



**Organization for Security and Co-operation in Europe
OSCE Presence in Albania**

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**Commentary on the draft law
“On Recognition, Restitution and Compensation of Property”
presented to the Assembly of the Republic of Albania
by OSCE lead Technical Expert Group on 27 October 2003**

This Commentary has been prepared by OSCE experts.

History

The issues of restitution and compensation of property continue to have negative impacts on the social, political and economic life in Albania. In particular, the issues have hindered the development of a vibrant land market, a basic element of a democratic society and market oriented economy. Due to the many disputes over ownership and other real rights to property that arise from restitution claims, there is no secure tenure or clear title to property. Without clear and secure title, it will be difficult to attract the necessary national and foreign investment needed in Albania.

The involvement of the OSCE Presence in Albania in producing the current draft is based on the initiative of political leaders, with the full support of the international community. In spring 2003, the Assembly requested OSCE assistance in drafting an integrated law, based on the two pending draft laws submitted by the Council of Ministers and Mr. Mediu/Çako. In June, the OSCE assembled a Technical Expert Group (TEG) comprised of Albanian and foreign legal and property experts, including experts nominated by the three main political parties. The final product reflects the efforts of the TEG after compiling and analysing available data related to property ownership and restitution claims, holding hearings with various interest groups and two months of intensive discussion and debate on the issues.

Methodology

The draft law presented by the OSCE Technical Expert Group (TEG) attempts to integrate the main provisions from the two drafts presented to the Assembly by the Council of Ministers and Mr. Mediu/Çako. However, a complete integration was not possible due to the extreme difference in opinion on two main issues. These two issues relate to Constitutional interpretation and consequently, the TEG decided to provide options that reflect the interpretations. In addition, new issues were discussed and added to the draft law.

On a more basic level the TEG worked under the philosophy that a new law on restitution and compensation must balance the need to correct the injustices that have resulted from actions in the past with the need to move forward decisively toward the future in support of the economy and social stability.

The following commentary will briefly review the provisions of the draft law, explain in detail the options for the two Constitutional interpretations and provide an overview of the arguments that support the TEG drafting decisions.

Effect of the European Convention on Human Rights

(The following excerpt regarding the obligations Albania has under the European Convention on Human Rights is taken from a report prepared for the World Bank and the OSCE Presence in Albania by the Centre on Housing Rights and Evictions (COHRE) in June, 2002. The OSCE supports the views outlined below.)

“Under general international law, there is no obligation on the part of the Albanian government to provide reparation for historic takings (apart, perhaps, from obligations which may be owed to other states or their nationals), and as such, the project may be constructed on a more or less discretionary basis. Despite the discretion enjoyed by the government as to the scope and level of restitution/compensation to be provided, it is evident, nevertheless, that whatever scheme is proposed, it should conform to the terms of Albania’s current international obligations, particularly as regards the European Convention on Human Rights (ECHR).

Whatever eventual restitution/compensation process is pursued by the Government, it must be consistent with both the domestic law, as well as the international treaties binding on the country. This would apply, in particular to the ECHR. Although the ECHR is not directly relevant to the original expropriation of land and property in Albania (due to the facts that the Convention was not in force at the time that most expropriations took place, and that Albania was not a State party to the ECHR at the time) Albania is, however, bound to comply with the ECHR starting from the date on which it entered into force for the country until the present. As such, the ECHR has direct relevance to Albania as from 2 October 1996. It is proposed that any approach to the resolution of the restitution/compensation issue will need to be fully consistent with the norms of the ECHR and the jurisprudence developed by the European Court and (former) Commission on Human Rights. Tackling the many complex issues associated with restitution/compensation through a reliance on the ECHR provides a clear, consistent, unbiased, non-political, independent and legal basis on which to determine the appropriateness of any response by the Government of Albania.

The ECHR contains several articles directly relevant to the case at hand, but most central are articles 8 and article 1 of Protocol One. These read as follows:

Art. 8: Everyone has the right to respect for his private and family life, his home and his correspondence.

Art. 1, Protocol One: (1) Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

(2) The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

The European Court on Human Rights has developed a large amount of consistent case law concerning these two articles, and this jurisprudence provides a valuable source of legal clarity with respect to restitution/compensation. It may be useful to briefly outline some basic principles established by the Court prior to developing a more comprehensive proposal for addressing restitution/compensation issues.

The Margin of Appreciation

States parties to the ECHR are accorded a considerable ‘margin of appreciation’ or discretion with respect to the manner by which they implement and enforce the provisions of the Convention. The tendency of the Court has been to accord the state a wide margin of appreciation, particularly where complex and difficult issues are at stake.¹ The European Court has repeatedly held that States enjoy a wide margin of appreciation in economic and social fields, particularly in relation to housing policy². Thus, in *James V. UK*, the elimination of a social injustice by leasehold reform legislation constituted a legitimate aim, even if it substantially interfered with existing property entitlements. The method of reform was not regarded as inappropriate or disproportionate. As such, the Government of Albania enjoys a large measure of discretion as to how it chooses to resolve the restitution/compensation issue, as long as it ensures that whatever approach is taken is fully consistent with the ECHR as a whole.

No Right to Restitution

In what is perhaps the most important point with respect to the relevance of the ECHR to the question of the return of property, it is clear that under the ECHR **there is no absolute right, under Article 1 of Protocol One, to the restitution of possessions.**³ In addition, according to the Court, ‘possessions’ do not include the hope of recognition of a former property right that has not been susceptible to effective exercise for a long period of time.⁴ As such, the Government of Albania is not legally required to secure universal restitution rights.

No Right to Acquire Possessions

Article 1 of Protocol One protects only a person’s existing possessions and does not guarantee the right to acquire possessions.⁵ As such, the Government of Albania is under no

¹ *Sporrong & Lonnroth v. Sweden* (1982) Series A No. 52; 5 EHRR 35, ECtHR.

² *Mellacher v. Austria* (1989) Series A No. 169; 12 EHRR 391, ECtHR.

³ See: *Jonas v. Czech Republic* App 23063/93, E ComHR; *Nohejl v. Czech Republic*, App No. 23889, EurComHR).

⁴ See: *Panikian v. Bulgaria*, App No. 29583/96 EComHR and *Potocka v. Poland* App No. 33776/96 ECtHR).

⁵ *Marckx v. Belgium* (1979)

obligation to ensure that people have a right to acquire possessions or necessarily to acquire their former possessions.

What is a Home with Respect to Article 8?

In order for the terms of Article 8 of the ECHR to be applicable, it is necessary for the person to have lived in the property⁶; it is not sufficient for a person to show ownership of certain property, with the ultimate intention of residing there.⁷ As such, Article 8 would only be of direct relevance when the people concerned actually lived on the property in question. In fact, far from protecting rights of ownership in housing, article 8 may actually prioritize instead the rights of current occupants, and whether or not that occupation has some legal recognition.

The Fair Balance Doctrine

The *fair balance doctrine* stipulates that in determining the compatibility of a certain act by a State with regard to land and property issues, any interference in the exercise of these rights must strike a *fair balance* between the aim sought to be achieved and the nature of the act. In determining the existence of *fair balance*, the European human rights bodies have noted there had been a violation of Article 1 of Protocol No. 1 (the right to the peaceful enjoyment of possessions) when no fair balance had been struck between the interest of protecting the right to property and the demands of the general interest as a result of the length of expropriation proceedings, the difficulties encountered by the applicants to obtain full payment of the compensation awarded and the deterioration of the plots eventually returned to them.⁸ The key question is whether the interference achieves a fair balance between the rights of the victim and the general interest, which involves proportionality.⁹ As such, in resolving the restitution/compensation issue, the Government of Albania must ensure that a fair balance is struck between the resolving the claims of former owners and the general interest of the nation as a whole.

