

**CORRUPTION WITH PROPERTY, AN  
IMPEDIMENT TO SUSTAINABLE DEVELOPMENT**

**RESEARCH STUDY**

TI-Albania-CAO

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## I. GENERAL OVERVIEW – Characteristics and development conditions

*It has now been almost 18 years since the time of the approval of the law no. 7501, 1991, "On Land," and land ownership titles, particularly on arable land, remain unresolved and problematic.*

Land ownership, as the basic element of economic development, is not consolidated in Albania, thus projecting its negative consequences on the economy, which remains unsustainable and, in many cases, results informal. Based on an analysis of legislation and institutional responsibilities, it follows that ownership documents are distributed among several central and local institutions and it is difficult for those interested to obtain them. Personal contact at some windows – in an effort to obtain documents located only at state institutions and that the law recognizes as known: such as the origin of the property in order to complete files to obtain ownership titles, to register property, etc. – not only has increased the overburden of these institutions themselves, but has also made the lives of owners difficult and has boosted their dissatisfaction with the government. This phenomenon has artificially prolonged the time required to complete the above actions, and increased abuse of office by many officials, documentation fraud, distribution of responsibilities, and especially the level and spread of corruption. Legislation on land property is incomplete, conflicting, and features overlapping responsibilities, although amendments, purportedly to improve it, are very frequent.

**Background:** Private property not only existed, but was also documented and preserved in archives and cadasters throughout the period before liberation in 1944. With the change of the regime and the ascent to power of the communist regime, land reform was carried out during 1945-1946, which carried out a re-distribution of arable land to the villagers farming it. The re-distribution was not documented and the new land owners were not equipped with documents of ownership titles. Later on, almost the same reform was carried out on land in the urban areas. The private land owners lost any right to ownership on the land, which only belonged to the state. The owners of private residences, those remaining in their residences, only had the right to a minimal inhabiting area, but no ownership right on the land under the building and the yards around them. Private land without constructions was transferred entirely under the ownership of the communist state. In the 1950-1960s, some parcels of 200-400 m<sup>2</sup> were distributed by the state, for the construction of apartment buildings, such as on the "Frosina Plaku" street, "Mihal Grameno," etc. The persons benefiting from the constructions received no documents of ownership over the land.

The real concept of property and respect for it only remained in the subconsciousness of some owners who, unfortunately were persecuted more than anyone else by the communist regime. This campaign of persecution was the final execution of the concept of private property to the extent that some owners ultimately destroyed property documents so they would not be found by government inspectors.

Deprivation of the right to property for about 50 years created a fertile ground for cultivating the mentality: “state property, everyone’s property, nobody’s property.”

Not only did this mentality accompany and continues to accompany the process for the restitution of private property, but it was even overcome by the other concept: anyone can become an owner; in fact, you may become an owner faster if you never had property or property documents. To realize this, the responsible structures were engaged in corruption and fact and document fraud.

During these 50 years, civic participation and opinion, especially of those interested in the drafting and implementation of development plans, has been lacking entirely. This mentality and scarce civic awareness has accompanied this long transition period for 18 years.

This situation with property ownership remained until 1991, when the law no. 7501 “On Land” was approved. This law made owners of persons and families registered in the villages at the time the law was approved. Then, in 1993, the law “On the restitution and compensation of property” was approved. This second law covered properties in the urban areas. The law “On the registration of immovable property,” addressing the way in which property titles would be prepared and issued and the structures responsible for this process, was approved in 1994. The law was supported by a project funded by USAID, which lasted for 7 years and prepared not only the legal framework, but also the necessary materials: property and initial registration maps, the design of records, etc. Nevertheless, the establishment and inclusion into the system of these properties only began later.

After that, the legal framework on the ways to obtain ownership titles, register it, and conduct transactions with immovable properties, subsequently improved with continuous additions and changes.

From the very first steps of the implementation of legislation on immovable properties, it was noticed that the situation was very complex, both on arable land and on construction sites.

**Arable land:** Law 7501 enacted a redistribution of land to families living in the villages at the time the law was issued, excluding families that had departed the villages. The implementation of the law, by changing the old property boundaries, created conflicts especially in the consolidated rural areas with a low level of migration. To eliminate the conflict, the Commissions for Village Land Division, established through law 7501, in some cases, carried out redistributino of land according to old property boundaries. To date, transactions with these properties are considered safer, although in some cases, there have been conflicts due to the incompatibility of areas (before the agrarian reform and those obtained according to the law 7501).

The former AE (Agricultural Enterprise) land plots were initially distributed for use by their former members. Then, the plots were returned to the owners.

**Construction Sites:** Law no. 1993 opened the way to the restitution of immovable properties, construction sites, or buildings in urban areas. In the context of the implementation of this law, only the vacation of apartment buildings of the former owners led to about 11,000 homeless persons who had to be accommodated within at least 5 years. Time has shown that not only was the problem of the homeless not resolved, but the number increased constantly.

**Privatization:** The law on the privatization of commercial buildings to the benefit of subjects working in those objects at that time was approved in 1991, thus entirely excluding their legitimate owners. Also, the law on the privatization of state-owned apartment buildings was approved in 1992, leading to the creation of the responsible structure NHE (National Housing Entity), which was initially supported through a World Bank project, which then resulted in failed project due to numerous changes in the structure's target of work.

After 1992, the legal basis was created, the responsible structure – National Privatization Agency (NPA) – was established, and the massive privatization of state-owned objects began, initially, excluding land from the list of assets. Decisions by Property Restitution and Compensation Commissions, issued for these areas, included the right of owners to be the first buyers, although this right, in most cases, was not implemented and only remained on paper.

The stronger quickly realized that property makes you rich and rushed to become owners in any way possible. In fact, it was precisely this category that, afterwards, increased land prices to entirely unrealistic levels.

In this context, it is worth mentioning that frequent changes to the legal framework, especially that related to ownership of land, with the argument of improving it, not only improved it, but on the contrary, further increased the level of confusion. On the other hand, frequent changes to the legal framework, for the most part, did not allow for sufficient time to assess the positive or negative implications of its implementation. Abusive implementation or failure to implement the legal framework on land ownership has had the support of a high level of corruption in all responsible structures and those handling or using ownership documents.

The long list of abuses with property is further complemented by the attitude toward public property, whose treatment had been forgotten, until 2000, when the first law “On the inventory and transfer of public properties.” This law, too, is not clear on land as a public asset; therefore, these public assets are increasingly scarcer as most of them have been distributed among private persons.

## I. 1 GOAL AND OBJECTIVES

Throughout the activity of TI-CAO, the majority of requests for legal assistance and denunciations from citizens received by the office have had to do with property, abuse

of the right to property, exploitation of political and administrative power to profit to the detriment of powerless individuals, public property, and the law. In the course of frequent, long, and qualitative analyses of the work, in the course of the office's activity, it was seen that 60% of the cases dealt with these problems. Therefore, the obligation to pause on this issue was almost natural.

