



The Creation of an Immovable Property Registration System in Albania

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Purposes of IPRS

- Provide public and legally valid evidence of ownership and of other interests in all immovable properties
 - Legal security for owners
 - Identification of true owners for potential buyers, investors
 - Information about properties: market values, dynamism of market (rate of transactions), ownership of land (for development projects)



Why?

- *Investments* encouraged--housing, businesses. If people feel secure in ownership, they will invest for future gains
- *Economic growth* encouraged--with dynamic land markets, people can easily shift accumulated capital to greater opportunities for gains
- *Infrastructure* investments--improved management

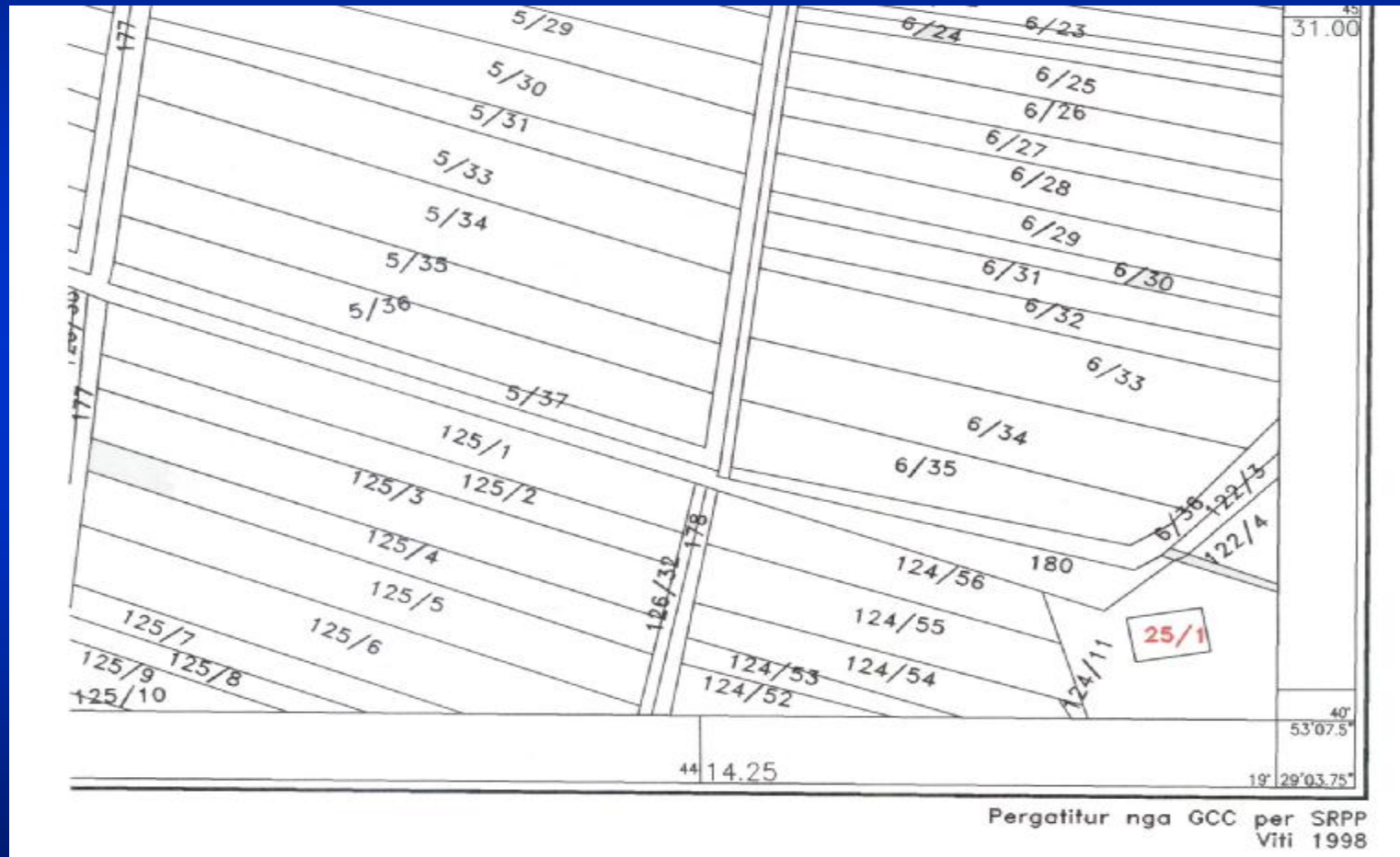


From 1994, Immovable Property Registration System Being Created in Albania

- Property-Based (Parcel-Based)
- Integrated System
 - Cadaster (Maps)
 - Legal Rights
- Public and Private Land, Apartments
- Rural and Urban
- Open, accessible to Public



