensation of the property and the organisms that will take over its realization.

According to this law, the expropriated owners has the right to the property and it has to be restituted without any limitation immovable properties, except of agricultural land, which was restituted or compensated up to 60 ha. Immovable properties, which serves the realization of obligations of the Albanian State could not be restituted..

In cases when the physical compensation is impossible, the state compensates the expropriated owners with equal conditions at other locations or pays compensation. Physical compensation is inside the same administrative-territorial unit (village, commune, city hall, district, region) or in the most nearest administrative-territorial unit.

For the implementation of this law the State Committee for restitution and compensation of property was established with 5 members, approved by the Parliament. This Committee has wide competences. In every region Local Commissions have been created for the restitution and compensation of the property, depending on the State Committee. This restitution and compensation process of immovable property will be finished by the end of 2006 year, while the financial compensation in a period of 10 years.

The verification of free state land

By the order of the Prime Minister, no.158, dated 24.11.2003" a central group was created with the goal to carry out a study about the verification of free state land (agricultural land, grassland and pasture, forest and sites), disposal for restitution and compensation. The second objective was to make a calculation for claims of older property and free area for compensation, and to contribute to the law preparation. By this order the group prepared

the methodology about the different way for restitution and compensation of properties (by land agriculture, sites, forests, pasture, grassland, as well as financial compensation).

The central group has to following members:

The chairman of state committee of restitution and compensation of the property
Deputy minister of territory and tourism
Deputy minister of local government
Director of land in Agriculture Ministry
Director of National soil science institute
Director of General Directory of forest and pasture
Chief of environment department in Agriculture University

After verification the following results were achieved:

- From 1991, from the lands of ex-cooperatives are distributed with the law 7501 with title deeds about 437.357 ha, and with the decision 452 and 161 of the COM in the land of ex-state enterprises were distributed about 117.933 ha (total of 558.710 ha). The remaining free land was 107.762 ha from ex-cooperatives and 26.830 ha from ex-state enterprises out of the total of 134.592 ha.
- After the verification of the examined cases of ex-owners until 31.12.2003 resulted that there were claims for 12.195 ha of sites. From that amount restitution was made for 4.188 ha, compensation in other areas for 2.538 ha and financial compensation for 2.628 ha. There are still 2.840 ha for restitution and compensation. From 23.379 cases remain for examination 2840 cases.
- For the agricultural land the claims have been for 51408 ha and were compensated with sites 18109 ha and financial compensation 18434 ha.
- During the same time, restitution and compensation was made for claims in 61% of forests and 80% of pastures. After this verification the process of property restitution and compensation will continue.
- Restitution and compensation was completed by the property restitution and compensation commission and part of it from the courts. In Albania there are three scales of court system: First Instance Court, Appeal Court and Supreme Court. First instance courts (District courts) are set up throughout the country and include the district judicial courts .The court of Appeal judges at a second level the appeals against the verdicts of the district courts. There exist at the moment 6 courts of appeal established in the districts. The Supreme Court is the highest judicial authority. It has a revising jurisdiction when it revises and settles the cases previously revised by lower level court.

Land ownership structure

At the end of 2003, the land by ownership was as it follows:

- Private land 558.710ha (that includes 19000 ha of land as house gardens)
- Land in use of joint venture enterprises 701 ha.
- Land of government institutions 4.000 ha.

- Land on lease 1.340 ha
- Free land (that includes the area for restitution and compensation) 135.249 ha.
- Forests 1.061.770 ha. From that 726.560 ha are state-owned forests, 14.700 ha private forests and 320.510 ha communal forests. Communal forests are a new category that is administered by the communes and the general directorate of forests and pastures and are used by the local community. In this case the land is still in state ownership.
- Pastures and meadows with 415517 ha. From that 141.387 ha is state property, 33152 ha private property and 239.978 ha communal property. A World Bank funded project includes a component of communal forest and pasture management that aims to transfer the state-owned forests and pastures into communal ownership.

The National parks (in total 11) cover an area of 25.860 ha (less than 1% of the territory). There are several costal lagoons in total of about 15.000 ha. The Albanian cost line has a total length of about 380 km, with about 284 km stretching along the Adriatic Sea and the remaining 96 km facing the Ionian Sea. The lakes (natural and artificial) in total 8, cover an area of 1.155 sq km.

Structure of the agriculture

The total area of agricultural land in Albania is 700.000 ha. But according to the statistics from the Ministry of Agriculture and Food, during 1992-2002, 520.000-600.000 ha were cultivated. In this area are included crops, orchards, and vineyards. An area of 15-25% of agricultural land is bare land. One of the main reasons is the presence of small farms and the big number of parcels. The second reason is that after the collapse of the political system in 1991, the agricultural factories were destroyed and some crops such as rice and sunflower were not cultivated anymore, and the cultivation area of tobacco decreased. At the same time the fertilizer factories and the production of seeds were destroyed, therefore the price of agricultural inputs (fertilizers, seeds, fuel) and the cost of production significantly increased.

After the privatization of agricultural land, from 180 000 parcels 1.800.000 small parcels with 450.000 farms with an average area of 1.25 ha were created. According to the bulletin of the Ministry of Agriculture (year 2002) on 387.930 farms the following areas of land were cultivated:

- 0.1-0.5 ha 92.924 farms (24%)
- 0.6-1.0 ha 104.585 farms (27%)
- 1.1-2.0 ha 145.857 farms (37.5%)
- over 2.1 ha 44.564 farms (11.5%)

In the farm production prevail the cereals, vegetables (tomatoes, cabbage, cucumber, pepper forage, potatoes, beans, wheat, maize, barley, sugar beet sunflower, olive and aromatic crops, beans, tobacco). There are merely agricultural farms, combined farms (agriculture + livestock), orchards farms, and livestock farms. 70% of the farms cultivate cereals, potatoes, forages, beans, but and fruit trees, olives, and vineyard.

In Albania, there is yet no law on the criteria of farm valuation. But a law no.7687 (16.03.1993) exists "on statistics". The institutions involved for the general census of

agricultural holdings is INSTAT (Institute of Statistics), Ministry of Agriculture and Food and the Ministry of local authority. INSTAT hold the methodological leadership, make the data elaboration and edition of the census' result.

During the period of December 2003 - September 2004, in the National Soil Science Institute, a "land use policy" project was implemented, financed by the European Commission with Agrotec SPA, Italy, as implementing agency, and the Soil Science Institute (NSSI) as a counterpart. The general objectives of the project were the improvement of the abilities in formulating land use planning policies in Albanian institutions and providing a sustainable management of natural resources. In order to achieve these objectives, a GIS laboratory with modern equipment it was built up (Arc. GIS 8.3 with extensions). The project worked in some pilot communes where methodologies and standards for the land suitability assessment (FAO), land use planning (FAO-SWOT), soil survey (WRB), data modeling (UML) and Data structure (INSPIRE) has been applied. In this project the creation of the Geographical Information System for Albania, the preparation of land use legends and the collection of information on land use before 1991 (before land privatization), in 1996 and after 2001 (after land privatization), as well as the land suitability assessment were important.

In addition, a socio-economic study and the revision of the Albanian land legislation have been carried out. After the project a Land Use Policy Department was established at the National Soil Science Institute, which is working on the extension of studies on spatial planning in 5 regions. These studies are carried out in cooperation with the staff of communes by the same methodologies to support the Ministry of Agriculture and Food with land information in formulating land use policies.

In this process the information available at the Immovable Property Registration Offices are also used:

This information consist of the name of property, number of property, the surface and land use in the moment of registration (arable land, forest, pasture, olive,), the volume and page of the documents (the certificate). Based on the digital information, the Soil Science Institute in collaboration with communes and regions collect the information on land suitability assessment, according to the FAO system (S1, S2, S3, S4, N), actual land use and 1991 years (before land privatization), roads network and its condition (good, bad, destroyed), urbanization of agriculture land, yellow line for village and communes. This information is available for decision makers. In this study the followings were created: cadastral map, land use zoning, slope map, land cover and land use, watershed analysis, soil maps series, land evaluation, forest cover zoning, soil erosion risk, topographic map and land use planning.