This study of Transparency International (TI), in cooperation with CAO (Citizens Advocacy Office), aims at enhancing the understanding of these problems. It seeks not only to highlight the role and responsibility of directly influential actors in preserving and aggravating the situation, but also to show "how" these actors carry out legal and moral obligations, or "how" they defend interests when they represent different interest groups. It also aims at shedding light on the influence exercised by different social, economic, and political actors. What did not function to get to the current situation and why? Were there really changes and was the change of political power, as pertains to this situation, felt? Why is community involvement confined to the level of legal and demagogical mentioning? Is there really a will among the actors and the possibility beyond the actors to change this situation?

**Goal of the Project** – The project aims at highlighting:

- The high level of corruption involving property.
- Factors favoring corruption in properties.
- Repercussions for the country's economy.
- Standpoints of responsible actors.
- The will of the main actors to change the situation.
- Recommendations to improve the situation.
- The sensitivities of the different actors to reduce corruption in properties.

**Objectives of the Project** – through the analysis of facts and findings, we will make it possible to:

- Offer a truthful and accurate picture of the phenomenon and its spread.
- Analyze the phenomenon, through the cases addressed by CAO.
- Select the suitable methodology.
- Involve the main actors.
- Analyze the existence/lack of main instruments that favor the situation.
- Offer recommendations to improve the situation.
- Increase the awareness and sensibility of the main actors about the repercussions of corruption with properties, the country's economic development, and immediate measures that should be taken to improve the situation.

## 1.2 METHODOLOGY

From the start, it should be mentioned that the staff of lawyers of CAO-TI Albania has built a long and practical experience in following cases that deal with the presence of

corruption in issues of the resolution of conflicts involving properties and abuse of properties and public spaces or profit to their detriment.

The working group established to carry out the study, including members from this specialized part of the staff, was not facing problems it lacked information about.

- The group of experts at TI-CAO analyzed the factors that favor corruption, the actors involved or that should be fighting it, the instruments available or unavailable to them, to carry out their legal functions and the possibilities for coming out of the present situation.
- The study begins with comments on the legal basis. These comments, from our standpoint, display the shortcomings and ambiguities that legislation contains inside it and also vis-à-vis constitutional rights.
- In order to create a broad information basis, besides information obtained from citizens, especially on the cities of Tiranë, Durrës, Shkodër, and Vlorë, CAO sought to obtain information through official requests to the main institutions, direct interviews with responsible officials in key positions of territory administration, as well as direct interviews with important actors in the process.
- CAO's group of experts analyzed information and cross-examined the confirmations and statements by the different actors, which led to double checked information.
- CAO verified and monitored developments in the field on some of the most apparent cases of corruption (abuses in the coast of Durrës, the communes of Dajt, Farkë, and Kashar).
- CAO consulted, studied, and analyzed the results of some other projects that deal with territory management, conducted previously by CAO or different programs.
- Upon completion of the research, the group of experts recommended solutions to reduce the level of corruption and improve the situation with property.

As mentioned above, the initiative to undertake the research originated from the high number (almost 60%) of the cases assisted by the office, which were directly or indirectly related to corrupt practices that have accompanied the process for the restitution and compensation of property in Albania.

To facilitate the study, we only selected those cases that represented a synthesis of and highlighted the phenomenon more clearly, the role and responsibilities of institutions or other structures involved in the process.

Based on these cases and CAO's activity, the study provides a first analysis of corruption with property. This analysis is useful to create an orientation to nominally highlight these institutions as well as the other actors that should be engaged in discussions for feedback.

The research established communication bridges with the highlighted responsible institutions, contact with which occurred through official letters and directly, also pursuant to the Law on the Right to Be Informed, requesting detailed information according to the competencies and responsibilities assigned by law.

This information was useful for understanding how these institutions work to exert these competencies and at what phase they are in fully enforcing the law. With regard to communication with the local branches of some of these institutions, we saw it reasonable to select the cities of Tiranë, Durrës, Shkodër, and Vlorë. This decision was made not only for practical reasons and due to the limited possibility to process information, but also with the conviction that the great interests for investments in these areas have fueled the level of corruption that has accompanied the problem of property in the country.

### **I. 3 EXECUTIVE SUMMARY**

Territory administration, the management of private and state-owned assets, and control on the territory remain the main areas featuring the highest level of corruption. Next on the list is also money laundering generated by illegal activities.

The analysis of the phenomenon indicates that corruption in territory administration is spread and intertwined with the structures that are responsible for the restitution and compensation of property, the registration of immovable properties, and control on the territory, which cannot develop corruption independently from one another.

Based on information and denunciations of corruption at the Citizens Advocacy Office, it results that the centers with the greatest economic potential, due to the concentration of capital, as well as areas with a potential for tourism development, appear to be the most hit by corruption in the area of territory administration.

The majority of complaints assessed for the research study consist in conflicts stemming from activities related to property.

**The lack of transparency in all actions of the administration and the lack of civic participation in planning and decision making are the most important elements that have favored corruption.**

### **Functional Responsibilities of the Main Central and Local Institutions**

**COIPR** – Central Office for Immovable Property Registration – Prepares regulations, orders, and standards, and proposes their approval by the Council of Ministers, in the form of sub-legal acts. It oversees work and maintains contact with the LOIPRs of the counties. It handles and makes decisions for the resolution of conflicts through administrative means. It maintains contact with central and local institutions Mban lidhje me institucionet qendrore e vendore për të siguruar dhe shkëmbyer informacionet.

**LOIPR** – Local Office for Immovable Property Registration in every county. – It accepts, processes, and registers property documents issued by the responsible institutions and/or obtained through all forms envisioned by the Civil Code, as well as legal transactions with property (inherited, sale, donation, exchange, contracts, etc.), envisioned in this Code. It communicates with citizens to provide and complete property documents when they are not complete as required by law. It prepares and issues ownership certificates and/or property records accompanied with the maps indicating the location of the property to attest to the ownership title. It registers transfers of titles when those are rendered for construction as well as exploitation permits issued by local government units. It maintains contact with local government units to ensure and exchange information.

**PRCA** – Property Return and Compensation Agency in Tirana (near the Twin Towers) – Prepares regulations, orders, and standards and proposes their approval by the Council of Ministers, in the form of sub-legal acts. Oversees work and maintains contact with counties' LOPRC. It addresses and makes decisions for the resolution of conflicts in administrative ways, in accordance with the law. It confirms or annuls decisions of Local Offices for Property Restitution and Compensation. It proposes and manages the fund for the compensation of owners. It prepares the lists of owners who are compensated and conducts the distribution of the compensation fund, in keeping with the laws and sub-legal acts in force. It maintains contact with central and local institutions to ensure and exchange information.