An Independent Tribunal

It is equally incumbent upon Albania to ensure *inter alia* that the process of determining entitlements under existing legislation is fully consistent with the requirements of article 6 of the ECHR that asserts that claimants should have access to an independent and impartial tribunal that determines their claims in a speedy and effective manner. As such, renewed efforts must be taken by the Government to ensure the impartiality and independence of the judicial process, and to ensure that judicial and other administrative decisions (such as those taken by the restitution and compensations commissions) are implemented in a timely fashion.”

6 *Potocka v Poland* (App No 33776/96, ECtHR)

7 *Gillow v. UK* (1984) 7 EHRR 292, para 116, ECtHR.

8 *Zubani v. Italy* (European Court on Human Rights, Judgment 7 August 1996).

9 *Sporrong & Lonnroth v. Sweden* (1982) Series A No. 52; 5 EHRR 35, ECtHR.

Commentary

Article 1 **Object of the Law**

The object of this law is:

- a. the just regulation, according to the criteria of Article 41 of the Constitution, of the issues of property rights that have arisen from expropriation, nationalisation or confiscation;*
- b. the recognition, restitution, and where according to this law restitution of property is impossible, compensation;*
- c. the procedures for accomplishing restitution and compensation of property and the administrative bodies charged with its completion.*

Article 1 sets forth the main objectives of the law; to fulfill the requirements of the Constitution regarding property that was taken from expropriated subjects, to restitute or compensate the property and to outline the procedures for restitution and compensation. These objectives are Constitutional requirements enumerated in Article 181.

Article 2 **Right to Property**

- 1. Every expropriated subject enjoys the right to request the recognition of the property right, in compliance with this law, if the property has been taken by the state according to legal acts, sub-legal acts, criminal court decisions or in any other unjust form since 29.11.1944, and has the right to ask for restitution or compensation of the property.*
- 2. The expropriation, or the limitations equal to it, made by the state in implementation of the laws provided in Annex 1 of this law, are considered expropriation in the public interest, and this law recognizes and provides for just compensation to expropriated subjects.*

Article 2 sets forth the main principles regarding the right to property; in point 1 expropriated subjects can request recognition, restitution and compensation for property taken from them since 1944 as long as the necessary state documentation exists. This provision is for property taken under the former regime prior to 1991. Point 2 states that a series of post-1991 privatization legislation, listed in Annex 1, should be considered expropriations and just compensation shall be provided to the expropriated subjects.

Article 3 **Definitions**

For implementation of this law, the following terms have these meanings:

- a. “**Compensation**” – means just remuneration, according to the market value of the property at the moment this remuneration is recognised, in cash or in other items*

- recognised to the expropriated subject in return for the property expropriated, confiscated or dispossessed unjustly from him in any other manner.*
- b. **“Property”** - means an immovable item as defined in the Civil Code.
 - c. **“Expropriated Subject”** - means natural or juridical persons or their heirs whose property was nationalized, expropriated or confiscated according to legal and sub-legal acts and criminal court decisions according to paragraph 1 of Article 1 of this law.
 - d. **“Alienation”** - means the transfer of ownership or other real rights from one natural or juridical person to another.
 - e. **“Building site”** - means land that is located inside the border line of inhabited zones at the moment this law enters into force.

Article 3 sets forth the definitions that are relevant to this draft. Specifically, ‘compensation’ will be calculated based on the market value at the moment the valuation is made. The use of the market value was imposed by the Constitutional Court, at least with regard to compensating third parties, under Decision 12, dated 21.03.2000. However, no further guidance has been given by the court on how to determine market value. Under Law 8561, (dated 22.12.1999), *On Expropriations and Temporary Takings of Private Property in the Public Interest* the market value is calculated by taking the average purchase price for like property from the District Immovable Property Registration Office where the property is located. It is important to note that the two components ‘market value’ and ‘the moment the valuation is made’ mean that the price of compensation is going to be very high.¹⁰ No country in Europe, including Germany, has granted compensation at the full current market value. In most cases a total monetary limit was set on compensation, the property value was calculated at the moment of expropriation rather than the current market value or some other coefficient for valuation was used. The cost of monetary compensation may be prohibitively high when compared with the current state budget capacity.

‘Property’ means immovable property only as described in the Civil Code. (See Article 5 for more detailed discussion). Also, the term ex-owner has been replaced with the term ‘expropriated subject’ and the concept includes his/her heirs. The term ex-owner as used in the existing law has always been politically charged and disputed by interest groups and the term ‘owner’ is not clear enough in relation to (new) owners who have gained rights to property under post-1991 legislation. Thus, a clear and complete term has been introduced in this draft.

Article 4 **Exclusions to this Law**

Provisions of this law are not applicable for:

- a. *property gained as result of implementation of Law nr.108, dated 29.08.1945 “On Agrarian Reform”, with later changes.*
- b. *expropriation made against a just compensation and used for a public interest.*
- c. *property donated to the state for which official documents or related publications exist.*
- d. *property nationalised or confiscated for the implementation of Law nr. 37, dated 13.01.1945 “On extraordinary taxation”.*

¹⁰ Please refer to Annex A for an analysis of costs.

Article 4 provides for four exclusions to the draft law. Letter a excludes those persons who benefited from Law 108 “On Agrarian Reform” because the state would have to pay compensation twice for the same parcel of land: once to the original owner from 1944 and again for the ‘new’ owner who benefited from Law 108. The state should only have to compensate the original (1944) owner. Letter b covers expropriations that conform with the current Constitutional requirements. Once the state meets the requirements of ‘*in the public interest*’ and ‘*just compensation*’ a person’s right to the property is extinguished. A person’s right is also extinguished if the property was donated as set forth in Letter c. Finally, letter d refers to Constitutional Court Decision 16, dated 17.04.2000 where the court determined that people who were subject to Law 37 could not benefit from Law 7698, dated 15.04.1993 *On Restitution and Compensation of Property to Ex-Owners*.

Article 5 **Movable Property**

Option 1:

The recognition, restitution and compensation of movable property will be done with a separate law.

Option 2*:

1. *The right of ownership to movable objects is recognized to expropriated subjects when it is certified with documents, invoices, judicial decisions, state confiscation documents etc., that the state has unjustly taken these items.*
2. *In cases when the state has transferred the above mentioned items, including valuable objects, to third parties or has preserved them in its own bank account etc., they are restituted to the expropriated subject, whereas the third parties are compensated by the state. For objects that do not exist anymore, as well as for the stock of nationalized animals, the expropriated subject is compensated. For money and precious coins, the expropriated subject is compensated according to banking practices.*

** (If this option is adopted, then the definition of “property” in Article 3 of this law should be reviewed)*

In Article 5 two options have been provided. The Civil Code states that property is both immovable and movable. The options reflect two different opinions on how and when to regulate the two types of property. Article 181 of the Constitution states:

*“Within two to three years from the effective date of this Constitution, the Assembly enacts laws for **the just regulation of the various matters related to expropriations and confiscation** that took place before the approval of this Constitution, guided by the criteria of article 41...”*

The debate is whether to include provisions for movable property in the current draft law or regulate movable property with a separate law. Option 1 reflects the opinion that considering the lack of data on confiscated moveable property, a lack of discussion on the issue prior to the drafting of this law and the need to quickly pass the provisions on immovable property,

the issue of movable property should be covered under a separate law. There is concern from the advocates of this option that debates on the issue of movable property will prevent the passage of the provisions related to immovable property. Option 2 reflects the opinion that the current draft must cover all property. There is concern from the advocates of this option that the issue of movable will never be dealt with at all if it is not dealt with in this draft. As a practical matter, the time allotted to the Technical Expert Group to complete the draft law was very short and it would have been very difficult to fully address the issue of movable property.