No		Arable land	Garden	Orchard	Vineyard	Agriculture land 5
		1	2	3	4	1+2+3+4
1	Agriculture enterprises	5340	-	-	-	5340
2	Private farms	437160	19000	114200	6800	558160
3	State farms	-farms 700 -land 135300	-	-	-	136000
	Total	578.500		114200	6800	699500

No.		Grassland + pasture	Forest	Fish land	Productive land are 9
		6	7	8	(5+6+7+8)
1	Agriculture enterprises	239978	320510	-	565828
2	Private farms	33152	14700	-	606012
3	State farms	141387	726560	-	1003947
	Total	415517	1.061770	-	2.175.787

Land area by legal

form and by land use category

No.		Uncultivated	Total land
		10	11(9+10)
1	Agriculture enterprises	-	565828
2	Private farms	-	606012
3	State farms	699013	1.702.960
	Total	699013	2.874800

Price of Land

The price of agricultural land and site in several cases is provided by law. However, for the agricultural land the demand and offer between the buyer and seller is the main form to determine the price of land. In the law 7980, dated 27.07.1995 "On buying and selling of sites" (site is the land within the yellow line of the city), the price is determined according to the zone category, number of population. So, the sale price of site in the city of Tirana is divided into zones of category A with 1600 leke/m² (16\$), zone B 1200 leke/m² (12\$) and zone C 800 leke/m² (8\$). In the urban centers with a population over 20 000 inhabitants the base price of sale is 480 leke/m² (4.8\$), for the urban centers with population under 20 000 inhabitants the base price of sale is 320 leke/m² (3.2\$). In the law no.7836, dated 22.06.1994 "On the price of land for compensation prices " the compensation value of

agricultural land is made according to the quality. In this law the price of agricultural land was less than 1\$. The price of land according to the statistics results to be as it follows: For lease of state-owned agricultural land, according to the decision of government of year 1998, the amount of lease depends on land quality. On average it is 1.8-3\$ per ha annually.

Land Registration

Until 1990, the Albanian land was declared as state property. As a result of the changes in the ownership status, the immovable property registration system was established. By law 7843, dated on 13. 07. 1994 "on registration of immovable property" the registration of the immovable property" was established. The Central Office of Immovable Property Registration was set under the control of the Council of Ministers. The main principles of this system are:

- The information about immovable property, which is contained in the registration office, should be a reflection of what really exists. To achieve this goal, information property interests are collected by field teams on the basis of the decision on the privatization of these rights. Field teams also verify the boundaries of the properties.
- The property register (cartel) should show information about ownership and other interests that does not require verification. The fieldwork and documentation produced is checked for accuracy and the essential information is recorded on the cartel.
- The cost of access to the registration offices should be minimized, so that any person regardless of their wealth or location can have easy access to the registration system. The registration offices are located in each district so that geographically they are accessible for the people.
- The privately and publicly owned immovable property, both urban and rural is part of the registration system. The privatization documents, which have been produced by different programs of the privatization, are collected and used to register right to all types of immovable property. Governmental agencies that are responsible for publicly owned immovable properties are identified on the relevant cartel.

There are 35 district immovable property registration offices. Albania is divided into 3064 cadastral zones. From those, 2928 are in rural areas and 136 in urban areas. In rural areas one cadastral zone is equal with one village. As urban areas concerns, one cadastral zone represents one city or a part of it. According to the Albanian law registration process goes through two stages. In the first stage, registration of immovable property was completed by the Project Management Unit for Immovable Property Registration System under the Ministry of Agriculture and food and funded by USAID with the assistance of University of Wisconsin (USA) during 1993-1998, partly by World Bank and after 1999 by the Albanian Government. In this stage the parcel updating, preparation of index maps (indicates boundaries, area and positioning of property) was completed, and the cartel and the information were computerized. The lists of owners are displayed for 90 days in the cadastral zone. When the owners have comments on them, they are resolved in mutual understanding. In case they are not resolved in mutual understanding, the court takes over the case. Upon completion of this procedure the documents are transferred to the registration office, which conducts the registration and supplies the owner with the

ownership certificate that is the basic legal document. The Immovable Property Registration Office issues the certificate for ownership claim, certificate for lease, certificate for mortgage of property, certificate for title “in use” (certifies the person registered as property user), etc. The ownership rights are written in the cartel, and the boundaries are marked in the index map. For the services on certificates of immovable property, leases and other certificates certain fees are paid. The fees are determined by the government.

The Status of Registration

Until September 2004, first registration was completed as it follows:

- The cadastral zones submitted in the registration office were 2451 (80% of the total number of cadastral zones) and the number of properties was 2 361 275.
- Cadastral zones under process are 2802 or 91% of the total number of cadastral zones.
- Cadastral zones in which land updating is completed were 2642 (87% of the total number) and under process 160 zones.
- Cadastral zones with index maps were 2640 or 86% of the total number of cadastral zones.
- The cadastral zones completed with cartel are 2557 or 84% of the total number of cadastral zones or 2 595 607 registered properties.
- Cadastral zones were computerization and display are completed are 2470 or 81 of the total number.
- From 136 urban zones (cities) were submitted to the registration offices 90 zones or 66% of the total number and work is under process in 134 zones or 98.5% of the zones.
- The main objective of Albanian Government is the completion of the first registration process by the end of the year 2006. Despite the good progress made in land registration, the potential completion of this schedule is in question due to the properties that are not registered in the urban and peri-urban (areas surrounding the city) areas and the number of problems and conflicts.

Registration of Public Properties

Registration of public properties is being conducted by the registration directorate of public properties (with a temporary status) under the control of the Ministry of Local Government. In the Ministry of Agriculture and Food works a group on properties of agricultural system and that information is submitted to registration directorate of public properties. In this category are included state-owned lands, institution lands, military lands, religious institution lands, etc. The objective is completion of registration by 2006.

Currently, in the process of immovable property registration exist some problems: conflicts between the old and new owners, and cases when the law has not been enforced.

Conclusion: The objective of Albanian government is the completion within 2006 of the first registration process of private properties, registration of public properties, physical restitution and compensation of property to ex-owners within 2006. Whereas, the financial compensation of properties to ex-owners will continue for a 10 year period.

Land Transactions

The law on "Buying and selling of agricultural land, pastures and meadows" is the first law after land privatization. Buying and selling of agricultural land, pastures and meadows is made through the selling contract, as provided by the civil code. For buying and selling of land are implemented some administrative and legal procedures. Therefore, when the owner wants to sell land present to the registrar a request to register the notary act of buying and selling of land and a notarized proxy of family members by which they delegate all legal rights of the family to this owner. The owner takes in the district immovable property registration office a) the ownership certificate b) cartel of property (includes data on the cadastral zone, type of property, size, boundaries, etc.) c) index map (defines the number of property, position, boundaries and size). After this, the buyer and the seller go to the notary public and make the selling contract. The buyer must make the contract no later than 72 hours from the time one obtained ownership documentation. From the moment contract is made in the presence of notary public, the contract must be registered within 30 days in the registration office for the buyer to obtain the ownership certificate. In case these actions are not completed in time, sanctions with 10% of the value are imposed. The actors included in the buying and selling process are: owner (seller) – buyer – notary public – registration office.

In Albania the land market is free and transactions are allowed by law for the Albanian citizens. However, there are some reasons that negatively effect the land market development (buying-selling of land) such as the cases of incomplete documentation, conflicts with the old owners, and irregular title deeds (tapi-s). In Albania, the restitution and compensation of property is in process, therefore the new owners are secure yet for the property obtained by law 7501. For this purpose, the government has foreseen the acceleration of property restitution and compensation. The new owners possess land after a 50-year period of collective property; therefore they are reluctant to sell land. Factors that also have an impact are the incomplete process of registration, first registration of land lasted more than foreseen due to the lack of funding and foreign assistance, lack of knowledge, the high prices for registration fees. Many properties are difficult to register due to a large number of pending disputes in the court because of the existing conflicts.

In law 8337, dated 30.04.1998, is defined that no agricultural land, forest or pastures can be sold to foreign individuals. But they are entitled to rent for a period up to 99 years. Currently, there is no tendency to revise the law on foreign individuals.

From 1998 to October 2004 there are registered about 30 000 transactions of agricultural land in 6000 ha with an approximate value of 22 million dollars. In the urban areas are registered about 50 000 transactions (sites and buildings + sites) with a value of about 900 million dollars. During 1998-2004, are conducted on average 3500-5500 transactions annually or 600-1200 ha. During 2001-2004, the transactions are increasing.