**ROPRC** – Regional Office for Property Restitution and Compensation at every county. It accepts and processes documents on the origin of properties and communicates with citizens on ensuring and fulfilling property documents. It prepares certificates for the restitution and/or compensation of property in the urban and rural areas, forests, grazing lands and olive-groves, to the benefit of owners and their heirs, based on the documents of their origin. It prepares topographic maps for the location of properties after confronting cadastral documents with the situation in the field. It communicates with the NAPRC and the State's Advocate, and takes measures for the review of cases vetoed by them. It communicates institutionally with the COIPR and the LOIPRs for the registration of decisions on properties, issued according to the law. It maintains contact with central and local institutions to ensure and exchange information.

**NPA** – The National Privatization Agency and its Branches at Counties. It prepares the list and documents of state-owned objects that go for privatization by private subjects and organizes the publication of lists in newspapers. It cooperates with different institutions

to ensure and exchange information, especially those dealing with land ownership. It accepts and reviews the documents of applicants interested in the privatization and of the land owners. It organizes auctions and announces their results.

**AITPP** – The Agency for the Inventory and Transfer of Public Property. It prepares sub-legal acts, pursuant to the law “On the Inventory and Transfer of Public Property” and presents them for review and approval by the Council of Ministers. It maintains contact with AITPP branches at local government units and oversees their work for the inventory of public properties alienable by law. It prepares the list of public properties transferred at every local government unit and presents them for approval to the Council of Ministers. Upon approval of the list by the Council of Ministers, it carries out procedures for the transfer of public properties to the local government units.

**TRC** – Territory Regulation Council, of the Country, Municipality/Commune. With the support of the Technical Secretariat and the Urban Planning Technical Council, it reviews the documents of subjects interested in construction, especially property documents, urban planning studies and technical projects, and approves or refuses the provision of the construction site and permit, on private and/or state-owned properties. It maintains contact with institutions, particularly with the PRCA, the LOPRC, COIPR, and the LOIPR, to confirm the origin of the property proposed for development. It also maintains institutional contact with LOIPRs at counties for the registration of objects after the issuance of the exploitation permit by the respective local government unit.

**TRCRA** – Territory Regulation Council of the Republic of Albania, headed by the Prime Minister. With the support of the Technical Secretariat of the TRCRA, at the Ministry of Public Works, Transport and Telecommunications, it reviews documents of urban planning researches, construction sites and permits, which are its legal competencies, proposed and approved previously by the TRCs of the local government units (especially when territories proposed for development are located in areas earmarked for tourism development and/or when the area of the development area is larger than 5,000 m<sup>2</sup>, etc.). It organizes work for the drafting of critiques by the responsible institutions, depending on the location and specifics of the objects being proposed. It maintains contacts with central and local institutions.

#### **I. 4 LEGAL BASIS AND COMMENTS ON THE LEGAL FRAMEWORK:**

##### **CONSTITUTION OF THE REPUBLIC OF ALBANIA**

Article 11/2: Private and public property is equally protected by law.

Article 41/1: The right to private property is guaranteed.

Article 41/4: The law may envision misappropriation or limitations to the exercise of the right to private property only for public interests.

Article 23 of the Constitution:

1- The right to information is guaranteed;

- 2- Everyone has the right, in keeping with the law, to obtain information on the activity of state bodies;
- 3- Everyone is given the right to follow the meetings of elected bodies.

**Law no. 7850 dated 29/07/1994 “CIVIL CODE OF THE REPUBLIC OF ALBANIA,”  
Article 168 and article 169 - ??parashkrimi fitues**

Law no. 7501, dated 19/07/1991 “On Land,” amended by law no. 7715 dated 2/06/1993 and law no. 7855, dated 29/07/1994, its further improvements and sub-legal acts, sanctions the right to and the way to obtain ownership and the right to use arable land and lands previously belonging to Agricultural Enterprises.

Law no. 7698, dated 15/04/1993 “On the Restitution and Compensation of Land to the Former Owners,” amended by law no. 7736, dated 21/07/1993, by law no. 7765, dated 2/11/1993, by law no. 7808, dated 30/03/1994, no. 7879, dated 1/12/1994, and no. 7916, dated 12/04/1995, as well as law no. 9235, dated 29/07/2004, “On the Restitution and Compensation of Property,” completed with sub-legal acts, sanctions the right to and the way for obtaining property (construction sites and buildings) sequestered by the state, which are in the urban areas.

Law no. 7699, dated 21/04/1993 “On the compensation in cash or construction sites of the former owners of arable lands, grazing lands, meadows, forest lands and forests,” sanctions the right and the way to benefit the compensation for properties that are not unoccupied.

Law no. 8337, dated 30/04/1998 “On the transfer of ownership on arable and forest lands, meadows and grazing lands,” sanctions the right and way to benefit forests, meadows, and grazing lands.

Law no. 7983, dated 27/07/1995 “On the sale/purchase of Arable Land, Meadows, and Grazing Lands that are State-Owned,” sanctions the right and the way for private physical and legal entities to benefit state-owned properties (arable land, meadow, or grazing land) through transactions (sale/purchase).

Law no. 8318, dated 1/04/1998 “On Leasing Arable Land, Meadows, and Grazing Lands that are State-Owned,” sanctions the right and procedures for private entities to take under lease state-owned properties – arable land, meadow, or grazing land.

Law no. 7980, dated 27/07/1995 “On the Sale/Purchase of Construction Sites”, sanctions the right to and the way for the sale/purchase of lands in urban areas.

Law no. 7843, dated 13/07/1994 “On the registration of immovable properties,” amended by law no. 8090, dated 21/03/1996, sanctions the right and way to register immovable properties in the form of arable land, forests, grazing lands, meadows, olive-

groves, buildings, etc., and defines the establishment of the responsible central and local structures.

Law no. 8561, dated 22/12/1999 “On the Expropriation and Temporary Use of Private Property for Public Interests,” sanctions the right to remunerate private property taken by the state for public use: infrastructure, schools, hospitals, ports, airports, apartment building complexes for the homeless, etc.

Law no. 8752, dated 26/03/2001 “On the Creation and Functioning of Structures to Administer and Protect Land,” which have been organized at counties and possess cartographic data and information on arable lands, forests, meadows, grazing lands, olive-groves, etc.

Law no. 9948, dated 7/07/2008 “On the review of the legal validity of the creation of ownership titles over arable land,” which targets arable land, meadows and grazing lands, especially in tourist areas, will create numerous problems that will have negative effects regarding legal transactions of land and the implementation of development and investment plans in these areas. On the other hand, from the approval of this law and during the course of its implementation, there will be insecurity in the land market, there will be obstacles for serious investments, there will be an encouragement of the informal land market, and there will be barriers for all potential transactions for at least 3 years, which has been stipulated by the law as the deadline for completing the process. The experience of the past 18 years has shown that deadlines have not been observed in any case and have been postponed several times.