Article 6 **Recognition of the Right to Ownership and Restitution of Property**

Ownership to property is recognized and property is restituted without limitation to all expropriated subjects except for the cases when it is defined differently in this law.

Article 6 sets forth the general principle of restitution; property can be restituted without limitation, except in those cases defined in the law. This principle extends some rights of expropriated subjects, for example, there is no longer a 10,000 m² limit on restitution of urban land as defined in the existing law. Thus, expropriated subjects who have received decisions that limit restitution to 10,000 m² can now request restitution of the excess amount rather than receiving compensation.

Exceptions to the general principle of restitution without limitation are set forth in Articles 4, 5 and 6. However, for Article 5 movable property, the issue will be regulated but within the context of a different law.

Article 7 **Property not Subject to Restitution**

1. *Property is not restituted that:*
 - a. *is used to fulfill obligations of the Albanian State that are a result of treaties and conventions to which our state is a party;*
 - b. *has projects or investments on a national or local scale in the field of transportation of any kind, of energy, of telecommunications, of water works of any kind and other investments in the public interest;*
 - c. *serves for the preservation of the environment, health, culture and public education or pre-school education;*
 - d. *serves in the field of national defense;*
 - e. *is special cultural and historical property as defined according to the legislation in force;*
 - f. **Option I** – *has been divided according to the legal acts set forth in Annex 1 of this law.*
Option II – *delete point f; consequently point 2 of Article 2 should be deleted as well.*
2. *Property mentioned in point 1 of this article is compensated according to the rules defined in this law.*

In Article 7 (1) (f) two options have been provided. The options reflect two different interpretations of Articles 181 and 41 of the Constitution, specifically in reference to the post 1991 privatization laws listed in Annex 1. Article 41 of the Constitution states:

*“The right of private property is guaranteed.
... The law may provide for expropriations or limitations in the exercise of a property right **only for public interests.**
The expropriations or limitations of a property right that are equivalent to expropriation **are permitted only against fair compensation...**”*

Using these Constitutional guidelines, it is necessary to review the actions taken by the state. In particular, there are two laws which are contentious; Law 7501, *On Land* and Law 7665, *“On development of zones that have priority in the development of tourism”*. With regard to Law 7501, the first interpretation is that after 1990, the state distributed agricultural land to the workers of the co-operatives and state farms because *it was in the public interest*, considering the population demographics at the time, the need to rapidly improve agricultural sector production etc. The issue then centers around ‘fair compensation’, and it is the compensation provisions in the current integrated draft law that will fulfil this requirement. The second interpretation is that the state did not have the right to distribute land under Law 7501 and must therefore abrogate the law and return the land to the former owners. These two arguments should be discussed in the Parliamentary Committees and plenary sessions. Ultimately, the issue may need to be addressed by the Constitutional Court once the law is passed.

Article 8 Building Site

1. *When a building site is alienated to third parties and there are no permanent legal buildings, it is restituted to the expropriated subjects, whereas the state will return to the third parties the compensation according to the market value.*
2. *When, on the building site of an expropriated subject, the state or third parties have made substantial investments in conformity with legislation in force, which are valued according to the market value at the moment the right to the property is recognized to the expropriated subject, the following is implemented:*
 - a. *When the value of the investment is up to one hundred per cent of the value of the building site, the property is restituted to the expropriated subject, after the latter pays for the investment.*
 - b. *When the value of the investment is more than one hundred per cent of the value of the building site, the state or third parties retain ownership and the expropriated subject receives compensation according to this law.*

Article 8 regulates urban land defined as building sites. According to point 1, if no investment has been made to the property then it will be restituted to the expropriated subject, even if it was transferred by the state to a third party. This case is an exception to the general rule that property that has been privatized according to post-1991 privatization legislation should be compensated rather than restituted. However, since there have been no investments to the property the exception will not harm economic development. The state should

encourage the best economic use of urban property and idle land can be restituted to the expropriated subject and developed as he/she thinks best.

Point 2 is a more difficult case to address and it is necessary to review some facts and history concerning the provision in the existing law. First, there is a Constitutional Court case which supports the argument that property should either be restituted in whole to the expropriated subjects or left in the ownership of the third party.¹¹ The Constitutional Court determined that imposing co-ownership between a person that purchased a shop from the state and the ex-owner of the land

“...is in conflict with the Constitutional norms that recognize, protect and guarantee the fundamental right to private property because in each case co-ownership, in part or in whole, is created based on free will and the agreement between each party and not in an obligatory manner imposed by the state and forced by law...Legislative or executive powers cannot transfer ownership or co-ownership, in this case to ex-owners, of property that does not belong to the state but to other private subjects. (Not including cases of expropriation in the public interest and under the conditions previously mentioned.)...”

Thus, imposing co-ownership on rival claimants to a property is not ‘created based on free will and the agreement between each party’. Also, forcing two parties in dispute over property to reach an agreement on purchase, sale or rental of the property is unrealistic and allows the state to remove itself from responsibility for solving the problem.

Thus, the current draft sets a threshold level of investment to an urban property (100%) over which the property cannot be restituted but rather, the expropriated subject will receive compensation. There is some concern surrounding the valuation process and the room for corruption. However, the risk of corruption can be reduced through clear sub-legal acts, guidelines and strong institutional oversight. The goal should be a fair and transparent process.

It is important to note that the provision specifically requires that a building is legal and permanent, thereby excluding possessors of illegal buildings from profiting from this law.

Article 9 Housing

- 1. When there are lessees in housing that is owned by expropriated subjects, they continue to live in that housing until the state finds housing according to points 2 and 3 of this article.*
- 2. The state shall within two years from the date of entry into force of this law secure housing with the same surface area for the lessees who live in the housing owned by the expropriated subjects or shall secure low interest loans for them. The value of the rent for this two-year period is defined by a Council of Ministers decision. After the two-year period the state shall pay to the expropriated subjects the value of the rent on behalf of the lessees according to the market value.*

¹¹ Constitutional Court Decision nr. 4, dated 08.04.1994, *Fletorja Zyrtare*, 1994, vol. 5, p. 284.

3. *If during this time the owner finds other housing for the lessee within the same location and with a surface area equal to the housing standards at the moment this law enters into force, but no more than is actually possessed, the lessee is obliged to move from the housing. With the termination of the time limit defined in point 2 of this article, if housing has not been secured, the state pays the value of the rent on behalf of the lessee.*

Article 9 addresses the specific issue of tenants who still live in housing that has been restituted to expropriated subjects. There are approximately 3,500¹² families that live in old villas, paying far below market value rent to the restituted owners.

Also, experience shows that the State has been unable or unwilling to find suitable alternative housing. A mechanism and time line to provide this housing has been specified. If no solution is achieved within two years, then the state will be responsible for paying rent on behalf of the occupants. Making the state responsible should provide an incentive to find alternative housing for the current occupants although it will put an additional financial burden on the state.