Price of Land

The price of land varies by zones, level of agricultural development, number of population, distance from the coastline and urban centers, etc. At the country scale, during 1998-2004 the average price of selling agricultural land was about 420 leke/m² (4-4.2\$). The tendency in reality is the increase of the price of land. So, during 1998-2000 the average price of

selling land was 66 leke/m²(0.66\$), during 2001-2002 it was 260 leke/m²(2.6\$) and during 2003-2004 it was 830 leke/m² or 8.3\$. In the areas of good construction perspective around the cities, the selling price is increasing.

Costs of Transactions

The cost of transactions includes the payment in the registration office, notary public fee, tax on sale, tax on ownership. The payment in the registration office is a fixed fee approved by Government decision: no.549, date 26.08.1996, no.143 date, 26.02.1998 and no.292, date 24.04.2003. The notary public fee and tax depends on the value of transactions. The payment for notary public depends on the value of transactions. In the case of buying and selling of agriculture land through the selling contract the payment for notary is 35\$ (minimum) to 150\$ (maximum). If the value of immovable property is 1000-3000\$ the payment for notary is 35-70\$ and when the value is more than 100 million & the payment is 150\$. The cost of property certificate is 10 \$, the request for registration of property transfer or lease is 15\$. The seller pays the tax on property sale of agricultural land to the registration office and it is 2% of the value. For the dwelling units, the tax is 0.5-3% depends from the value of transactions. All the other services (about 24) conducted in the registration offices are provided with a payment. The fees and taxes that accompany transactions are considered high by the customers. For example, the fees to conduct a buying and selling transaction are about 65\$ along with a transfer tax of 0.5 - 3% of the value. In addition, the fee for notary public is high.

Lease

In Albania, lease is mainly applied for sites in the urban areas and in few cases in the rural areas. According to the civil code, in cases when the lease is for a period of 9 years, registration must be conducted. Often, the owners agree with each other and make no registration to the registration offices. The foreign individuals can be entitled to rent for a period up to 99 years.

Financial Services

The owners of agricultural land can take loans in some banks to help production. In cases, when landowners take loans for investment, they can put their land as mortgage. In Albania, this can be made by the National Commercial Bank and by the National Savings Bank, which are the largest banks in the country with branches all over the country. In Albania, approximately 11 private banks operate under the supervision of the National Central Bank. Some of them are the FEFAD Bank, Rural Development Fund, and Western Union with branches all over the country.

But in Albania, the buyer of land cannot take loans from banks to buy land yet. All banks offer mortgage services for land, accepting the land as collateral to take loans for agricultural production, for buying houses, but they cannot take loan for buying land yet.

The following are the names of some of banks offering mortgage services to put land as collateral for loans:

1. International Commercial Bank.-Tirana-Albania,E-Mail:icba@icc.al.eu.org

Tel: +3554237568 Fax +3554237570

2. American Bank of Albania-Tirana –Albania . w www.albambank.com

Tei:+3554248753

3. Albania Bank, Tirana-Albania

www.bankofalbania.org

4. Greek Bank in Albania ,Tirana

Tel:+3554233623, Fax:+3554233613

5. National commercial Bank ,Tirana-Albania

E-mail: info@bkt.com.al

Tel:+3554250955 Fax:+3554250956

.6. Raiffesen Bank ,Tirana –Albania

E-mail :bisneset@raiffesen.al, www.raiffeisen.al

Tel:+3554253644

Up to 1999, property was registered at the court and under the control of the Ministry of Justice, and the mapping authority was in the district cadastral offices.

Land lease

In Albania the lease of the land is applying mainly in urban areas for terrains, while in rural areas existing less cases. According to the civil code in cases when the rent period is more than 9 years this must be registered in the registration office. Often the owners makes agreements between each – others and they do not registers their acts in the registration office

Land Administration

Land administration is conducted according to some laws, decisions, and programs. Some data according to the requirements are as follows:

Organizational Structure

Institution	Abbreviation	Role
Government of the Republic of Albania	Gov	On the basis of Article 100 of the Constitution of Albania, the Prime Minister and all Ministries have the right to propose project acts (draft law for property) to deal with in the Council of Ministers. The Council of Ministers takes measures for the distribution of the acts in the institutions that have duty or are related to the content of acts. The stare, within its constitutional powers and the means at its disposal, aims to supplement private initiative and responsibility with, rational exploitation of forests, waters, pastures and other natural resources on the basis of the principle of sustainable development (article 59 the constitution of Republic of Albania). The council of Ministers consists of the prime Minister, deputy prime Minister and Ministers. The council of Minister exercises every state function that is not given to other organs of state power or to local government. The council of ministers has the right to propose Laws for the organization and operation of the institutions provided for the constitution. The governmental draft law neither makes necessary an increase in the expenses of the state budget nor diminishes the income.
Ministry of Agriculture and Food	MBU	The Ministry of Agriculture and Food is the responsible state institution for land reform (for agriculture land, forest, pasture), for land administration at national level. It is responsible for the control of changes of land use and work for development of rural zone. In collaboration with the Central Office of Immovable Property it works for land registration.
General Directory of Forests and Pasture (under the Ministry of Agriculture)	DPPK	The General Directory of Forests and Pasture is responsible for the implementation of the laws concerning forests and pasture, the development of policy in this sector and plan protection.
National Soil Science Institute (under the Ministry of Agriculture)	NSSI	The National Soil Science Institute is responsible for land classification, land evaluation, land consolidation, land use, (cadastral maps and the different scale for registration system,) drainage and

		irrigation study, monitoring pollution, land protection.
Project Management Unit for Immovable Property Registration system (under the Ministry of Agriculture)		Project Management Unit for Immovable Property Registration System, is responsible for the realization of the registration of immovable property in the first stage. Upon completion of this procedure the documents are transferred to the registration office.
Directory of Agriculture and Food in Regions (under the Ministry of Agriculture)	DBU	The directories organize the development of agricultural production, the extension (service) and the monitoring of the food's quality
Land administration sectors in the regions	LAPSR	Sections of administration and conservation of soil are established in every commune and in every management and land's conservation offices in the municipalities. They compile the background for land and enforce the plans about the administration and the conservation of soil, too.
Project for rehabilitation of the irrigation and drainage system.		Project for rehabilitation the irrigation and drainage system is financed by the Word Bank and work for the rehabilitation of drainage and irrigation system.
Ministry of Justice		All project acts (draft laws for property) are delivered for judgment to the Minister of justice, which should be expressed related to the legitimacy of form and content, for the issues of unified application of the legislative procedures and juridical terminology of the project acts, bringing, when is the case and the respective formulations.
Notaries		Based on the law no. 7491, dated on 29. 04. 1991 "on the main constitutional provisions", notaries in the Republic of Albania serve physical and juridical persons through preparation of documents and performing notational procedures according to the previsions in force. A notary is independent and subordinated only to the law. The Minister of Justice shall appoint a commission to prepare the notary professional qualification examination. A notary is a public employee and is protected by the laws related to public employment.
Ministry of Environment		The Ministry of Environment is the responsible state institution for the environmental protection and policies. This Ministry is responsible for monitoring of the environment that includes the monitoring program, the accumulation and elaboration of

		information, the creation of national data system and the rules of environmental control and protection.
Regional Agencies of the Ministry of environment		The Ministry of Environment develops the government policy through its regional agency in every region and by programs with agreement with some Institutions about monitoring system.
The Institute of Environment		The Institute of Environment was established by a government decree in 2002.
Ministry of Territory and Tourism		Ministry of Territory and Tourism is responsible for territory planning, the implementation of law no. 9244 dated on 17.06.1993 and the law no.8504, dated on 17. 09. 1998, "For the urbanites and development of tourism".
Ministry of Finance		If the project (draft law for property) is affects the income and expenditures of state budget or with administration of public and state properties, in each case it should be sent for opinion to minister of finance.
Ministry of Local Governments		Ministry of Local Governments is responsible for collecting and using the tax on land (municipalities and communes) in the 12 regions. There are Offices for Administration and Protection of Land in the communes. In the municipalities there are offices for administration and protection of the land.
State Committee for Restitution and Compensation. Local Commission for Restitution and Compensation in every region.		According to the law no. 9235, dated on 29. 07. 2004 this is the responsible state institution for the implementation of law for restitution and compensation of property. This committee has wide competences. In every region there local committees for the restitution and compensation of the property that depends from the State committee.
The Central Office of Immovable Property and the Offices of Immovable Property in every district.		The Central Office is under the control of the Council of Minister and responsible for the registration of immovable properties, privately and publicly owned urban and rural lands and supplies the owner with the ownership certificate which is the basic legal document.
Governmental Commission of Land.		The Commission has been operating since 1993. It controls the land reform. Its chairman is the Minister of Agriculture.
Geography Military Institute		The Geography Military Institute approved by law No. 8907, dated on 6. 6. 2002 as a state institution and national cartographic agency too, with a mission the geographical support of military actions and the topographic representation of state borders.