## II. ANALYSIS OF CORRUPTION BASED ON THE FINDINGS OF TI-CAO

Ownership, especially on land, as the basic element of development is still unconsolidated in Albania, which is reflected in the economy, making it, in turn, unconsolidated and unsustainable. Ownership documents are distributed in several central and local institutions and it is very difficult for interested persons to obtain them. Completing a file to earn ownership, to register property, etc., with the documents found at central and/or local institutions is carried out by the interested individuals who inhabit the windows of these institutions every day. This situation has artificially increased the time required for these actions, abuse with documentation, the distribution of responsibility, and particularly the degree and spread of corruption. Legislation on property is still incomplete and conflictual, although amendments are very frequent using its improvement as the argument.

**With regard to this argument, TI-Albania, CAO has found:**

- Corruption with properties is still very evident in Albania.

- The existing legislation and its very frequent “improvements” not only have not improved the situation, but, on the contrary, have added even more to existing confusion.
- Based on the experience of these years, it is noted that legislation, as the most important instrument for the administration of and control over the territory, has not been completed yet with sub-legal acts, allowing room for misinterpretation and abuse.
- Documentation on property is distributed among several institutions and it is very difficult for the interested persons to obtain them.
- The Property Registration Office has not yet completed the initial registration, which has caused problems in completing the inventory of these properties and including them in the electronic system. COIPR and LOIPR have been and are involved in some projects funded by donors, such as the World Bank, to complete the initial registration throughout the country, but the way the institution is managed and the intertwining of many interests for profit purposes have constantly been an obstacle for the completion of the process.
- As long as properties are not included in the system and work is done by ownership certificates and temporary maps, there is still a lot of room for fixing ownership documents. Processed legislation on cleaning up registration records from overlapping is being implemented in conditions of marked lack of transparency, thus enhancing the level of conflicts. In many cases, instead of removing the initially registered properties, the overlapping ones have, thus artificially increasing the number of cases tried by the courts and prolonging the time required to complete the process for recording all properties.
- Property conflicts often created at LORIPs are noticed and create problems especially in the cases of legal transactions as well as in the cases of the alienation of properties for development/construction. There are other cases when property conflicts are noticed at the moment of registration of construction after the property has been developed, thus hindering their registration with the LORIP and, then, creating a chain of conflicts.
- The administration of COIPR and LOIPRs does not undertake the administrative resolution of conflicts, although legislation envisions this. This phenomenon is noticeable at almost all segments of the administration.
- Taking almost all conflicts to court creates an artificial procrastination of the registration process, thus disallowing the completion of this process.
- There is a lack of institutional cooperation between institutions producing or using ownership documents at the central and local level. There are overlapping responsibilities among 2 or more institutions, as is the case of the new law “On the Legalization of Informal Constructions,” which has tasked ALUIIZC (the Agency for the Legalization, Urbanization, and Integration of Informal Zones/Constructions) with the preparation of compensation lists, an exclusive function of the PRCA, or with the preparation of the property registration certificate, an exclusive function of the IPRO.

- Massive problems have been noticed in ownership over arable lands, meadows, and grazing lands, particularly with properties on arable lands located in tourism areas.
- Law no. 9948, dated 7/07/2008 “On the review of the legal validity of the creation of ownership titles on arable land,” will create numerous problems, particularly with regard to lawful transactions and the implementation of development plans for these areas. On the other hand, during the implementation of this law, insecurity will be created in the land market, serious investments will be hindered, the informal land market will be encouraged, and all potential transactions will be obstructed for a period of at least three years.
- Conflicts created by the NAP during the process for the privatization of state-owned objects have been transferred to the courts, whereby judicial processes are prolonged and, in most cases, are resolved to the detriment of the legitimate owners of the land.
- Since after 2007, the construction inspection structure was moved from being the Construction Police at the central level to the Construction Inspectorate at the local level. This not only has not improved control over the territory, but this function has become almost non-existent or has been transformed into a revenge instrument in the hands of some mayors.
- The experience of TI-Albania shows that although numerous legal violations have been highlighted, no punishing measures have been undertaken against offenders.
- Transparency and civic participation in planning and decision making leaves much to be desired.

## II. 1 Highlighting Problems – by the Main Central and Local Institutions

Analyzing the information possessed by TI-Albania, through the treatment of cases of corruption with properties at different institutions, it results that:

**COIPR - Central Office for Immovable Property Registration**

**LOIPR – Local Offices for Immovable Property Registration**

- There are overlapping registrations of property documents issued by the PRCC, although the law does not allow a second registration on top of the same plot.
- In many cases, property overlapping conflicts have been created by fixing the temporary maps prepared and fixed by the employees of LOIPRs.
- In many cases, co-ownership is not reflected correctly in property registration, thus creating conflicts among co-owners.
- COIPR and LOIPRs, in most of the cases, do not take upon themselves the administrative resolution of conflicts, although legislation does envision such a resolution.
- The registration of state-owned properties is not over yet, thus creating more room for abuse through the alienation of titles.

- The organizational structure of COIPR and LOIPR is not efficacious to use the instruments available to fight corruption.
- Another very important instrument in favor of the fight against corruption is the creation of records for all properties. This has to do with the initial registration, which, although funded several times by different donors – most recently by a WB loan – is not over yet.
- Also, it is noticed that there is no coordination between the institutions that produce and use documentation on properties.

#### **PRCA- Property Restitution and Compensation Agency**

- There are still many decisions prepared by the Commissions for the Restitution of Lands in the villages, which appear to have been issued while creating boundary conflicts, while part of them are not accessible by the owners (they appear disappeared). This has created major problems for the registration of properties with the OIPR and especially their development.
- There are cases when the entire documentation contained in the file forwarded by the PRCC of the County on the property disappears when at the PRCA.
- It has also been highlighted that in some cases, the PRCA and the State Advocate not only have not helped the process but, on the contrary, have obstructed it, especially when the properties feature powerful development potential.
- The PRCA continues to publicize deadlines and prices that change very often for the compensation of properties of owners, without providing any accurate deadlines for these problems.
- The PRCA has yet to declare an accurate inventory of the number of owners to be compensated by the property restitution and compensation process, the number of owners to be compensated by the legalization process, the available spaces, the corresponding cadastral items, the timespan of the distribution of the available lands, and the other resources of financial compensation.
- It is evident that owners are very unhappy with the way the compensation is organized, accusing of corruption in how the process is organized.
- Although the media often provides information on the compensation of the owners, this not only has to do with the institution's transparency, but information is also very contradicting and inaccurate.
- The intertwining of property compensation with the restitution process and the legalization process, as well as the overlapping competencies of PRCA and ALUIIZC, will prolong and complicate the property compensation process.