Article 10 ***Property not Used for a Public Purpose***

When an expropriation was done in the public interest but the immovable property is not used for this purpose, it is restituted to the expropriated subject while the expropriated subject returns to the state the remuneration received.

In accordance with the principles set forth in the Constitution, expropriations can be done only in the public interest. If the property is no longer used for the public interest, then it should be eligible for restitution. This provision will help those expropriated subjects who claim that the state is refusing to restitute property even though it is not used for public purposes.

Article 11 ***Forms of Compensation***

1. *For property mentioned in Article 7, the state compensates the expropriated subjects as follows:*
 - a. *With other property of the same type in state ownership.*
 - b. *With other property of any type of equal value in state ownership.*
 - c. *With shares in companies with state capital with a value equal to the property.*
 - d. *With the value of objects that are subject to the process of privatisation.*
 - e. *With tax credits as specified in respective finance laws.*
 - f. *With money.*
2. *The expropriated subject submits a written request, addressed to the Local Commission on Restitution and Compensation of Property, for the form of*

¹² Data received by the 'Property through Justice' Association

compensation to be given. Within thirty days from receipt of the request, the commission, through a reasoned decision, decides to accept or reject the request and offers the expropriated subject another form of compensation according to the definitions set forth in point 1 of this article. The expropriated subject has the right to appeal to the court against the Commission's decision not later than thirty days from the announcement of the decision.

Article 11, which sets forth the types of compensation, is one of the most important articles of the draft. The failure of the past governments to complete the compensation process is one of the main reasons that the issue remains so contentious. It is imperative for the government to fulfil its obligations regarding compensation so that claims to property can be extinguished and clear title can be issued. Secure tenure rights are an important component of economic development.

The forms of compensation are standard with Letter e as a new addition. Point e allows for the state to grant exclusions or credits to certain types of taxes paid by citizens. Rather than receiving monetary compensation directly, expropriated subjects would be exempt from paying taxes up to the compensation value. The Assembly should discuss what types of taxes are eligible for exemption so as not to put a burden on local government revenues, for example exemption from payment of local property taxes.

The issue of who decides which form of compensation is difficult to settle. The expropriated subjects should have as much input as possible in the decision but at the same time there are only limited amounts of property remaining and there has to be a mechanism for the state to use all resources for compensation before having to use the final solution of monetary compensation. Point 2 attempts to balance the rights of expropriated subjects to request a particular form of compensation with the ability of the state to honor that request.

Article 12 ***Location of Physical Compensation***

Physical compensation according to Article 11 is done within the same administrative-territorial unit (within the village, commune, municipality, district, region) or in the nearest administrative-territorial unit.

Article 12 sets forth the principle that physical compensation should be done as close to the original property as possible. This principle should help facilitate the valuation as well as the restitution and compensation process. The value of property within an administrative unit should generally be similar and easy to compare and calculate. At the same time, highly desirable property, such as that located on the coastline which can be used for compensation, is limited and should be reserved for those who originally lived in the area. There will be a few districts such as Tirana and Durrës where physical compensation within the same area may not be possible but these are exceptions to the rule and need not disrupt the principle.

Article 13
Valuation

1. *For the valuation of property that will be compensated, the Local Commission for the Restitution and Compensation of Property establishes an independent expert group. In case the establishment of the expert group is not possible, the Commission can appoint as experts other experienced and specially qualified persons in the fields of law, economics or engineering that is related to the process of restitution and compensation of property.*
2. *For the valuation of immovable property that is to be compensated, the expert group takes into account the initial value, amortization, purpose, location of the object as well as the indexes of the market and currency price.*
3. *In carrying out its activities no member of the state bodies for the process of restitution and compensation of property or no expert group shall be subject to any conflict of interest provided in the Code of Administrative Procedure.*

Article 13 sets forth the guidelines for valuation. It is important that the valuation process be open, transparent and fair, thus, the draft law provides for an independent group of experts. Although the principle for valuation is ‘current market value’ the method for determining that value in Albania, where the property market is still developing, is difficult. Therefore, the draft law sets forth some factors to take into consideration during the valuation process. However, it will be important to have a standard set of guidelines for valuation experts to follow during the process and the procedures should be set out in detail in sub-legal acts.

Article 14
Right of First Refusal (Right of First Purchase)

1. *For property occupied by state objects, expropriated subjects have the right of first refusal for these objects when they are privatised.*
2. *The expropriated subjects shall have the right to waive their right of first refusal and receive compensation based on Article 11.*

Article 14 sets forth the right of expropriated subjects to have a priority right to purchase an object built on their former property once the state decides to privatize it. The right already exists in the current law. Unfortunately, the right to priority purchase has not always been respected or there are claims that the state is simply holding onto property that should be privatized. Therefore, the current draft allows expropriated subjects to waive their priority right in return for compensation. The right to priority purchase will be waived in lieu of compensation for the land. In order to ensure implementation of this article, sub-legal acts should clarify the procedures for ensuring that the priority right is respected. For example, the right should also be registered in the IPRO on the appropriate Registration *Kartela* for each affected property so that the state does not privatize the property to a third party.

Article 15
State Committee for Restitution and Compensation of Property

1. *The State Committee for Restitution and Compensation of Property is created for the implementation of this law. The State Committee is made up of five members who are appointed by the Assembly. One member is proposed by the President of the Republic, two members are proposed by the parliamentary majority and two members are proposed by the parliamentary opposition. The member proposed by the President is the Chairperson of the State Committee for Restitution and Compensation of Property.*
2. *A member of the State Committee for Restitution and Compensation of Property can be any Albanian citizen who:*
 - a. *has a bachelors degree as a lawyer, economist or in the engineering field related to the process of restitution and compensation of property;*
 - b. *has a minimum of ten years of work experience in the profession;*
 - c. *enjoys a good reputation and professional capabilities in their field;*
 - d. *is not a member of a steering body of any political party;*
 - e. *has not been found guilty by final court decision of committing a crime;*
 - f. *has not had a disciplinary measure taken against him if he has been working in public administration;*
 - g. *has full capacity to act.*
3. *Membership in the State Committee for Restitution and Compensation of Property is incompatible with any other state or political activity.*
4. *The salary for the members of the State Committee for Restitution and Compensation of Property is equal to the salary of a deputy minister while that of the chairperson is ten percent higher than the salary of the other members.*

Article 15 sets forth the national committee that will oversee the restitution and compensation process. The national committee is the first of two levels of state bodies set up to implement the new law. The national level directs and monitors the restitution and compensation process while the local commissions are responsible for processing the claims and issuing decisions. The current draft places responsibility for nomination of members with the Assembly. The change is meant to provide for a more fair, stable and independent governing body that will have a wide public acceptance.