		<p style="text-align: center;">Local Government</p> <p style="text-align: center;">Article 108</p> <p>1. The units of local government are communes or municipalities and regions. Other units of local government are regulated by law.</p> <p>2. The territorial-administrative division of the units of local government is established by law on the basis of mutual economic needs and interests and historical tradition. Their borders may not be changed without first taking the opinion of the inhabitants.</p> <p>3. Communes and municipalities are the basic units of local government. They perform all the duties of self-government, with the exception of those that the law gives to other units of local government.</p> <p>4. Self-government in the local units is exercised through their representative organs and local referenda. The principles and procedures for the organization of local referenda are provided by law in accordance with article 151, paragraph 2.</p> <p style="text-align: center;">Article 109</p> <p>1. The representative organs of the basic units of local government are councils that are elected every three years by general direct elections and with secret voting.</p> <p>2. The executive organ of a municipality or commune is the Chairman, who is elected directly by the people in the manner contemplated in paragraph 1 of this article.</p> <p>3. Only citizens who have a permanent residence in the territory of the respective local entity have the right to be elected to the local councils and as chairman of the municipality or commune.</p> <p>4. The organs of local government units have the right to form unions and joint institutions with one another for the representation of their interests, to cooperate with local units of other countries, and also</p>
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		<p>to be represented in international organizations of local powers.</p> <p style="text-align: center;">Article 110</p> <ol style="list-style-type: none"> 1. A region consists of several basic units of local government with traditional, economic and social ties and joint interests. 2. The region is the unit in which regional policies are constructed and implemented and where they are harmonized with state policy. 3. The representative organ of the region is the Regional Council. Municipalities and communes delegate members to the Regional Council in proportion to their population, but always at least one member. The chairmen of communes and municipalities are always members of the Regional Council. Other members are elected through proportional lists from among the municipal or communal councillors by their respective councils. 4. The Regional Council has the right to issue orders and decisions with general obligatory force for the region. <p style="text-align: center;">Article 111</p> <ol style="list-style-type: none"> 1. The units of local government are juridical persons. 2. The units of local government have an independent budget, which is created in the manner provided by law. <p style="text-align: center;">Article 112</p> <ol style="list-style-type: none"> 1. Units of local government may be delegated by law powers of state administration. Expenses that are incurred in the exercise of the delegation are covered by the state. 2. Only duties in compliance with law or according to agreements entered into by them may be put to the organs of local government. The expenses that are
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		<p>connected with the duties put by law to the organs of local government are covered by the budget of the state.</p> <p style="text-align: center;">Article 113</p> <p>1. The councils of the communes, municipalities and regions:</p> <ul style="list-style-type: none"> a. regulate and administer in an independent manner local issues within their jurisdiction; b. exercise the rights of ownership, administer in an independent manner the income created, and also have the right to exercise economic activity; c. have the right to collect and spend the income that is necessary for the exercise of their functions; d. have the right, in compliance with law, to establish local taxes as well as their level; e. establish rules for their organization and functioning in compliance with law; f. create symbols of local government as well as local titles of honor; g. undertake initiatives for local issues before the organs defined by law. <p>2. The organs of units of local government issue directives, decisions and orders.</p> <p>3. The rights of self-government of the units of local government are protected in court.</p> <p style="text-align: center;">Article 114</p> <p>The Council of Ministers appoints a prefect in every region as its representative. The powers of the prefect</p>
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		<p>are defined by law.</p> <p style="text-align: center;">Article 115</p> <p>1. A directly elected organ of a local government unit may be dissolved or discharged by the Council of Ministers for serious violations of the Constitution or the laws.</p> <p>2. The dissolved or discharged organ has the right to complain, within 15 days, to the Constitutional Court, and in this case, the decision of the Council of Ministers is suspended.</p> <p>3. If the right to complain is not exercised within 15 days, or when the Constitutional Court upholds the decision of the Council of Ministers, the President of the Republic sets a date for holding of elections of the respective unit of local government.</p>
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Taxation of Land

In Albania, the tax on land was approved by law no.8982, dated 12.12.2002. According to this law, the owners of agricultural land are forced by law to pay an annual tax for agricultural land. Therefore the law and structures for collection of the tax exist. According to the above law in terms of tax value, Albania is divided into 4 zones. Zone 1 includes 9 districts in the coastal plain with high quality of land, zone 2 includes 8 districts with plain and hilly land, zone 3 includes 10 districts mainly hilly and mountainous with lower land quality compared to the first two and lower percentage of irrigation. Zone 4 includes 9 districts in the mountainous area with an elevation up to 1600 m with a lower quality than the first three zones and lower percentage of irrigation and lower scale of mechanization. Classification by category of agricultural land is completed by the study conducted from the National Soil Science Institute for the entire country area. Classification is made in 10 classes, but since the last four classes (7, 8, 9, 10) differ very little from each other they have been grouped in one class for taxation purposes.

According to the law, in zone 1 for land classes 1 – 6, the value of tax per ha is 2400-5600 leke/year or about 24-56\$ (class 1 is 56\$ and class 6 is 24\$). For classes 7 - 10 in this zone, the tax value is 1800 leke or about 18\$. In zone 2, for land classes 1 - 6 the tax value is 4200 - 1600 leke/year per ha or about 42 - 16\$. For classes 7 – 10, the tax value is 1400 leke/year or 14\$. In zone 3, for land classes 1 - 6, the tax value is 1200-2800 leke/year per ha or 12-28\$. For classes 7 – 10, tax value is 1100 leke or about 11\$. In zone 4, for land classes 1 - 6, the tax value is 800-1400 leke/year per ha or 8-14\$. For classes 7-10, the tax value is 700 leke or about 7\$. According to the law the tax is collected by local government (municipalities and communes). That is used as it follows:

Land Consolidation

Land privatization process regardless to its implementation is linked to land fragmentation. The Albanian agriculture is characterized by the presence of minimal sized farms and 4.2 parcels per farm average. The minimal size of farms and the high level of the fragmentation are considered the constraint factors of the development of the Albanian agriculture. The privatization of the former, large state-owned farms brought huge difficulties in converting the irrigation and drainage system to a big number of small farms a consequence, there was a partial reduction in the yield of certain crops due to lack of irrigation when it was mostly needed. The formerly designed parcels with a size of 10-12 ha de-limited by a network of irrigation and drainage canals, are divided between 20-25 owners (farmers). In Albania 60% of the farmers have their land in 1-4 different places and 40% of them are even in the more places. Farmers lose time through moving between their parcels with the average walk of 2-5 km from house to individual parcels.

The classification of farms according to size in ha

Farm group ha	In percentage (%)
▪ 0.1-0.5	33.9
▪ 0.5-1	24.2
▪ 1-2	30.1
▪ Over 2	11.8
▪ Total	100

Average farm size

- Lowland 2.5 ha
- In hill 1-2 ha
- In mountains 0.5-1 ha

The following factors favored land fragmentation:

- During the privatization, each family was given land in various locations in order to have plots of the same quality of soil (fertility, irrigation capacity, cropland type)
- Each family was given cropland, olives groves, vineyards, (orchards) when available, vegetable gardens near the house.
- During land distribution, peasant families retained ownership over some land that they had received under previous allocations.
- Land distribution took account of both distance (between house and parcels) and physical conditions (hilly, field, and mountainous land)

Land consolidations, policies and objectives

- The objective of land consolidation in Albania consists of grouping the separated plots by:
- Exchange of the plots of lands between farmers for the reduction of farmland fragmentation level. This process is evident in Albania. Around 2 % of respondents stated that they had exchanged land plots.
- Farmer's agreements of planting the whole parcel in the same crops.