Example of Index Map



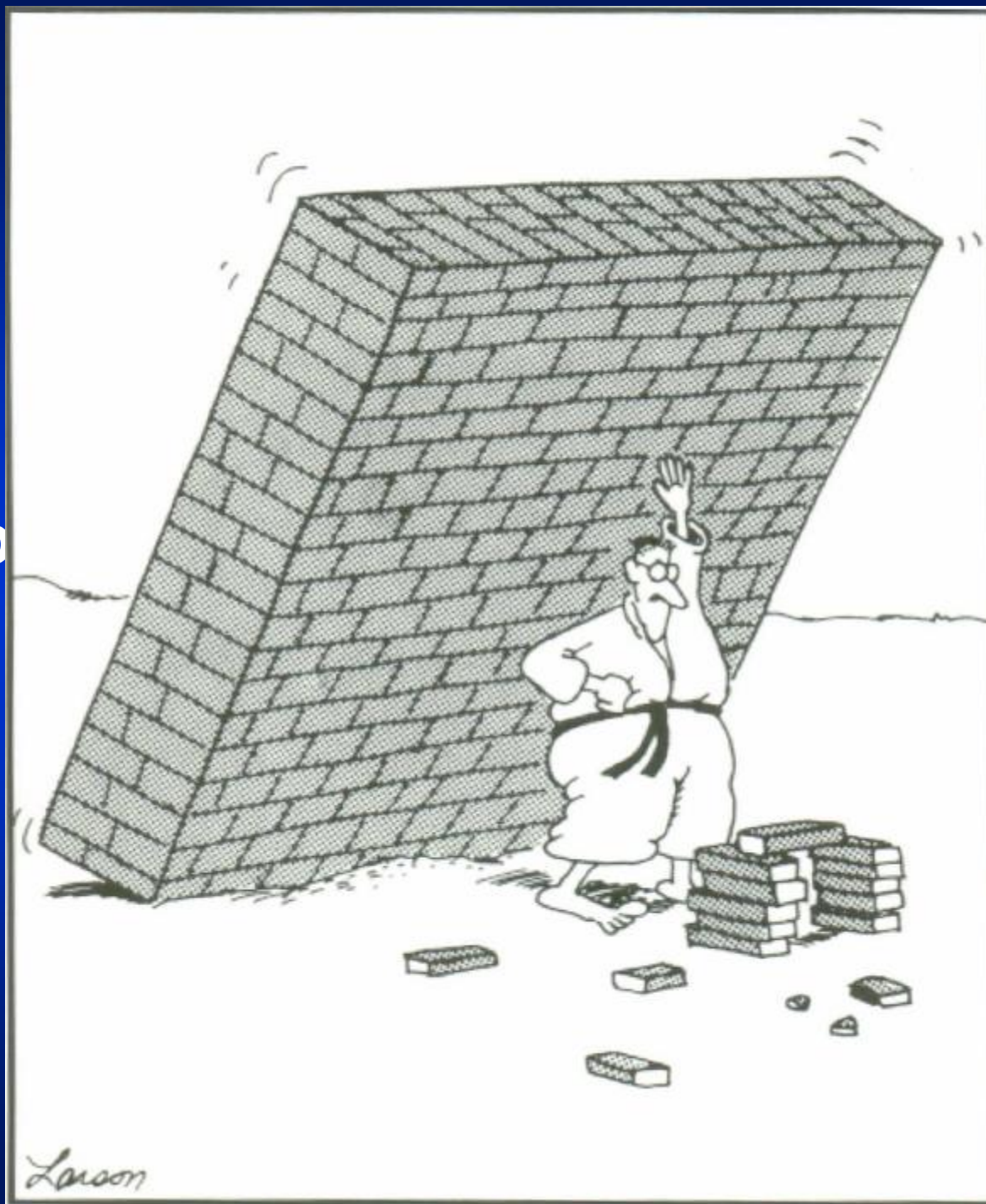
Goals for Ideal IPRS

- **Mirror**--Information in IPRS “copies reality”
- **Curtain**--Information on register is complete, no need to investigate behind that curtain
- **Certainty**--If information is incorrect, damages people suffer will be compensated
- **Accessibility**--General public has easy access to IPRS information
- **Comprehensive**--All properties in IPRS