Article 16
Competencies of the State Committee for Restitution and Compensation of Property

1. *The State Committee for Restitution and Compensation of Property has the following competencies:*
 - a. *examines and makes decisions for appeals against the decisions of the Local Commissions for Restitution and Compensation of Property related to procedural issues in the implementation of the law or in issuing decisions, except for the case provided in Article 19 of this law,*
 - b. *makes decisions to unify the practices for the process of restitution and compensation of property, on the basis of and for the implementation of the law.*

- c. *nominates and discharges the chairpersons and members of the Local Commissions for Restitution and Compensation of Property.*
 - d. *monitors the implementation of this law by the Local Commissions for Restitution and Compensation of Property.*
 - e. *approves the draft-budget, organizational structure, organizational chart and salary for the administration of the State Committee, Local Commissions and their administration.*
 - f. *collects and analyzes data for the process of restitution and compensation of property and reports to the Assembly at least once per year or as many times as the Assembly or its permanent commissions require.*
 - g. *approves the Regulation for the Organization and Functioning for the Committee itself and for the Local Commissions for Restitution and Compensation of Property.*
 - h. *defines, in co-operation with the Ministry of Finance, the fees for services that will be paid by the expropriated subjects for the process of restitution and compensation of property.*
 - i. *defines by a decision the methods for co-operation between Local Commissions when the property that is to be recognized, restituted or compensated is located in two or more Local Commission jurisdictions.*
 - j. *defines the manner for replacement of experts or members of the Local Commissions in cases when they are subject to legal restrictions for the exercise of their duty.*
2. *For the understanding of this law, the term “procedural issue” means:*
- a. *the cases when the Local Commission for Restitution and Compensation of Property has violated the provisions that regulate its jurisdiction and competencies;*
 - b. *a decision is issued based on incomplete documentation and verifications;*
 - c. *when the necessary documentation, on the basis of which recognition, restitution and compensation of property is made, has not been requested.*

Article 16 sets forth the main competencies of the State Committee. The competencies have been expanded from those currently granted to the national level commission under the existing law. The draft law gives the State Committee the general oversight of the restitution process. It also gives the additional right of case review for procedural issues and, in some cases, for making substantive decisions. (See Article 20 for further discussion on appeals)

Article 17

Local Commissions for Restitution and Compensation of Property

- 1. *Local Commissions for Restitution and Compensation of Property are created and function where Immovable Property Registration Offices function. The competencies of each Commission stretch throughout the territory covered by the respective Immovable Property Registration Office.*
- 2. *Local Commissions for Restitution and Compensation of Property are made up of five members who are proposed by the Prefect of the Region and approved by the State Committee for Restitution and Compensation of Property.*
- 3. *A member of the Local Commission for Restitution and Compensation of Property can be any the Albanian citizen who:*

- a. *has a bachelors degree as a lawyer, economist, agronomist or in the engineering field related to the process of restitution and compensation of property;*
 - b. *has not been found guilty by final court decision for committing a crime;*
 - c. *has a minimum of seven years of work experience in the profession;*
 - d. *has not had a disciplinary measure taken against him if he has been working in public administration;*
 - e. *has full capacity to act.*
4. *Membership in the Local Committee for Restitution and Compensation of Property is incompatible with any other state or political activity.*

Article 17 creates the Local Commissions, the main body that will adjudicate restitution and compensation claims. The requirements and prohibitions for commission members were drafted in order to ensure that qualified professionals make the decisions and that, to the greatest extent possible, politics are kept out of process. Local Commissions will be set up in the same administrative zones where Immovable Property Registration Offices (IPRO) are located. There are currently 35 IPROs throughout Albania, generally on a district level. It is important to have close co-operation with IPROs since Local Commissions will have to use information from the IPRO Registration Index Maps and legal registers in order to adjudicate claims and once a decision has been issued, the new information will have to be registered.

Article 18
Competencies of the Local Commissions for Restitution and Compensation of Property

1. *Local Commissions for Restitution and Compensation of Property have the following competencies:*
 - a. *verify the truth of documents submitted by expropriated subjects and compare them with legal acts, sub-legal acts and criminal court decisions, according to Article 2 of this law, that were the basis for the expropriation, nationalization or confiscation of property.*
 - b. *verify or determine the financial obligations of the state to the expropriated subjects or third parties as defined in this law.*
 - c. *nominate experts who help the Commission with technical issues during the process of restitution and compensation of property*
 - d. *confirm the ownership right to expropriated subjects, issuing the respective documentation for the recognition, the size and method of restitution or compensation according to the model set forth by the State Committee for Restitution and Compensation of Property.*
 - e. *order institutions that administer state or public property to submit documents or data which they consider necessary.*
 - f. *define cases that do not profit from this law, in accordance with the law and on the basis of documentation.*
2. *Decisions from the Local Commissions for Restitution and Compensation of Property shall be in writing, made during its meetings, contain reasoning and include other requirements foreseen in the Code of Administrative Procedure.*
3. *While defining property restitution and compensation, the Local Commissions base their work on a written certificate from the Immovable Property Registration*

Office regarding the legal status of the property that will be restituted or the legal status of the property with which the expropriated subject will be compensated. The request to the Immovable Property Registration Office is addressed by the chairperson of the Local Commission in writing before the Commission makes a decision. The Immovable Property Registration Office shall issue a written response within five working days from submission of the request and the written response shall be deposited in the respective file.

4. *According to this law, at the end of the term for appeals, the Commissions shall send an original copy of their decisions for the recognition, restitution and compensation of property to the Immovable Property Registration Office.*

Article 18 sets forth the competencies of the Local Commissions and the procedures to be used in adjudicating claims. The draft introduces the mandatory relationship with the IPRO and the procedures to be used for requesting and using IPRO information. As stated above, it is imperative that the Local Commissions work closely with the IPRO in order to gather all cartographic and legal information on the claimant's property and thereby avoid issuing decisions that will overlap with previous privatizations or cause further property disputes.

Article 19 ***Time Limits***

1. *Expropriated subjects must submit any new requests to gain rights foreseen in this law within two years from the date of entry into force of this law.*
2. *Local Commissions for Restitution and Compensation of Property retribute or compensate property within three months from submission of the request. In cases when, within this term, it is impossible for these Commissions to decide with a reasoned decision, they can postpone the time period for issuing a decision but not for a period of more than one month.*
3. *In cases when the Local Commissions do not issue a decision within the period defined in point 2 of this article, the State Committee for Restitution and Compensation of Property makes the decision within one month upon the termination of the time period mentioned in point 2 of this article.*

Article 19 sets forth several time limits. First, expropriated subjects have two years to file claims. Since the restitution and compensation process has been ongoing for over ten years, an additional two years is sufficient time within which to file any outstanding claims. It is important for the issue to be concluded as quickly as possible in order to support the property market and, more generally, the economic development in Albania. As long as there is a cloud on title to property and the possibility that further claims can be made against ownership interests or other real rights, it will be difficult to attract the kind of investment, both foreign and domestic, that Albania needs.

A time limit has also been set for the Local Commissions to issue decisions. The limit is three months but can be extended for a further month if a valid reason exists. If the Local Commissions do not issue a decision within this time limit, the file will be transferred to the State Committee for adjudication.

Article 20
Appeals

1. *Expropriated subjects are entitled to appeal to the State Committee for Restitution and Compensation of Property against a decision of the Local Commission related to the procedural issues set forth in Article 16, within the limits and manners provided in the Code of Administrative Procedure.*
2. *The State Committee for Restitution and Compensation of Property shall issue a decision for the appeal within thirty days from the moment the complaint is filed, leaving it in force or returning the case for review to the Local Commission for Restitution and Compensation of Property.*
3. *For issues other than procedural mentioned in Article 16, the expropriated subject is entitled to appeal the decision of the Local Commission to the court within thirty days from the day the decision is made. In case the court decides that the appeal is related to the procedural issues according to Article 16, it transfers the appeal to the State Committee and the time period from which to consider the request starts from the day the appeal is received from the court.*

Article 20 sets forth the procedures and deadlines for the appeals process. This draft has added the requirement of an administrative appeal rather than parties having to go directly to court, as is the case with the existing law. An internal appeals process should help improve the work of the Commissions, allow for corrections of procedural errors and minor mistakes in the decisions. An administrative appeal is also better than the formal court process because it expedites the time required for expropriated subjects to receive an answer to their appeals and has a lower cost for the claimants.. However, claimants still retain the right to appeal to the court, but only after the internal appeals process is completed. The internal appeals process conforms to the basic principles set forth in the Code of Administrative Procedure.