#### **NPA – National Privatization Agency**

- We have highlighted numerous conflicts created by the process of privatization of state-owned enterprises, due to the lack of its coordination with the PRCC (PRCC). Many decisions issued by PRCC on the areas of these enterprises, it is established that the land owner has the right to be a preferential buyer at the moment of privatization.

- The National Privatization Agency conducts its activity in a completely non-transparent way, although formally, some of it is publicized in the newspapers after the subject has been selected.
- There has been no single case when the public has been given access to data on the list of objects planned for privatization, the interested parties, and other information related to the conduct of auctions.
- The basic legislation on which the NPA operates and the lack of instruments of control over this institution has created leeway that favors corruption.

#### **AITPP – Agency for the Inventory and Transfer of Public Property**

- Although the law on the inventory and transfer of public properties has been approved in the Parliament since 2000, the process is yet to be completed across the country.
- In general, land is not included in the inventory of public properties and, as such, its transfer from the central level to the local level has not been completed.
- A considerable part of transferred public properties is not efficient due to limited capacities and financial resources of local government units, particularly of second-tier municipalities and communes.
- Drafting and outlining action plans to halt the degradation of public assets, which should be income resources for local government units, is needed.
- A serious obstacle for the exploitation of assets of museum, archaeological, and monumental value is their double dependence on central and local institutions, which considerably limits their efficient use by local government units.

#### **Municipalities/Communes**

- Property conflicts created by other institutions, such as PRCC and the LOIPR, have been transferred and multiplied in the activity of TRCs (Territory Regulation Council) through the approval construction sites and permits.
- Further on, these conflicts have been returned again to LOIPRs at the moment of registration of construction, after obtaining the exploitation permit by the local government units. The majority of these conflicts are at court, in processes taking even more than 10 years, in a closed circle from the first instance court to the Supreme Court. This phenomenon is also favored by the lack of institutional communication.
- The issuance of construction permits by the TRC is done based only on the certificate issued by the OIPR, without checking the origin of the property (except for more serious cases when no ownership document has been requested).
- In all cases, the resolution of these conflicts has been forwarded for treatment by the court.
- With the new administrative division of Albania's territory, numerous conflicts have been created as a result of property overlapping at boundary parts between 2 local government units, allowing for the issuance of construction permits for 2 different subjects.

- The alteration of the destination of public areas, due to the irregular restitution of properties on these territories, has led to reduction toward elimination of public territories.
- Legislation for territory administration through the TRC structure has resulted in problems. For over 3 years, work is underway to draft a new law on the territory but, although all deadlines and forecasts have been surpassed, the law assisted by the World Bank and USAID is yet to be submitted for approval.
- Another problem in territory administration is the provision of construction sites and permits that are not based on sustainable urban plans, but only on partial urban research, which, in most cases, are drafted on the basis of plots.
- The transparency of local government units, through the approval of construction sites and permits, as well as civic participation in planning and decision making, leave much to be desired.

## II. 2 INTERVENTIONS AND THE SUCCESS OF TI-CAO – findings from addressed cases:

TI-CAO has been successful in consulting citizens on actions they should undertake, in representing them at state institutions, in forcing the administration to respect legal deadlines regarding procedures, in cases when certain administration segments have prolonged them on purpose, in ensuring information that has not been available to citizens, particularly for that category with limited financial revenues and moral principles and high integrity.

Due to the high level of corruption, which has led to unlawful decision making, TI-CAO has not managed to be successful in changing unlawful decisions in spite of legal and technical arguments and qualified monitoring of administrative processes.

### ELEMENTS THAT HAVE FAVORED CORRUPTION

- The lack of transparency and civic participation in planning and decision making.
- The creation of monopolies and the artificial increase of land market prices.
- Unresolved property conflicts.
- The judicial system's responsiveness to monopolies.
- Legislation that is incomplete and in conflict with the decentralization strategy (interests do not allow the foundation of a full and accurate legal package in urban planning).

### CONSEQUENCES

- Development of an informal land market, accompanied by transactions that are likewise often informal.
- Development of an unsustainable and sometimes informal economy.
- Low level of loans, especially when land is used as collateral.
- Involvement in corruption of many government structures at the central and local level and of the courts.

- Creation of a new group of owners and investors without any tradition and knowledge on legality and respect for property, etc.
- Reduction of the general economic level. Due to the considerable weight of property development activity, its growth or stagnation indicators are considerably reflected in the country's economic progress.
- Unstability of the labor market and economic insecurity offered by the sector, often accompanied by increased unemployment for long periods of time.
- Creation of monopolies and the artificial increase of land prices with a direct impact on the economy and the citizens' living standards.

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## II. 3 CASE MONITORING

*The study carried out by TI-Albania with regard to corruption in construction also reflects the connection and intertwining of construction activities with properties. The analysis of some of these cases from the property standpoint indicates*

### **Denunciation of corruption with properties in the Durrës beach**

The use of public property, especially the sand area, for construction purposes has led the destruction of the area's environmental and touristic values, has aggravated conflicts over private property, and has misused public spaces for profit purposes. The involvement of officials is also noticed in this case.

The Durrës beach, which represents one of the tourism areas that is most attractive for massive tourism in the country, has been incorporated inside the city's boundary Line by decision no. 1 of the TRCRA on 02/09/1999. From that moment, the area moved under the jurisdiction of the municipality, which was used to justify interventions into the sand belt and multi-storey buildings in the area.

The investigation of TI-CAO regarding abuses in this area showed that legal violations in the development of the Durrës Beach area had involved not only the Durrës Municipality, but also the Property Restitution and Compensation Commission.

Below are the two most flagrant cases that were investigated, denounced, and supported by TI-CAO.

The first case was the compensation of property for the family of the former Deputy Minister of Local Government and former Prefect of Durrës on a public territory in the Beach area, while her property was free, in a not-so-appropriate plot for construction, inside the city of Durrës. Aside from favors for this family, the PRCC artificially increased the compensated plot area from 270 m<sup>2</sup> (house+yard) to 330 m<sup>2</sup> (270 for the yard + 60 for the house). On this plot in the sand belt of the Durrës Beach, in a territory that used to be public, a construction permit was approved for a 5-storey building. The judicial process related to this construction is ongoing.

The second case is the use of public space, again for the construction of 2 multi-storey buildings for the homeless. Not only did the buildings occupy public territories, but they also were not used for the homeless, rather for a group of senior central and local government officials.

### **Support for owners in the Lukovë Commune – Kakome village**

For about 5 years, owners in the Kakome village have been fighting to defend their property, which has been given as public property for the construction of a tourism resort. The autochthonous inhabitants of Kakome have submitted their ownership papers to the Property Registration Office since 2005, but their registration was blocked to open the way to the approval of a construction permit for the French firm "Club-MED". Events that took place afterward showed that no foreign firm is interested in this investment, although the goal was to exclude the

land owners from the investment. The conflict is being addressed by the Courts, thus obstructing the development of the area for several years.