Co



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Problems with IPRS Offices

- Minimal training of staff and low professional standards
- Some staff charge “facilitation fees” to register transactions
- Opposition to initial registration “projects”
- Passive Notaries--do not investigate behind the “curtain” for valid chain of title



More Problems...

- Initial registration projects, foreign donor funded, generate **digital** information, which is not used or updated in Registration Offices.
Wasted investment
- Increasing degeneration of paper records-- especially maps
- “COSTS” of access to IPRS (fees, time, distance) produce unregistered transactions



Situation in Albanian IPRS

- Distorted “mirror”--much information in IPRS false or outdated
- No “certainty”-- since no compensation fund or procedures exist
- No “curtain”-- inaccuracies exist, and require pushing aside curtain, but no one pushes
- “Accessibility” limited by “fees”, extortion of bribes, resistance to IT
- Not “comprehensive”, since not all properties are in the new system (in Albania 50%), informal sales



Encourage Registrars and staff to serve the public:

- *Elect* Registrars every two years--make them accountable to the public for their actions
- Require Registration Offices to be *self funded* from fees--efficient processing of transactions
- Establish *Supervisory Boards* for Central and Zone Registration Offices--members represent professions whose incomes depend on efficient IPRS (brokers, appraisers, surveyors, notaries, land use planners, bankers, etc.). Power to investigate and discipline Registrars and staff.



Crucial Function: Trust

- How to maintain the unique role of land registration as an impartial process which has to operate free from conflicts of interests.
- How to develop a reputation for dealing equally and professionally with the land and property interests of all citizens, commercial enterprises, financial institutions, and government.



Executive Agency?

- In business of delivering services to the public, as distinct from pure policy and advisory activities.
- Clear objectives and specific targets set by the appropriate Minister in conjunction with Finance.
- Professionalism (training, monitoring, pay, security)



Executive Agency: Flexibility and Accountability

- Greater freedom introduced for Agency to establish their own pay and grading regimes, and to generate capital investment funds.
- Executive Agency headed by a Chief Executive accountable directly to a Minister but operating at ‘arms length’.
- Board of Directors



Or A Local Records Administration Model?

- Registration of real estate transactions--one function
- Others include registration of births, deaths, marriages, divorce
- Also copying of documents
- And property tax collections, based on “index” parcel maps, photos, to describe location and size of parcels
- Local responsibility for the disbursement of revenues collected from registration fees and property taxes: local schools, infrastructure repair.
- Local interest in accurate, complete land and personal records



Are Registrar/Cadaster Staff doing enough?

- *As professionals, many are poorly trained and not motivated to be concerned with professional duties.*
- *As citizens who are custodians of vitally important land records, these professionals must become concerned with larger social issues.*



Competing demands

Conflicting definitions of property rights emerge where there are rapid population movements and growth, conflicts, urbanization, distorted expansion of market economies, feeble democratization, water shortages, and land degradation

Programs to deal with these problems often focus on only a single element in the puzzle



Three imperatives...

- Where market oriented economies are weak or emerging, one imperative is:

s Make exercise of land rights more secure

- Where land and water resources are being degraded, a second imperative is:

*s Improve environmental management
and protection*



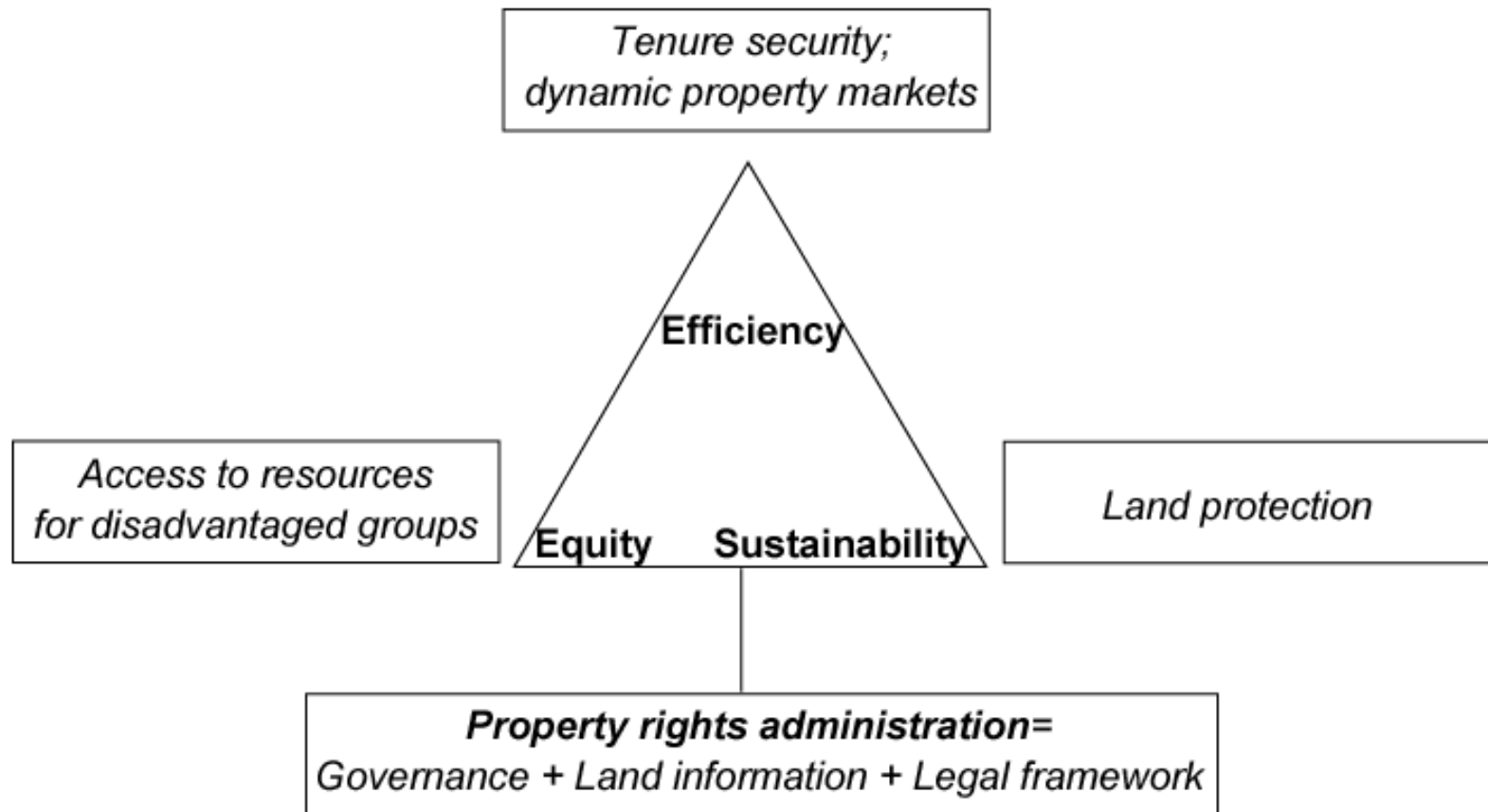
...three imperatives

- Where a large gap exists between rich and poor, one ethnic group and another, or patriarchal social structures and those desiring greater gender equity, a third imperative is:

*S Improve access to land by
disadvantaged groups*



Triangle of property rights imperatives in land administration



Finding a new equilibrium

- Develop **human capital**: people capable of understanding and dealing with complex and regionally different property rights issues
- Create a **long term strategy**: research, training, public consensus building, and implementation of specific projects managing property rights issues



Developing “Human Capital”

- **Collaborative relationships** among organizations in countries--action agencies and training entities to build the capacity to govern, to manage property rights issues
- **Develop new generations of experts** capable of dealing with complex property rights issues
- **Systematically improve applied knowledge**





THANK YOU

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