Article 21
Establishment and Functioning of Commissions

1. *Subjects provided in Article 15, within thirty days from entry into force of this law, must submit to the Assembly the candidates for members of the State Committee for Restitution and Compensation of Property. The Assembly nominates the members of the State Committee within thirty days after the name for each candidate is given.*
2. *The State Committee for Restitution and Compensation of Property, within thirty days of its appointment, appoints the members of the Local Commissions for Restitution and Compensation of Property. Within sixty days from the date this law enters into force, the Council of Ministers takes measures and secures the budget and office space for the State Committee and Local Commissions for Restitution and Compensation of Property. Expropriated subjects can begin to present their requests for the recognition, restitution and compensation of property law beginning on __ / __ / 2004.*

Article 21 sets forth the requirements and time limits for establishing the State Committee and the Local Commissions. Within sixty days from the date of entry into force of the law, the infrastructure for adjudicating claims should be in place. Although the time allowed is short, the process cannot wait. The fact that the candidates are approved by the Assembly helps to ensure that the nomination process is independent, transparent and public. It also allows for a diverse set of candidates to be nominated and can even include representatives from the various interest groups.

Article 22 **Previous Decisions**

1. *In case the files submitted to the Local Commissions for Restitution and Compensation of Property, opened according to Law nr. 7698, dated 15.4.1993 "On restitution and compensation of property to the former owners", contain the necessary documentation for verification of the property to be gained from this law, the expropriated subject submits only a written request for recognition, restitution and compensation of the remaining part of the property. Decisions that were issued based on Law nr. 7699, dated 21.04.1993 "On compensation in value or with sites to ex-owners of agricultural land, pastures, meadows, forestry land and forests" which have not been implemented, are considered valid as to the recognition of the property rights, and the Local Commission defines whether restitution or compensation of the property is possible.*
2. *The process of restitution and compensation re-starts in the manner, form and conditions set forth in this law.*

Article 22 helps to determine to what extent past decisions from the Restitution and Compensation Commissions will be considered valid. The provision was included to help expropriated subjects receive a rapid resolution for their claims. In general, it will not be necessary for expropriated subjects to resubmit their documents. The recognition phase of the process is still valid and decisions should be reviewed only for the additional restitution claims or compensation.

Article 23 **Fund of Compensation**

1. *Starting from 2004 and for a subsequent period of ten years the Assembly, at the proposal of the Council of Ministers, appoints a special compensation fund in the state budget, administered by the State Committee for Restitution and Compensation of Property for monetary compensation to expropriated subjects. For the period from the recognition of the property right to receiving compensation in cash, the expropriated subject is also entitled to receive the bank interest rate calculated according to the annual average rate issued by the Bank of Albania.*
2. *Based on the Local Commission or court decisions, and by its own order, the State Committee uses the fund to complete monetary compensation to expropriated subjects.*

Article 23 sets forth the requirement for establishment of the Compensation Fund. In order to completely resolve the issue of compensation, the government must provide a source of funding for monetary compensation. The concept is based on what some Eastern European countries did to resolve compensation claims. The idea is that a sum of money is set aside in the budget each year, to be used only for monetary compensation purposes as determined by the State Committee.

Article 24
Termination of the process

The process of recognition, restitution and compensation of immovable property ends on 31.12.2006, except for the completion of payments for compensation, which will end within the term defined in Article 23 of this law.

Article 24 sets forth the time limit for completion of the restitution process. Considering that the State and Local Bodies will be set up quickly, as set forth in Article 21, three years should be sufficient time to issue decisions on restitution. However, due to budget constraints, the state will be given ten years to complete monetary compensation according to Article 23.

Article 25
Keeping documentation

The documentation for the process of recognition, restitution and compensation of property is kept according to the legislation on archives. Upon the termination of the process according to Article 24 this documentation is submitted to the Central State Archive.

Article 25 sets forth the standards for archiving restitution and compensation documents. The documents produced by the State and Local Bodies are valuable and should be preserved. The relevant legislative base for archives is Law 7726 (dated 29.06.1993), *On National Archive Fund and Archives*.

Article 26
Auditing

An economic and financial audit of the State Commission for Restitution and Compensation of Property and of the Local Commissions is conducted by the High State Auditor at least once every eight months. Audit results are always made public.

Article 26 sets forth the requirement for annual audits. Since compensation is the largest and most important remaining component for resolving the property problem, audits are necessary to monitor the process and ensure transparency, especially when compensation payments begin.

Article 27
Abrogation

Law nr. 7698, dated 15. 04. 1993 “On restitution and compensation of property to the former owners”, with subsequent amendments, Law nr. 7699, dated 21.04.1993 “On

compensation in value or with building sites of agricultural land, pastures, meadows, forestry land and forests to former owners”, Decree nr. 1254, dated 19.10.1995 “On compensation of the former owners of agricultural land, non-agricultural land and occupied construction sites with sites in tourist lands and in the inhabited zones” and Article 10 of Law nr. 8030, dated 15. 11. 1995 “On the State Contribution for unsheltered households”, and any other provision which is in violation with this law is abrogated.

Article 28 Entrance in Force

This law enters in force on __ / __ / 2004.

**Speaker
Servet Pëllumbi**

ANNEX 1

1. Law nr. 7501, dated 19.07.1991 “On land”
2. Law nr. 7512, dated 10.08.1991 “On sanctioning and protecting private property and free initiative, private independent activities and privatization”
3. Decree of the President of the Republic nr. 378, dated 2.12.1992 “On giving working studios to painters and sculptors”
4. Law nr. 7652, dated 23.12.1992 “On privatization of state housing”
5. Law nr. 7665, dated 21.01.1993 “On devepoment of zones that have priority in the development of tourism”
6. Law nr. 7698, dated 15.04.1993 “On restitution and compensation of property to former owners”
7. Law nr. 7980, dated 27.07.1995 “On buying and selling building sites”
8. Law nr. 8053, dated 21.12.1995 “On granting ownership of agricultural land without compensation”
9. Law nr. 8312, dated 26.03.1998 “On undivided agricultural land”
10. Law nr. 8405, dated 17.09.1998 “On urban planning”

Annex 1 sets forth the main laws that have been issued after 1991 for the privatization of property. According to Article 7 (1) (f) any property that has been privatized based on one of these laws is not subject to restitution, rather the expropriated subject will receive compensation based on Article 11. The laws that granted private ownership of property are included in this list as well as one law under which property remains in state ownership, Law nr. 8312, dated 26.03.1998 “On undivided agricultural land”. Law nr. 8312 has been included because even though a property may not be divided, it will remain in state ownership and may be used for physical restitution purposes.