**Denunciation of corruption with properties and construction permits in the Qesarakë village, committed by the Dajt Commune Chair.**

Qesarakë is the entry point into the National Dajti Park and, at the same time, is part of the lungs of Tirana, which has been misused by its heads. The development of the area, destined for a national part, has been carried out in contravention of the criteria for the use of land in that area, causing serious damage to the environmental values and its flora and fauna.

*Such destruction in the area has been supported by irregular property restitutions and transactions of land.*

The case has been denounced in the broadcast media through the program “Hapur” (Openly).

A similar situation has been highlighted in the Kashar Commune, whose former heads have been punished by justice for corruption with lands, as well as in the Farkë Commune, where the situation is worsening. What happened in these 3 communes is a clear indicator of the high level of corruption with properties and their transformation into urban destruction.

**The case of the conflict through 2 overlapping properties, then transformed into 2 overlapping construction permits in the New Ring Road near Selitë.**

This is a pure case of the combination of corruption with properties, moving from 2 overlapping properties to 2 overlapping construction permits for 2 different firms. The conflict was tried for about 5 years by the courts in Albania and presently is being tried by the Strasbourg Court.

Due to the high level of corruption, the Tirana LOIPR has conducted an unlawful transaction of this property, while the property was limited/blocked on the basis of an entrepreneurship contract between the land owners with the first construction firm.

The case has also been addressed by the People’s Advocate who presented it in the 2004 Annual Report, as a case featuring serious legal violations.

TI-CAO has highlighted and denounced several cases of fictitious transactions of properties (most of them within the same family), which afterwards have opened the way to procedures for approving construction permits in favor of construction monopolies.

TI-CAO has also highlighted and denounced some cases of documentation submitted by citizens has gotten lost when at LOIPRs, PRCCs, and the PRCA. The request of these institutions to citizens to redo documentation, in the majority of cases, has resulted tied with very major interests for the development of these properties.

The courts continue to address the largest part of these cases.

## II. 4 INSTITUTIONAL COMMUNICATION

Below is a list of specific requests submitted according to the specific competencies of each institution.

We requested the following information from the **COIPR**:

- How many properties have been registered that feature overlapping and/or co-ownership? In what % of the cases were the conflicts created at the LOIPRs?
- Have all plots of arable land been registered according to the law? If not, what is the obstacle and what solution has been thought of?
- In how many cases have properties been relieved of overlapping in administrative ways?
- In how many cases have property conflicts been noticed after the approval of the exploitation permit and how has the problem been resolved?
- Are there records and if yes, how many buildings without a construction permit and exploitation permit have been registered? How is the problem resolved in cases of transactions with these properties?
- Are state-owned properties listed/recorded?
- Are there sufficient instruments for fighting/eliminating corruption?
- Is there legal leeway that favors corruption?
- Is the COIPR's organizational structure appropriate for ensuring transparency, particularly in cases of conflict resolution?
- What measures have been proposed and/or undertaken against offenders of the law?
- How is cooperation with other institutions such as the NAP, the PRCC, ALUIZC, TRC, etc.?

We requested the following information from the **LOIPRs** of some counties:

- How many pieces of property have been registered featuring conflicts of overlapping and/or co-ownership? In what % of the cases were the conflicts created at the LOIPR or transferred from the PRCC?
- Have all plots of arable land been registered according to the law? If not, what is the obstacle and what solution has been thought of?
- In how many cases have properties been relieved of overlapping in administrative ways?
- In how many cases have property conflicts emerged after the approval of the exploitation permit and how was the problem resolved?
- Are there records and, if yes, how many buildings without a construction permit and an exploitation permit have been registered? How is the problem resolved in cases of transactions with these properties?
- Are state-owned properties listed/recorded?
- Are there sufficient instruments to fight/eliminate corruption?
- Is there legal leeway favoring corruption?

- Is the organizational structure of LOIPR appropriate for ensuring transparency, particularly in cases of conflict resolution?
- What measures have been proposed and/or undertaken against offenders of the law?
- How is cooperation with other institutions: NAP, NAIPR, ALUIZC, TRC, etc.?

We requested the following information from the **AIPR**:

- What % of IPRCs has been annulled by the NAIPR and what % of those have been appealed in court?
- What % of property conflicts has been resolved in administrative ways by the AIPR?
- What % of arable land properties features conflicts? Are those resolved by the AIPR?
- Are there records on the area of land needed to compensate owners from the property restitution process and the legalization process?
- How much land from both processes is valid for compensation?
- How does PRC control the alienation of properties until the property compensation process is over?
- Is the area of available land for lease by 1m2 separate from compensation?
- Does AIPR have sufficient instruments to fight/eliminate corruption?
- Is there legal leeway favoring corruption?
- Is the organizational structure of the AIPR appropriate for ensuring transparency with properties?
- Is there institutional cooperation with the PRCA, IPRO, ALUIZC, and TRC/TRCRA and how was it built?
- What measures have been proposed and/or taken against offenders of the law?

We requested the following information from **?ZRKKD at Counties**:

- What % of properties are restituted with conflicts and how many of them were created at the IPRC?
- What % of conflicts have been appealed/overtaken by the PRCA and how many were resolved in administrative ways?
- Have communes submitted the entire documentation produced by the Commissions for Land Distribution in the Villages? If not, where is their documentation?
- Are there records of conflicts over properties restituted through law 7501 and what will be the solution?
- Have you addressed the conflict created by the incompatibility of the administrative boundary with the construction boundary line (YL)?
- How is cooperation with other sectors and institutions that use property ownership documents (cadasters, archives, PRCA, IPRO, TRC, ALUIZC, etc.)?

- Are there accurate records of areas that were not divided according to prevailing legislation and how will its alienation be avoided?
- What instruments are available to you to block the alienation and transfer of free plots of land?
- Are there sufficient legal instruments to fight/eliminate corruption?
- Is there legal leeway favoring corruption?
- Is the organizational structure of the PRCC appropriate for ensuring transparency over properties?

We requested the following information from the **NAP**:

- How many property conflicts/overlapping, among land owners with construction owners, have been highlighted during the process for the privatization of state-owned objects?
- What % of cases featuring conflicts has been resolved in administrative ways/by co-ownership?
- Is there information on judicial resolutions of property conflicts and what % of them was resolved in favor of land owners?
- Are there mechanisms to guarantee transparency in privatization processes?
- Is there institutional cooperation with the PRCCs, the PRCA, and IPRO and how was it built?
- Are there sufficient legal instruments to fight corruption?
- Is there legal leeway favoring corruption?

We requested the following information from the **AITPP**:

- Is the transfer and registration of state-owned properties completed across the territory of the country?
- Do you have information from local governments about the use/management of transferred properties? How many of them are non-functional?
- Do local government units have sufficient capacities to manage state-owned properties? If not, how will their degradation be eliminated?
- Is there an approximate forecast of incorporating land into state assets that will be transferred to local governments?