- Working together (group of farmers). In 2003, in about 300 cases in different village and different districts working together 2-5 families.
- The land Market
- Programs of consolidation (for every commune, districts)
- Preparing of Law for Land Consolidation. This law is not prepared yet
- Creation of consolidation structures.
- Farmer’s associations’ production stage and farm consolidation. From the survey it results that 20% of respondents are willing to participate in the farmer associations production

A project of the agriculture services financed by the World Bank has started the implementation of the sub-components for the land consolidation in three pilot communes. The general objectives of the project are to increase the agriculture productivity as one of the ways to increase the income and reduce the property in the rural zone. As a result, during 2004, in the pilot communes the number of transactions and farm enlargement increased. Considering that the consolidation of the farms was a priority in 2003, the National soil science institute started a study with objectives "Fragmentation and consolidation in some district of country". From year to year, the domestic production took advantage in the market. For some crops like vegetable, potatoes, white beans and forage, the planted land size has not changed in recent times. In the fruit sector, the increase of newly planted fruit is significant because it is supported by the market demand and agro-industry requirements, the good climatic condition, the tradition and the high level of production.

Land Valuation

For land evaluation there is no specific law yet. However, there are sub-legal acts in which incorporate some elements of land evaluation. Until 1991, when there were no buying and selling transactions, only evaluation of production of land capacity was conducted on basis of its qualities. According to this evaluation land was divided into 10 classes. Lands belonging to class 1 are the best and those belonging to class 10 are the worst. According to this classification, lands are grouped as it follows:

Based on this data the following valuation is planned. This valuation was mainly related to soil productivity. Until know this land valuation was the basis for the land taxes and land lease taxes. In accordance with this valuation the land of Albania are classified as follows:

- | | |
|--------------|--|
| ▪ 1 | 0.6 % of total agriculture land |
| ▪ 2 | 6.3 % |
| ▪ 3 | 19.4 % |
| ▪ 4 | 19.6 % |
| ▪ 5 | 17 % |
| ▪ 6 | 15.2 % |
| ▪ 7 | 11.5 % |
| ▪ 8 | 6.8 % |
| ▪ 9 | 2.85 % |
| ▪ 10 | 0.75 % |
| Total | 100 % (Source: National Soil Science Institute) |

The Albanian Association of Immovable Property Evaluators was established in 1996, which is for examination and licensing of experts. A commission in the Ministry of Territory Planning and Tourism makes the proposals for license issuance. The licensed experts make the evaluation according to the market demand. They help customers in on completion of procedures and documents.

In 2004 (with the initiative of the government commission for property restitution and compensation) with a government order, a group of land experts were responsible for preparation of land evaluation methodology. This became especially crucial for restitution and compensation of property to ex-owners. The prepared methodology is based on the evaluation of land productivity for each class, divided into 5 groups and by calculating the economical profit for each land unit. After the price is estimated it can be converted for each group including the irrigation scale, distance from roads, urban centers, coastal area and the market, position, area (tourism, agricultural, urban), level of infrastructure and coefficient of development. This methodology will become effective soon by the government.

Structure of Valuation

The National Soil Science Institute conducts the evaluation of land productivity by land quality. In The Soil Science Institute the experts for land evaluation are trained as follows:

- The Albanian association of immovable property evaluators trains the experts for evaluation of immovable property and proposes to the Ministry of Territory Planning and Tourism the persons that will be issued licenses.
- The Ministry of Territory Planning and Tourism is responsible for licensing the evaluation of immovable property.
- The Ministry of Agriculture and Food is responsible for agricultural land and the Ministry of Territory Planning and Tourism is responsible for sites.
- General Directorate of Forests and Pastures, under the control of the Ministry of Agriculture and Food, is responsible for the administration of forests and pastures. After the government approves the evaluation methodology of agricultural land, forests, pastures and sites, there will be determined the responsibilities of each institution for land evaluation.

Legislation

During the implementation of land reform, the most important element was the completion of legal framework for administrative division of land, market development and establishment of immovable property market. Within this framework, there were approved about 30 laws and regulations for property administration and registration (land, forest, pasture). There are no legal barriers for land transactions. The following is a list of laws, regulations and decrees for land reform, land registration, land administration and land market.

1. Law no. 8457, date 21.10.1998 “The constitution of Republic of Albania.

Article 11

The economic system of the Republic of Albania is based on private and public property, as well as on a market economy and on freedom of economic activity.

2. Private and public property are equally protected by law.
3. Limitations on the freedom of economic activity may be established only by law and for important public reasons.

Article 41

1. The right of private property is guaranteed.
2. Property may be gained by gift, inheritance, purchase, or any other classical means provided by the Civil Code.
3. The law may provide for expropriations or limitations in the exercise of a property right only for public interests.
4. The expropriations or limitations of a property right that are equivalent to expropriation are permitted only against fair compensation.
5. For disagreements connected with the extent of the compensation, a complaint may be filed in court.

Article 42

1. The freedom, property, and rights recognized in the Constitution and by law may not be infringed without due process.
2. Everyone, to protect his constitutional and legal rights, freedoms, and interests, or in the case of an accusation raised against him, has the right to a fair and public trial, within a reasonable time, by an independent and impartial court specified by law.

2.Law 7850, date 29.07.1994 “Civil code of Republic of Albania”, According to civil code:

Article 154

The right of ownership of land is extended into the sky and into the earth as is profitable for its use, within the conditions foreseen by the law.

Article 155

The owner of land, after first asking the neighbor to cut the branches and roots of the trees which extend into his land, has the right to cut them himself if they cause him damage, and even to gather the fruits of the trees and use them for his own benefit.

The fruits, which fall from the trees onto the land, belong to the owner of the land where they have fallen.

Article 156

The owner of land, which is neighboring on a stream or public source of water, has the right to use it as long as he does not damage the interests of owners of other land, except when the use is arranged by special provisions.

Article 157

The owner of land can at any time ask the owner of neighboring land that, with shared expenses, they put along the boundaries of the land visible marks or to fix them when they are damaged.

When the boundary between two objects is not clear and when the owners will not define the boundary themselves, each of them have the right to ask the court to determine the boundary.

Land Registration

Law no. 7843, dated on 12.07.1994 “For Registration of Immovable Property”. The new registration system was based on this law for the first time. The law determines the organization of the system according to which the central office and district registration offices are. The law determines the procedures of the first registration, the method of registration and the documentation. In addition, it defines registration of contracts such as selling, lease and for the land in ownership or in use. The law has 59 articles.

The Government Decision no. 352, dated on 3.05.2005 “For approval of immovable property ownership certificates”. According to this decision 15 types of immovable property ownership certificates were approved.

- Decision no. 432, dated 14.08.1995 “For procedures of immovable property registration in the urban area of villages”. According to this decision, registration of this property is made by the commune.

- Law no. 8743, dated 22.2.2001 “For state-owned immovable property”.

- Law no. 8744, date 22.2.2001 “For transfer of state-owned public properties to the local government units”.

According to this law, public properties are state-owned and part of the immovable public property. Registration of immovable public properties is made by the Council of Ministers for properties under the control of Central Government, and by Local Government for properties under its control.

The government decision no. 500, dated 14.08.2001, “For inventory of state-owned immovable property and transfer of property to the local government units”. In this law are defined the types of property to be transferred to the local government units. Transfer of this property should finish by the end of 2004.

Law 7491, date 29.4.1991 “ On notary”

Article 1

Notaries in the Republic of Albania deal with legal activity serving physical and juridical persons through the preparation of documents and performing notarial procedures according to the provisions in force.

A notary, in exercising their profession, is independent and subordinate only to the Law.

Article 3

The Minister of Justice shall appoint a commission to prepare the notary professional qualification examination.

This commission shall allow people who satisfy points "a", "b", and "d" of the Article 2 of this Law take the exam.

Those choosing to retake the exam must first enter into another apprenticeship for no less than a six (6) month period.

The Minister of Justice shall determine the composition and rules of the commission, the procedures for taking the notary exam, and subjects of the exam. The Minister shall also establish rules for the periodical professional training of notaries.

A representative of the Council of the National Chamber of Notaries shall participate in this Commission.

Article 4

A notary is equivalent to a public employee and is protected by the laws governing public employment.