Explanation for Attached Tables

The figures on the following table reflect an analysis of data given to the OSCE from various government sources. The table attempts to calculate the cost of monetary compensation that would have to be paid to expropriated subjects for agricultural land by the Government of Albania if no other forms of physical compensation are used. The numbers and the analysis are only approximate and are given to illustrate the practical ramifications of valuation according to the provisions of the current draft law. The analysis is based on the following:

1. The area of agricultural land to be compensated is taken from data supplied by the Restitution and Compensation Commission. Note that there may be claims for compensation that have not yet been filed with the Commission.
2. The price per ha. (market value) was calculated based on the compensation prices paid for agricultural land that have been expropriated under Law 8561, (dated 22.12.1999), *On Expropriations and Temporary Takings of Private Property in the Public Interest* and VKM 138 (dated March 23, 2000), *On The Technical Criteria for Valuation and Computation of the Amount of Compensation for Private Property Expropriated for a Public Interest, Property that is Devalued and The Rights Of Third Persons*. The market value is calculated by taking the average purchase price for like property from the District Immovable Property Registration Office where the property is located from 2000-2003. The prices published in the *Fletorja Zyrtare* are listed per/m². This analysis has adjusted the prices to reflect the price per/ha.

It is important to note that the two components ‘market value’ and ‘the moment the valuation is made’ mean that the price of compensation is going to be very high. It is also clear that the prices being paid for expropriation by the Albanian Government are extraordinarily high. As a reference, agricultural land near Vienna, Austria sells for approximately US \$ 10,000/ ha. and agricultural land in the USA sells for \$6,000-10,000/ha. The calculation for agricultural land in Albania, based on the criteria set forth in Point 2 above, results in prices that range from US \$ 26,000- \$103,000 / ha.

It is unrealistic to think that Albania will be able to pay this amount of money or even to pay a portion of that amount based on the very high price/ha. No country in Europe, including Germany, granted compensation at the full current market value for property taken under former regimes.

Some options that could be used to adjust the prices are:

1. Calculate the value of the property at the time of expropriation (i.e. 1944)
2. Set a limit on total amount of cash compensation for a property or a claim (method used by Hungary)
3. Issue a different methodology for calculating compensation other than Council of Ministers Decision 138.

PAYMENT FOR THE AGRICULTURAL LAND TO BE RETURNED AND COMPENSATED - BY REGION
COMPARISON WITH GOVERNMENT FIGURES¹³

REGIONS	DISTRICTS	AGRICULT. LAND lekë/ha	AREA TO BE COMPENSATED ha	TOTAL lekë	KKP VALUE lekë	DIFFERENCE
BERAT	1. BERAT		5.509,22	Average: 27.546.100.000 (\$239.531.304) ¹⁴	874.610.348 (\$7.605.307)	2.6671.489.652 (\$231.925.997)
	2. KUÇOVË					
	3. SKRAPAR	5.000.000 l/ha ¹⁵				
DIBËR	4. DIBËR	5.260.000 l/ha	669,79	Average: 2.833.211.700 (\$24.636.623)	77.803.357 (\$ 676.5.51)	2.755.408.343 (\$ 23.960.072)
	5. BULQIZË	3.200.000 l/ha				
	6. MAT	Average: 4.230.000l/ha				

¹³ Governmental data are received from the Commission on Restitution of Property. See table 3 attached.

¹⁴ Exchange rate is 1 \$ = 115 lekë.

¹⁵ The value of land is based on the value of agricultural land expropriated for public interest according to the publications on the Official Journal from 2000 through 2003. See table 2 attached.

ANNEX A
TABLE 1

REGIONS	DISTRICTS	AGRICULT. LAND lekë/ha	AREA TO BE COMPENSATED ha	TOTAL lekë	KKP VALUE lekë	DIFFERENCE
DURRËS	7. DURRËS	12.000.000 l/ha	882,35	Average: 7.588.210.000 (\$ 65.984.435)	681.396.407 (\$ 5.925.186)	6.906.813.593 (\$ 60.059.249)
	8. KRUIJË	5.200.000 l/ha Average: 8.600.000 l/ha				
ELBASAN	9. ELBASAN	10.620.000 l/ha	1.885,26	Average: 19.437.030.600 (\$ 169.017.657)	217.291.877 (\$ 1.889.495)	19.219.738.723 (\$ 167.128.163)
	10. PEQIN					
	11. GRAMSH					
	12.LIBRAZHD	10.000.000 l/ha Average: 10.310.000 l/ha				

ANNEX A
TABLE 1

REGIONS	DISTRICTS	AGRICULT. LAND lekë/ha	AREA TO BE COMPENSATED ha	TOTAL lekë		KKP VALUE lekë	DIFFERENCE
FIER	13. FIER	3.200.000 l/ha	18.065	Average: 96.647.750.000 (\$ 840.415.217)		2.435.532.730 (\$ 21.178.545)	94.211.917.270 (\$ 819.234.063)
	14. LUSHNJË	7.500.000 l/ha					
	15.MALLAKASTËR	Average: 5.350.000 l/ha					
GJIROKASTËR	16. GJIROKASTËR	7.500.000 l/ha	2.819,68	Average: 20.442.680.000 (\$ 17.7762.435)		267.627.710 (\$ 2.327.197)	20.175.052.290 (\$ 175.435.237)
	17. TEPELENË						
	18. PËRMET	7.000.000 l/ha Average: 7.250.000 l/ha					

ANNEX A
TABLE 1

REGIONS	DISTRICTS	AGRICULT. LAND lekë/ha	AREA TO BE COMPENSATED ha	TOTAL lekë		KKP VALUE lekë	DIFFERENCE
KUKËS	19. KUKËS	6.000.000 l/ha	437,22	Average: 2.514.015.000 (\$ 21.861.000)		100.492.248 (\$ 873.845)	2.413.522.752 (\$ 20.987.154)
	20. HAS						
	21. TROPOJE	5.500.000l/ha Average: 5.750.000 l/ha					
KORÇË	22. KORÇË	9.260.000 l/ha	6.383,71	Average: 53.495.489.800 (\$ 465.178.172)		973.078.929 (\$ 8.461.556)	52.522.410.871 (\$ 456.716.616)
	23. KOLONJE						
	24. DEVOLL	7.500.000					
	25. POGRADEC	8.500.000 l/ha Average: 8.380.000 l/ha					

ANNEX A
TABLE 1

REGIONS	DISTRICTS	AGRICULT. LAND lekë/ha	AREA TO BE COMPENSATED ha	TOTAL lekë		KKP VALUE lekë	DIFFERENCE
LEZHE	26. LEZHE	6.490.000 l/ha	4.027,65	26.139.448.500 (\$ 227.299.552)		476.180.724 (\$ 4.140.702)	25.663.267.758 (\$ 223.158.850)
	27. MIRDITË						
	28. KURBIN						
SHKODËR	29. SHKODËR	9.060.000 l/ha	1.156,62	10.478.977.200 (\$ 91.121.541)		242.861.282 (\$ 2.111.837)	10.236.115.918 (\$ 89.009.704)
	30. MALËSI E MADHE						
	31. PUKË						

ANNEX A
TABLE 1

REGIONS	DISTRICTS	AGRICULT. LAND lekë/ha	AREA TO BE COMPENSATED ha	TOTAL lekë	KKP VALUE lekë	DIFFERENCE
TIRANË	32. TIRANË	12.030.000 l/ha	1.464,25	Average: 17.592.963.750 (\$ 152.982.293)	386.532.827 (\$ 3.361.155)	17.206.430.923 (\$ 149.621.138)
	33. KAVAJË	12.000.000 l/ha Average: 12.015.000 l/ha				
VLORE	34. DELVINË		8.538,13	42.690.650.000 (\$ 371.223.043)	369.133.769 (\$ 3.209.859)	42.321.516.231 (\$ 368.013.185)
	35. SARANDË					
	36. VLORE	5.000.000 l/ha				