We requested the following information from **Municipalities** and **Communes**:

- Is the transfer and registration of state-owned properties completed across the territory of the municipality/commune?
- Are all municipality/commune assets fully efficient? How many are non-functional and are there handy plans to make them efficient?
- Do you have sufficient capacities for managing the municipality/commune assets?
- How is free land available to the municipality/commune used?

- Has the administrative boundary unified with the YL of the municipality/commune? If not, how have problems of using property for construction been resolved?
- Does the municipality/commune inspect documentation submitted in the form of requests for construction permits in terms of the origin of property?
- In how many cases have construction permits on properties with conflicts been approved and how was it resolved?
- How is cooperation with the Municipal Council for the drafting and approval of development programs on state-owned properties of the municipality/commune?
- Is there institutional cooperation with the PRCA, IPRO, and ALUIIZC?
- Are there sufficient legal instruments to fight/eliminate corruption?
- Is there legal leeway favoring corruption?
- Has transparency and civic participation been guaranteed in all actions related to properties?

It is pitiful that none of these institutions provided any response whatsoever, although all legal deadlines were surpassed. This situation confirms once again the low level of transparency at these institutions. We would single out only the Korçë LOIPR and the Korçë Municipality, which responded within the deadlines established by law. The responses are listed below:

**LOIPR Korçë**, letter no. 1915/1, dated 31/10/2008

- The LOIPR currently has 28 requests with overlapping conflicts.
- Overlapping was eliminated in administrative ways in 6 cases.
- Arable lands are registered according to the law.
- The LOIPR has no registered conflicts after approval of the construction permit.
- There is no registered object without an exploitation permit.
- The LOIPR has a register of all state-owned properties.
- The LOIPR works pursuant to the law and has taken all measures to eliminate corruption.
- The LOIPR provides transparency to citizens in its work.
- The LOIPR maintains good cooperation with the other institutions.

The **Korçë Municipality**, letter no. 2080/1, dated 5/11/2008

- The transfer of state-owned properties is not complete yet. The list of properties that will be transferred has been prepared but is yet to be approved by the Council of Ministers.
- The Municipality is drafting projects to make its assets efficient.
- The Municipal Council has approved the new Municipality structure, which includes a person responsible for the management of local assets.
- Public land is very limited and has been used mainly for the construction of apartments for the homeless.

- Only 2/3 of the administrative boundary is unified with the city's YL.
- Before construction permits are approved, property origin is checked.
- No permits have been approved on properties with conflicts.
- The Municipality has optimal cooperation with the Municipal Council.
- The Municipality has stabilized good cooperation through documents with the main institutions.
- The Municipality does not possess sufficient instruments to fight corruption.
- Legislation contains leeway favoring corruption, but there are also mechanisms to halt it.
- The Municipality guarantees transparency before citizens, through timely responses, information on the use of public properties, etc.

***We held a special meeting with COIPR senior officials, whereby we obtained the following information:***

- The COIPR and LOIPRs at counties have no statistics regarding property conflicts caused by overlapping. As a result, nor is there data on the number of cases of conflicts created at the IPRO. Until the initial registration is complete, it will not be possible to identify all cases of conflicts.
- COIPR cannot forecast a deadline for completing the process of initial registration and the elimination of overlapping in registration records.
- LOIPRs do not have full records of property titles created by the Commissions for the Division of Land in Villages, while there are registered ownership titles issued in contravention of the law. The new law on the review of ownership titles, whose implementation has begun, has created overburden for the normal work of the COIPR but, with support from the LAMP project of the WB for initial registration, it will at the same time eliminate errors in registration records.
- A problem for the successful realization of the process of clearing records from overlaps and errors will be the inaccurate understanding by responsible structures of the forecast financial bill for the monetary compensation of subjects harmed by irregular registrations and transactions of properties.
- The elimination of overlaps with properties, pursuant to COM Decision no. 4, is conducted fully transparently according to procedures established by law, by notifying the interested parties. Nevertheless, not all interested parties have been notified and have participated in the process to extinguish conflicts.
- Cooperation with municipalities functions in institutional ways. The municipality requests confirmation from the IPRO on property, before approving a construction permit, while the exploitation permit moves directly from the municipality to the IPRO, without the mediation of the interested subjects.

- Transactions of properties registered irregularly, aggravated even further due to the lack of initial registration, represent major problems for the IPRO.
- The registration of state-owned properties is much delayed and has just started.
- COIPR is preparing, almost 10 years after, full rules that reflects all legal references and administrative procedures the IPRO operates under. This document is in the form of a draft and will be taken to all responsible institutions. Upon review, the draft will be submitted to the Council of Ministers and then take the form of a sub-legal act, a Council of Ministers' Decision.
- Legislation on the activity of the IPRO is almost complete, but fails to be implemented.
- The COIPR does not have all the instruments for fighting corruption while the main instrument – ownership record – is missing.
- The COIPR has stabilized very good institutional cooperation with the PRCA, the NPA, and ALUIIZC.
- The organizational structure of the COIPR will be assessed only after the initial registration is complete and its administration and management is evaluated.
- There is no clear understanding, by the Government and politics, of the problems that the COIPR has.

## COOPERATION WITH OTHER ORGANIZATIONS

In order to expand the scope of issues, the working group contacted and participated in activities organized by other organizations that have addressed problems of properties and corruption related to them.

***Meeting of the Kakome Commune:*** Representatives of the working group participated in a meeting organized by the Kakome Commune. Participating in it were representatives from different associations of the Southern Coast, the Builders' Association, the Architects' Association, the Southern Coast Study Group, and many intellectuals supporting the cause of the owners of properties in the touristic areas, particularly in the southern coast. In the meeting, besides the showing of a documentary film with footage of violence used on the owners and the defenders of their cause, there were also many comments and discussions in support of the right to property against any violation for major profit interests supported through corruption existing in some state structures.

**Albanian Coalition “Disability and Development:”** in the context of continued cooperation with different disability organizations and as a member of the Albanian coalition “Disability and Development,” the working group cooperated with and participated in all activities organized by this coalition. Contribution was

mutual, especially when addressing problems of ownership and corruption, from which the group is considerably affected. The community of disabled persons has not yet found the place it deserves as an equal in the Albanian society. Being very marginalized, having very limited revenues and numerous barriers at every section of the judiciary administration, this social group faces numerous unresolved ownership problems, reflected even in their housing situation.

In the context of the project, the working group also consulted reports and research studies carried out by different organizations that addressed ownership problems in development programs, problems in the registration of immovable properties, etc., such as GTZ, the OSCE, the World Bank, etc.

## **ROUND TABLE DISCUSSIONS**

### **Meeting with Inhabitants of Zogaj**

The study group, together with the Head of the Administrative Unit, organized the meeting with inhabitants of Zogaj, headed by the area's Alderman.