Article 5

A notary cannot be a judge, prosecutor, investigator, lawyer, an arbitrator, or engage in any other private or public activities, except for scientific and teaching activities.

Article 6

Notaries are nominated and may cease their function by decision of the Ministry of Justice and the opinion of the Council of the National Chamber of Notaries.

Article 14

The Ministry of Justice will exercise control over the legal activity of the notary.

The acts of the last will and testament, as long as the heir to the will is alive, are not subdued by the control of the Ministry of Justice.

Article 39

Notaries have the power to:

- a) Edit notarial acts;
 - b) Notify with notarial or other non-court acts;
 - c) Legalize citizen signatures endorsed in acts;
 - ç) Design objections for transactions and certification of check non-payment;
 - d) Certify the date of the presentation of documents to the notary office;
 - dh) certify the existence of a person and their stay at a certain place;
 - e) Accept documents from physical and legal persons at the notary office for preservation purposes;
 - ë) Give copies and summaries of acts deposited at the notarial office;
 - f) Certify that the copies or summaries of documents are the same as the originals presented by the interested person;
 - g) Make or certify translations from one language to another;
 - gj) edit reports and make inventories describing requests of citizens and charges by the court;
 - h) Edit statements and documents requested by interested persons, and other acts and procedures, which shall, according to this Law, be performed by a notary.
1. Study and cartography. Based on the law no 8752, dated on 26.01.2001, are established the section of administration and protection of land in the regions as well as the offices of land management in the communes and/ or in municipalities. The section of land administration have taken the forms as multifunctional cadastre and the aim of their setting up is the creation of the information system for the land. By the end of the previous year it the decision of Council of Ministers no.532, dated 31.10.2003” was approved. This decision fosters functioning of the section of administration and land protection as well as the offices of land management”. Its main functions are: providing information in the form of maps and register for the size and form of parcels (cadastre), and preparing documents for land taxation and land protection.

Land taxation

Law no. 8982, dated on 12.12.2002 “ For the local tax system“. shows the value of land tax by area and land category.

Land valuation

Government Decision no. 8752, dated on 26.10.2001.

Restitution and compensation of land

- Law no. 7693, dated 15.04.1993 “For restitution and compensation of property to ex-owners”
- Government decision no. 301 dated on 14.06.1993 “For implementation of law for restitution and compensation of property”.
- Government decision no. 504, dated on 18.10.1994 “For the use of bonds for compensation of ex-owners”
- Order no. 3, dated on 21.06.1993 “For implementation of law for property restitution and compensation”
- Order no. 13, dated on 18.10.1993 “For restitution and compensation of property to ex-owners”
- Law 7699, dated on 21.4.1993 “For compensation in value or sites of agricultural land, pastures, meadows, forests and forest lands”. According to this law:

Article 1

This Law recognizes the right of ownership for the purpose of compensation in value for juridical and physical persons who were former owners of agricultural land, prior to the passage of Law no. 108, August 29, 1945 “On Agrarian Reform”, which is located outside the yellow restrictive lines of living centers, inside of which Law no. 7698, dated, April 15, 1993 “For Restitution and Compensation of Properties to the Former Owners” is acting.

Article 8

1. Former owners or their heirs, according to the provisions of this Law, shall receive full compensation for an area up to 15 ha.
2. For former owners or their heirs who have had more than 15 ha. of agricultural land, the compensation for the remaining portion of the land will be made according to the following formula:
 - a) from 15 ha. to 100 ha., each ha. above 15 will be compensated at the rate of 0.1 ha.;
 - b) from 100 ha. to 1100 ha., each ha. above 100 will be compensated at the rate of 0.02 ha.;
 - c) for areas above 1100 ha., there shall be no additional compensation.
3. In no case shall the maximum of compensation in value surpass the equivalent of 43.5 ha.
4. Regardless of the number of heirs, the total amount of land that will be compensated in value shall correspond to paragraphs 1 and 2 of this Article.

Law no. 7832, dated 16.06.1994 “For the price of land the site Being Compensated”.

CHAPTER II

Criteria for determining prices

A. Sites inside the delimitation of residential centers.

Article 3

The price for compensation of a site inside the delimitation of residential centers, shall be determined based on the following criteria:

- a) the population of the residential center;
- b) the location of the site according to the zone category;
- c) the structural adaptability of the site.

Article 4

The base price for the compensation of sites inside the delimitation of Tirana is 800 Lekë per square meter.

The base price for residential centers with a population of over 20,000 residents is 480 Lekë per square meter.

The base price for residential centers with a population under 20,000 residents is 320 Lekë per square meter.

Article 5

Urban zones in municipalities shall be classified as category A, B, or C in accordance with their respective development. The Regulation Council shall approve these lists.

The City of Tirana shall be divided into three zones classified as category A, B, or C; the site prices will be 1600 Lekë per square meter for category A, 1200 Lekë per square meter for category B and 800 Lekë per square meter for category C.

Residential centers with populations over 20,000 shall be divided into zones classified as category A or B; the site price will be 720 Lekë per square meter for category A, and 480 Lekë per square meter for category B.

Residential centers with population under 20,000 are not divided into zones, thus all site prices will be 320 Lekë per square meter. If residential centers are near national roads, airports, ports, etc., the site price will be 480 Lekë per square meter. The Albanian

Territory Regulation Council via proposal from a district territory regulation council shall make these determinations

Article 8

Through Tourism Development Committee proposals and with approval of the District Territory Regulation Council, the Albanian Territory Regulation Council shall classify tourist zones into three categories, based on tourism development strategies:

- a) Zones of tourism development at the luxury level;
- b) Zones of tourism development at the high level;
- c) Zones of tourism development at the middle level.

- Law no. 7836, dated 22.06.1994 “For the price of agricultural land for compensation purposes”.

Article 2

The compensation value that will be given for one hectare of land, regardless of the class under which the land is registered in the cadaster, will be calculated based on the average classification of land within the boundaries of a commune, a village, or a city.

The Council of Ministers has authority to define standards for establishing an average classification of land for each commune, village, or city.

Article 3

The compensation value of agricultural land, based on Article 2, is as follows:

<u>Categories</u>	<u>Value of each hectare in 000/Lekë</u>		
	<u>Up to 15 ha</u>	<u>15-100 ha</u>	<u>100-1100 ha</u>
Category I	280	310	360
Category II	244	274	324
Category III	210	240	290
Category IV	171	201	251
Category V	135	165	215
Category VI	107	137	187
Category VII	62	92	142
Through X	62	92	142

Law no. 9235, dated on 29.07.2004 “For restitution and compensation of property“(Comment in text).

Privatization

Law no. 7501, dated on 19.07.1991 “On Land”. This is the first law to distribute land of former agricultural cooperatives.

Article 1

Land in the Republic of Albania is classified as follows:

- a) Agricultural land occupied by field crops, fruit plantations, vineyards, and olives wherever they may be and irrespective of size, in the countryside, in the cities, or other residential centers.
- b) Land occupied by forests, pastures, and meadows.
- c) Non-agricultural land occupied by economic and socio-cultural buildings, military units and the area around them; land occupied by dwelling houses and their courtyards, land for general use (streets, highways, airports, railways, squares, parks, gardens, sports grounds, cemeteries); rocky areas, coastal sandy areas, beaches; water areas (lakes, reservoirs, ponds), various canals, rivers, streams, river-beds, swamps; areas with historical or archaeological buildings and monuments, and all the other lands not included in points "a" and "b" of this article.

Article 2

The State gives land to physical or juridical persons. They enjoy the right of ownership on land and all other rights envisaged in this Law.

Article 3

Agricultural land is given in ownership or in use to national or foreign, juridical or physical persons without remuneration.

Article 7

Account Government Land Commission attached to the Ministry of Agriculture, land commissions at the district council, land commissions in communes, and land commissions in villages are set up for the distribution of land in ownership or for use to juridical or physical persons, and for the elimination of the recently created confusion in this field.

The Council of Ministers shall define the rights and duties of these commissions.

- Law no 452, dated on 17.10.1992 “For restructuring of ex-state enterprises”. Based on this law were distributed the lands of former state farms.

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- Government decision no. 228, dated on 23.07.1991 “For establishment of government land commission”.

- Law 7652, dated on 23.12.1992 “on the privatization of state Housing”.