PRICE OF EXPROPRIATED AGRICULTURAL LAND - BY REGION
Year 2001-2002-2003

REGIONS	DISTRICTS	AGRIC. LAND lekë/m ²	AVERAGE VALUE OF AGRIC. LAND lekë/m ²	NORMATIVE ACT AND OFFICIAL JOURNAL
BERAT	1. BERAT		500	
	2. KUÇOVË			
	3. SKRAPAR	500 (2003)		VKM 211, dated 28.3.2003, F.Z. 23
DIBËR	4. DIBËR	526 (2001)	475	VKM 686, dated 13.12.2001, FZ 59
	5. BULQIZË	320 (2001)		VKM 610, dated 12.11.2001, FZ 55
	6. MAT			
DURRËS	7. DURRËS	1000 (2001) 1200 (2001) 1600 (2002) 1600 (2003) 1000 (2003) 1500 (2003) 500 (2003)	860	VKM 688, dated 13.12.2001, FZ 59 VKM 382, dated 31.5.2001, FZ 36 VKM 538, dated 24.10.2002, FZ 72 VKM 503, dated 18.7.2003, FZ. 62 VKM 416, dated 19.6.2003 FZ 54
		1.200		
	8. KRUIJË	800 (2000) 500 (2002) 259.1 (2003)		VKM 529, dated 5.10.2000, FZ 32 VKM 488, dated 10.7.2003, FZ 60
		520		

REGIONS	DISTRICTS	AGRIC. LAND lekë/m ²	AVERAGE VALUE OF AGRIC. LAND lekë/m ²	NORMATIVE ACT AND OFFICIAL JOURNAL
ELBASAN	9. ELBASAN	2653 (2002) 1200 (2002) 800 (2002) 500 (2002) 900 (2002) 320 (2003)	1.031	VKM 645, dated 12.12..2002, FZ 83 VKM 395, dated 15.8.2002, FZ 52 VKM 392, dated 15.8.2002, FZ 52 VKM 187, dated 20.3.2003, FZ 20
		1.062		
	10. PEQIN			
	11. GRAMSH			
12. LIBRAZHD	1300 (2002) 700 (2002)	1.000	VKM 395, dated 15.8.2002, FZ 52	
FIER	13. FIER	320 (2001)	535	VKM 627, dated 12.11.2001, FZ 55
	14. LUSHNJË	750 (2001)		VKM 328, dated 17.5.2001, FZ 30
	15.MALLAKASTËR			
GJIROKASTËR	16. GJIROKASTËR	750 (2002)	725	VKM 410, dated 29.8.2002, FZ 54
	17. TEPELENË			
	18. PËRMET	700 (2000) 700 (2001)		700

REGIONS	DISTRICTS	AGRIC. LAND lekë/m ²	AVERAGE VALUE OF AGRIC. LAND lekë/m ²	NORMATIVE ACT AND OFFICIAL JOURNAL
KUKËS	19. KUKËS	600 (2002)	575	VKM 585, dated 22.11.2002, FZ 76
	20. HAS			
	21. TROPOJE	550 (2003)		VKM 565, dated 7.8.2003, FZ 74
KORÇË	22. KORÇË	700 (2000) 1251.4 (2001) 750 (2002) 1000 (2002)	842	VKM 687, dated 13.12.2001, FZ 59 VKM 395, dated 15.8.2002, FZ 52 VKM 644, dated 21.12.2002, FZ 83
		926		
	23. KOLONJE			
	24. DEVOLL	750 (2002)		VKM 295, dated 27.6.2002, FZ 37
	25. POGRADEC	1000 (2002) 700 (2002)		VKM 394, dated 15.8.2002, FZ 52 VKM 530, dated 31.10.2002, FZ 70
850				
LEZHE	26. LEZHE	480 (2001) 600.9 (2001) 913 (2002)	649	VKM 393, dated 15.8.2002, FZ 52 VKM 685, dated 13.12.2001, FZ 59 VKM 329, dated 17.5.2001, FZ 30
		649		
	27. MIRDITË			
	28. KURBIN			

REGIONS	DISTRICTS	AGRIC. LAND lekë/m ²	AVERIGE VALUE OF AGRIC. LAND lekë/m ²	NORMATIVE ACT AND OFFICIAL JOURNAL
SHKODËR	29. SHKODËR	900 (2002) 913 (2002)	906	VKM 393, dated 15.08.2002, FZ 52 VKM 296, dated 27.6.2002, FZ 37
		906		
	30. MALËSI E MADHE			
	31. PUKË			
TIRANË	32. TIRANË	1100 (2000) 600 (2000) 800(2001) 1200 (2001) 1000 (2002) 1820 (2003) 1100 (2003) 2000 (2003)	1.202	VKM 224, dated 5.5.2000, FZ 13 VKM 172, dated 13.4.2000, FZ 14 VKM 689, dated 13.12.2001, FZ 59 VKM 131, dated 15.3.2001, FZ 16 VKM 106, dated 31.3.2002, FZ 14 VKM 477, datë 10.7.2003, FZ 58 VKM 212, dated 28.3.2003, FZ 26 VKM 557, dated 1.8.2003, FZ 74
		1.203		
	33. KAVAJE	1.200 (2001)		VKM 328, dated 17.5.2001, FZ 30
VLORE	34. DELVINË		500	
	35. SARANDË			
	36. VLORE	500 (2003)		Expropriation Request 24, dated 21.7.2003, FZ 60

DATA REFERRING TO LAW 7699
TILL 30 JUNE 2003

- 84%-

No.	Prefecture	File No.	Agric. Land			Forest		Widow		Pasture		Forest Land	
			Number of decision	Surface Area Ha	Value of Surface Area Lekë	Number of decision	Surface Area Ha						
1.	Berat	1387	1263	5509,22	874.610.348	53	2046,37	3	53,00	42	3457,54	1	47,74
2.	Durrës	1011	409	882,35	681.396.407	19	258,77	-	-	11	37,78	4	52,24
3.	Dibër	474	310	669,79	77.803.357	1	0,11	6	3,99	1	125,64	1	5,86
4.	Elbasan	1558	1160	1885,26	217.291.877	10	111,15	3	2,30	73	909,52	6	26,50
5.	Fier	2509	1881	18.065,00	2.435.532.730	145	2.954,07	1	36,00	37	890,50	10	69,61
6.	Lezhë	501	443	4027,65	476.180.724	22	277,47	6	18,27	6	5,93	4	17,91
7.	Shkodër	664	537	1156,62	242.861.282	19	231,04	8	19,25	14	358,90	2	4,95
8.	Korçë	2780	2082	6383,71	973.078.929	131	6373,05	74	182,54	60	8.071,69	6	251,9
9.	Kukës	489	402	437,22	100.492.248	-	-	-	-	1	100,00	-	-
10.	Gjirokastrë	1752	1240	2819,68	267.627.710	56	2394,50	31	62,50	329	18.158,37	1	2,18
11.	Vlorë	2476	1808	8538,13	369.133.769	34	921,60	-	7,80	238	9935,54	-	149,99
12.	Tiranë	1259	1030	1464,25	386.532.827	84	495,60	5	3,58	6	54,50	1	0,70
TOTAL		16.863	12.521	51.838	7.102.542.208	574	16.063	137	397	818	42.008	36	629