Zogaj is an area inhabited by autochthonous inhabitants settled in autochthonous properties, despite the fact that they do not possess regular ownership documents. The Zogaj inhabitants have a strong feeling of community and cooperation, while they are too conservative to accept migration from other areas.

Traditional beaches in this area are clean and virgin, although after 1990, they were not fully exploited by locals or other vacationers.

The discussion with inhabitants of the area indicated:

- Zogaj inhabitants, although autochthonous in the area, do not possess regular documentation on land and buildings. Some inhabitants declared that property origin documents are in the Cadaster Office, although none of them undertook any action to obtain regular ownership papers, recognized by the known structures and legislation after 1990.
- Zogaj inhabitants have applied for the legalization of properties and old constructions, without being aware of the legalization procedures and process. They were not informed about the paths to follow in order to obtain ownership documents. After inquiries at the responsible structures in the Municipality, we were informed that the courts remain their only route to obtain documents. In the current economic conditions of the Zogaj inhabitants, it is very difficult for them to afford judicial processes for obtaining ownership documents.

### **Meeting with Shirokë Inhabitants**

The study group, together with the Administrative Unit Chair, organized a meeting with inhabitants, fishermen, teachers, and businessmen of the Shirokë area. Inhabitants welcomed the meeting with much interest.

Shirokë is an area that is partially inhabited by autochthonous inhabitants settled in properties that area autochthonous and partially by inhabitants settled in properties purchased from the autochthonous owners, since before 1990.

Due to limited employment opportunities in Shirokë, before 1990, a large part of the inhabitants sold their apartments and settled in Shkodër to find jobs. The sale of apartments before 1990 did not come with the sale of land as the land was mainly state-owned and its sale/purchase was not allowed. In these conditions, only a very small part of the autochthonous inhabitants possess regular ownership documentation on the land and houses. The majority of inhabitants does not possess ownership documents on the land and have not attempted to complete documents according to prevailing legislation. This also justifies the fact that the old owners (of before 1990) have applied for inclusion in the legalization procedures.

Shirokë inhabitants, in general, have not conducted activities out of their properties. Illegal constructions have been built by businessmen from other areas.

Discussions with the inhabitants indicated:

- Part of the autochthonous inhabitants declare that documents of property origin are in the Cadaster Offices, although only a very small part of them possess regular documentation on property.
- Shirokë inhabitants have applied for the legalization of properties and old and new constructions. Part of them was not aware of the legalization procedures and process.

Shirokë has begun to develop tourism mainly in the form of services, with the construction of some restaurants, which also lack permits. The main obstacle to ensuring a construction permit is the absence of ownership titles over land. This is a major impediment to the expansion of businesses. Those who have privatized the objects from the state or some others who possess some document on the purchase of land from the Forestry Enterprise, although the latter does not have that authority, appear more secure in their businesses.

### III. RECOMMENDATIONS

Based on an analysis of the phenomenon, its spread, and the involved institutions, it is easy to conclude on the measures that should be undertaken in order to improve the situation. Among these, the following stand out:

- Improvement of the legal framework and respect for the right to property as a constitutional right. Cleansing legislation from overlapping of competencies and its completion with sub-legal acts.
- Correct and timely implementation of the law “On the Review of Ownership Titles.”
- Increased level of institutional cooperation among all central and local institutions that produce, use, and administer ownership documents.

- Maximal elimination of personal contact of the interested persons with the windows of the central and/or local administration for documents that go from one institution to another. Institutions possessing the necessary documents on the origin of property, on the issuance of ownership titles, on objects' exploitation permits, etc., should communicate institutionally between them.
- Greater efficiency and accountability of institutions by taking upon themselves the administrative resolution of all conflicts. (Only the indispensable cases should be forward to the courts for resolution)
- Restructuring of the Central Office for Property Registration and the Local Offices subordinate to it for greater efficiency.
- COIPR and LOIPRs should identify, within a short period (a deadline established by a COM Decision) all cases of overlaps and conflicts with properties as well as all unregistered or blocked constructions, due to ownership conflicts.
- Identify and register all state-owned properties in as short a period as possible (established by a COM Decision).
- The Government should encourage and support the conclusion in as short a period as possible of the initial registration process by the COIPR.
- The COIPR and LOIPRs should increase the degree of their transparency and control in the process of cleansing properties of overlaps.
- The NPA should identify all privatizations that include conflicts among land owners and object owners.
- The PRCA and the LOPRC at counties should identify all cases of properties that contain conflicts.
- The courts should identify pending cases with conflicts of ownership.
- Increased level of community awareness about the importance of civic participation in territory administration and management.
- Corruption may only be fought by building a system capable of resisting to temptation as the identification of individual responsibility will not be enough.

## CONCLUSION OF THE REPORT

The novelty of the report is no longer the discovery of the presence of corrupt phenomena accompanying the process for obtaining documents on the origin of properties, the fixing and/or falsification of documents, ensuring ownership titles, their registration with IPROs and in their development processes as these are evident and well known by now. What the study claims to offer as new is the fact that the absence of a system established to control and fight against the appearance of corruptive tendencies, a sustainable system for identifying and registering properties, will continue to nourish chaos with properties, which is an impediment to legitimate transactions and sustainable economic development. The system already is not only incapable and unable to make its contribution to

this end, but, on the contrary, it has perfected behavior as a function of abuse and profit.

When we say 'system,' we need to clarify that it does not only indicate state institutions or structures, but even other groups of economic, professional, and community interest groups.

The actors act separately and in the absence of coordination with each other, functioning in isolated spaces, closely dependent on the interests of the next senior official, or the interests of the political or economic group they represent.

One of the groups with a high level of interest involvement is that of the construction business. For the sake of truth, and pitifully, we may say that we still do not expect from this group a tendency of awareness in favor of improving the situation, which, for the moment, in their view, would represent a conflict of interest. We find the group of legitimate owners of lands inherited through generations increasingly at the doors of institutions and courts, where they spend entire years of their lives. It is regretful that part of these owners has not managed to obtain documents on their properties, let alone enjoy them.

The power of their voice is increasingly frail, but it should not be obstructed and conditioned by the weight of factual power on decision making.

Arable lands, redistributed through law no. 7501, on the basis of the principle "Land goes to the farmer," are no longer being used for agricultural purposes, thus having a negative influence on the entire economy of the country. The new owners of arable lands, particularly in the touristic areas, have the tendency to alter the destination of these lands, transforming them into construction sites. The alteration of destination of arable lands necessitates the support of the state, which, for the most part, has not been lacking. This was a good moment when the state, with all of its instruments, could have intervened to check this situation with a view to creating a social and economic balance, between the new owners of lands and their old owners. This was an opportune moment when the state could have eased the major burden of compensation it has taken upon itself.

What remains is an objective combination of information with a view to correctly understanding the situation and whether it will be possible to have any influence on its improvement.