Article 1

The aim of this law is the privatization of state housing, the creation of a free market for private housing, and the improvement of the use, maintenance, and administration of housing by granting tenants of state housing the right to become owners. These owners will have the right to sell, rent, and mortgage the housing.

Article 4

Based on the distribution of the general value of the state housing fund, the Council of Ministers shall determine tariffs according to the following criteria:

- a) the size of housing;
- b) the historical value of housing;
- c) the age of housing;
- d) the location of housing;
- e) the size of the family.

Government decision no. 230, dated 22.07.1991 “For establishment of land commissions”. By this decision were established the land distribution commissions for each district, commune and village.

Land transactions

Law no. 7980, dated on 27.07.1995 “For buying and selling Building sites”

Article 1

A “building site” is defined as all the land that is within the boundaries of cities or municipalities without regard to whether it is used for construction, gardening, agricultural cultivation, or so forth. This includes land outside city boundaries which, at the moment of transaction, is or will be used for construction, provided that the documentation has been completed which certifies its transfer and its status as no longer being agricultural, meadow, pasture, etc.

A building site is considered “occupied” when legal investments e.g., foundations, excavations, installations, channels, buildings, etc., have been made and the value of the investments are more than that of the building site. The occupied building site includes as much area as needed for the normal functioning of the structure that is going to be built,

including areas which, based on the regulations of the Planning Office, are not to be used by other persons. e.g., areas in front of windows of existing buildings, between buildings, etc.

Article 2

Albanian physical and juridical private persons have the right to buy and sell building sites amongst each other without any limitations.

Article 7

Foreign physical and juridical persons are not allowed to purchase building sites that have archeological or museum values, national parks, flora and fauna designated areas, and land sites that have special environmental or military importance.

Article 8

The sale price for state owned land will be decided by the Council of Ministers.

The sale price for privately owned land will be decided by agreement between interested parties.

Article 9

The Council of Ministers shall decide the rent to be paid for state owned land that is given in use to foreign juridical or physical persons according to Article 5 of this Law.
Law 7843, dated 13.07.1994 “For registration of immovable property“

Article 8

Each volume of the Register Book in the immovable property registry shall include a register for each publicly owned immovable property and a register for each privately owned immovable property.

Article 9

Effect of Registration

Once an immovable property has valid registration, every subsequent transaction involving rights to it shall be registered in conformity with the provisions of this act.

The registration of an immovable property gives a person as individual, co-owner, or as representative of a family the right to enjoy the immovable property in conformity with the law.

Every proprietor acquiring any immovable property, contract of lease or mortgage shall be deemed to have had notice of every entry in the Registry relating to the immovable property, contract of lease or mortgage.

Certificates

Article 28

Certificates of Ownership and Lease

The Registrar shall, if requested by a proprietor of immovable property or a lessee where no certificate of ownership or certificate of lease has been issued, issue to the proprietor a certificate of ownership or a certificate of lease in the prescribed form showing all information in the register affecting that immovable property or contract of lease.

For any immovable property registered in the appropriate Kartela for ownership, mortgaging or for different contracts that are carried out on this property, only one certificate shall be issued.

A certificate of ownership, lease or mortgage shall be only prima facie evidence of the matters shown therein, while ownership, lease or mortgage shall be subject to all entries in the register whether they are shown on the certificate or not.

The date of issue of a certificate of ownership, lease, or mortgage shall be noted in the register.

Land ownership

- -Law no. 7501, dated on 19.07.1991 “On Land”
- -Law no. 7512, dated on 10.08.1991 “For sanctioning and protection of private property, free initiative of independent private activities, and privatization ”

Article 1

The Republic of Albania sanctions and protects private property, free initiative, independent private activities, the conducting of business, foreign investments, the right to obtain and grant credit, the right to employ and be employed, the privatization of state owned property, and the entire process of converting the economy of the Republic of Albania from a controlled centralized planned economy to a free market economy.

Article 6

Albanian or foreign, physical or juridical persons who exercise their activities according to the law may set their own prices and tariffs on production and services on the basis of supply and demand.

The Council of Ministers, by special decree, may set maximum limits on prices and tariffs for commodities and services on which competition has been limited due to monopoly situations,

or in situations of difficulty or scarcity of supplies, or on some commodities and services of prime necessity for the people. The decision shall remain in force up to one (1) year from the date of its proclamation.

- Law no. 452, dated 17.10.1992 “For restructuring of agricultural enterprises”
- Law no. 7843, dated 13.07.1994 “For registration of immovable property”

Mortgage of land

- Law no. 7843, dated 17.10.1994 “For registration of immovable property”. According to this law, land is registered in the registration office. In case a mortgage contract is registered between the property owner and a person to whose interest this contract is made, a certificate for mortgage of property is issued. Mortgage of land is based on the Civil Code of 1994.

Government management of land

There is a group of laws and decisions for land management (private and state-owned).

- Law no. 7983, dated 27.07.1995 “For policy and selling the agriculture land, meadows and pastures”.
- Law no.7980, dated 27.07.1995 “For the state-owned land”
- Law no. 7917, dated 13.4.1995 “For the pastures and meadows”
- Law no. 7623, dated 13.10.1992 “For forests and forest policy”

Article 1

This law aims to administer, protect, prolong, and maintain the forests for lumber production, other forest products, and for the protection of the environment; and is categorized as follows:

- a) To protect total forest areas in order maintain its economic value, environmental need, natural resources (reservoirs and trees), natural beauty, tourism, and infrastructure.
- b) To control the cutting of wood, so that the number of trees planted surpasses the number of trees cut, reflecting the planned production.
- c) To control of the development of the entire forest.
- ç) To harmonize the interests between society and individual and legal entities.

Article 6

This Law establishes rules for the administration, development, protection, and preservation of state, local, and private forest areas.

The General Forest Directorate administers state and local forest areas through local directorates of the forest service.

Article 7

Land with forest vegetation and bushes, with a surface area up to 5 hectares, are excluded from forest areas with the approval of the General Forest Director. Land with forest vegetation over 5 hectares are excluded only with the approval of the Minister of Agriculture and Food.

Forests with a surface area up to 50 hectares are excluded from forest areas with the approval of the Minister of Agriculture and Food. Forests with a surface area over 50 hectares are excluded with the approval of the Council of Ministers.

The cutting of trees or changing of areas designated as forestland is allowed upon approval from the appropriate institutions and after payment of the specific fees. Payment that has been collected must be used for reforestation of the above-mentioned surface area. Lumber remaining as a result of cutting is property of the forest owner.

Law no. 8752, dated 26.03.2001 “For the land administration and protection structures“. According to this law, the Ministry of Agriculture and Food is the responsible government institution for administration of land at the national scale, control and land destination changes Albania is divided into 12 regions. There is a land administration directorate in every region. In addition, there are offices of land administration and protection in every municipality and commune. The General Directorate of Forests and Pastures is responsible for implementation of the law for forests. The national soil research institute is responsible for the study work on land classification, evaluation, protection, soil fertility, drainage and irrigation, land use policy (land use planning, land consolidation) and monitoring of all the country.

- The law no. 9244, date 17.06.2004 “For the protection of agriculture land”
- The law no. 7664, date 21.01.1993 “For the protection of the environment”.

Article 1

Environmental protection constitutes an essential condition for providing for the development of the society and the nation in general, and has these main strategic elements: prevention and reduction of pollution of any kind; conservation of biological diversity specific to the country’s natural biological background; rational management of the natural resources, the avoidance of over exploitation; the ecological restoration of areas damaged by human activities or natural destructive phenomena; preservation of ecological equilibrium; and life quality maintenance and improvement.

The law no. 8405, dated on 17 .9.1998. “For urban planning”

Article 2

The purpose of this Law is the assertion and determination of general rules for the establishment and architecture of buildings in the whole territory of the Republic of

Albania. Upon determination of these rules, the following policies have been taken into consideration; the current and future economic and social development at the national and local level, national defense, environment protection, preservation and implementation of urban planning, architectural and archeological values, the protection of legitimate interests related to private property.

Article 3

Local government organs shall administrate the territory under their jurisdiction, according to the competencies provided by law. In order that the living conditions improve, the territory be administered on legal basis, environment protection be provided, the equilibrium of the development of urban and rural zones be maintained, and the existing conditions be improved, the organs of local government shall harmonize their decisions by reciprocally honoring local autonomy.

Competencies of State Organs in the Field of Urban Planning

Article 7

The higher state organ responsible for approving urban studies is the Territory Adjusting Council of the Republic of Albania (TACRA).

Article 8

TACRA is a decision-making organ and operates at the Council of Ministers. The head of TACRA is the Prime Minister. Composition, membership and funding are approved by decision the Council of Ministers.

Territorial competencies allow prefectures to cancel the implementation of TAC decisions, until they are considered by TACRA.

Article 11

The technical secretary of TACRA operates in the relevant ministry that deals with territory planning activity at the Territory Planning Directorate. The tasks of the technical secretary are determined through special clause of the Council of Ministers.

Article 12

The relevant ministry dealing with territory planning activities through the Territory Planning Directorate shall coordinate work between TACRA, state organs and local government organs in the field of territory planning. This directorate is entitled to exert controls over the local government organs that deal with territory planning, and to study and prepare proposals for legal and sub-legal acts.

Article 13

The Institute of Urban Studies and Projects is the state organ at the national level, which prepares urban studies and projects determined by the Urban Planning Regulation. This institute is under the control of the Ministry of Public Works and Transport.

Article 14

The organs specialized for Urban planning in local government are:

The territory adjusting council at the district council, in Tirana Municipality and other municipalities that are cities of first category (TAC).

Urban planning section at district council and in the municipalities that are cities of first category (city planning directorate in Tirana Municipality), and technical secretary of TAC.

Urban planning office in the municipality.

Urban planning office in the commune

Article 24

The Urban Planning Directorate in Tirana Municipality, urban planning sections in district councils, and urban planning offices in municipalities of first category cities must have the following structure:

- Chief of section (Urban Planning Director in Tirana Municipality);
- Technical secretary of TAC;
- Sector of projecting and studies of urban planning;
- Sector of urban cadaster;
- Sector of legal urban planning;
- Sector of engineering infrastructure and evaluation of effects on the environment.

The law no 8318 dated on 1.04.1998 "On leasing of agricultural land, forest land, meadows and pastures, owned by the state"

Article 8

The time terms of leasing State owned land are as follows:

1. Up to 10 years for short-term leasing contracts, where the activities include field crops and edible oils.
2. Up to 30 years for mid-term leasing contracts, where the included activities concern animal production, protected environments, and low forests.
3. Up to 99 years for long-term leasing contracts, where the included activities concern tourism, recreation, high forest and fruit tree production.

When the activities described in points 1 and 2 are accompanied by investments for processing the products, they will be handled as long-term leasing contracts.

The law no 8337, dated on 30.04.1998 “For the transfer of ownership of Agricultural land, meadows, pastures and forest”.

Article 1

This law amends the transfer of ownership of agricultural land, meadows, pastures and forests.

The transfer of ownership of agricultural land, meadows, pastures, and forests is made by notary acts that are governed by Articles of the Civil Code.

Article 5

A family can transfer ownership of agricultural land, pastures, meadows and forests to any physical or juridical citizen of Albania, in conformity with legal requests for the transfer of immovable property, upon presentation of the following documents to the immovable property registration office:

- a) a certificate from the Immoveable Property Registration Office that verifies ownership attached to a notary act for transfer of ownership and the index map which shows the location of the property;
- b) documents that certify the composition of the family at the moment of transfer of ownership verified by the certificate of civil status, certified by the local government and a common declaration by family members;
- c) topographic sketch map of the property which is the object of the transfer of ownership;
- d) a notarized power of attorney from all co-owners of the immovable property according to this Law.

Sources of Information

In Albania, there are some categories that help disseminate news as it follows:

- Albanian News Agency that disseminates news all over the country.
- National Public Television Station that broadcasts a lot of news on land ownership and administration. Once a week a special program focuses on land and rural development named “Green Nature”.
- A number of private and local television stations of which the most important are as it follows:
- Klan Television, Koha Television, Arberia Television as well as a number of local stations.
- There are two main magazines published by the agriculture information center: “Albanian Agriculture”, that published information on land, property and

registration with about 10.000 copies a month, and the second magazine is “The Bulletin of Agricultural Science”, published every 3rd months by the Agricultural Information Center. This bulletin published results of agricultural researches including land, property registration, land use policy and evaluation and consolidation policy.

- The main radio station that disseminates news on agriculture is the National Public Radio Station “Tirana”.
- The newspapers are numerous but the most important are “Zeri i Popullit”, Rilindja Demokratike”, Albania”, “Shekulli”, “Koha Jone “. These papers publish laws and decisions.
- Official Journal of the Republic of Albania (published by the Center for Official Publications). The official journal publishes laws, decrees, government decisions, and orders of the Ministers that are equal to legal acts.

Publications in the Internet by the Ministry of Agriculture, the Soil Research Institute, the General Directorate of Forests and Pastures, the Central Office of Immovable Property Registration, the Ministry of Territory Adjustment and Tourism, the Ministry of Environment and the Academy of Sciences.

Statistic Institute (INSTAT) published: General census of Agricultural holdings.

Banks

In Albania there are some state-owned banks and some private banks operating. The most important banks are the International Commercial Bank, the National Commercial Bank (privatized), the State-owned Savings Bank (under privatization) the American Bank of Albania, Tirana Bank, Raiffesen Bank, Fefad Bank, Alfa Bank, etc. The banks give loans for small business, or purchase of dwelling units and some other services. The International Commercial Bank has one of the services to give loans for purchase of vacant land in one. This service is applied only in some cases. The address is as it follows: Rruga “Ded Gjon Luli” No. 3, Tirana – Albania, Tel 00355 42 377568 Fax: 00355 42 37570 E-mail: icba@icc.al.eu.org. However, a number of other banks have foreseen to give loans for land in the future, but yet it needs to be seen.

Governmental Institutions

There are some government institutions that publish information related to land market and administration.

- The Central Office of Immovable Property Registration publishes information related to registration through an annual bulletin.
- The Ministry of Agriculture and Food (Directorate of Statistics) publishes an annual bulletin including data about the area and use of land, area of forests, size of farms, etc.

The National Soil Science Institute published every year a report for land consolidation, a report for land use, land evaluation and information about different production maps that are necessary for every district and registration officer.

Structure of Information

- For the Bulletins (Ministry of Agriculture and Food, Ministry of Local Government, Ministry of Environment, Central Registration Office) information is collected by the structures under the control of the above institutions by annual or periodical evidence.
- General Directorate of Forests and Pastures collects information from the district forest services.
- Central Registration Office collects information from the districts Registration Offices.
- Ministry of Agriculture collects information from Sections of Land Administration at the County level and from the National Soil science Institute.
- The Government Commission for Property Restitution and Compensation collects information from district property restitution committees.
- All Ministries submit each year to the Council of Ministers data about land fund and use. Changes and problems are evidenced.
- In the information indicators are included the following areas:
- Area of agricultural land

Divided into:

- Cultivated land
- Orchards, olive trees
- Vineyards
- Forest

Divided into:

- State-owned
- Communal
- Private
- Pastures

Divided into:

- State-owned
- Communal
- Private
- Privatization (agricultural land, forests, pastures)
 - Registration (number of cadastral zones and all registration elements).
 - General Directorate of Forests and Pastures publishes annually the change of forest and pasture areas.
 - Ministry of Territory Adjustment and Tourism publishes the changes on urban and tourism areas.
 - The Government Commission of Property Restitution and Compensation publishes annually the restitution of properties (land, buildings, etc).
 - Ministry of Local Government publishes annually the changes in property of local government units.

- The Sections of Land Administration at the County, Municipality and Commune prepare registration of land fund and changes in use.

Advisory Work

Consultant Advisory work is conducted by both the government and private structures. For registration issues, advisory work is completed by the Central Office of Immovable Property Registration and District Registration Offices.

- Soil Research Institute gives assistance for land use problems, consolidation and evaluation.
- From private structures there are some private offices that work for publication of customer information (buying-selling and offers).

There are some associations such as that of “Ex-owners” that work close to the government institutions for property restitution and compensation to ex-owners.

Academic Institutions

- Academy of Sciences publishes a comprehensive material, in which articles on land are often published.
- Agricultural University
- National Soil Science Institute
- Forest and Pasture Institute